the President, for his approval, bills of the House of the following titles:

H. R. 3513. An act to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund; and

H. R. 3767. An act to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 39 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Tuesday, July 22, 1947, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

955. A letter from the Administrator, Office of Temporary Controls, Office of Price Administration, transmitting a report of the Office of Price Administration covering the 2-month period ended May 31, 1947 (H. Doc. No. 410); to the Committee on Banking and Currency and ordered to be printed.

956. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

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. ALLEN of Illinois: Committee on Rules. House Resolution 293. Resolution to authorize the Committee on Ways and Means to continue its investigation and study of internal-revenue laws; without amendment (Rept. No. 1014). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 298. Resolution authorizing the Committee on Agriculture to make studies and investigations into matters relating to agriculture; without amendment (Rept. No. 1015). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 318. Resolution providing for the consideration of H. R. 1341, a bill to authorize the Secretary of the Navy to construct a postgraduate school at Monterey, Calif.; without amendment (Rept. No. 1016). Referred to the House Calendar.

Mr. BRADLEY: Committee on Merchant Marine and Fisheries. House Joint Resolution 245. Joint resolution to authorize employment of aliens on American ships; without amendment (Rept. No. 1017). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 4042. A bill to control the export to foreign countries of gasoline and petroleum products from the United States; with an amendment (Rept. No. 1018). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. S. 1361. An act to amend the United States Housing Act of 1937 so as to permit loans, capital grants, or annual contributions for low-rent-housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs; with amendments (Rept. No. 1019). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4242. A bill to amend the income limitation governing the granting of pension to veterans and death-pension benefits to widows and children of veterans, and for other purposes; with amendments (Rept. No. 1021). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 4301. A bill to amend the act of August 13, 1946, entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property"; to the Committee on Public Works.

By Mr. FERNÓS-ISERN:

H. R. 4302. A bill to compensate certain Puerto Rican citizens of the United States for services rendered the United States in World War I; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H. R. 4303. A bill to provide for a national program of retirement, survivors, and extended disability insurance; to the Committee on Ways and Means.

By Mr. LEWIS:

H. R. 4304. A bill providing for the extension of the time limitations under which patents were issued in the case of persons who served in the military or naval forces of the United States during World War II; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 4305. A bill to increase the pay of post-office employees in the unincorporated territory of Puerto Rico; to the Committee on Post Office and Civil Service.

H. R. 4306. A bill amending the Social Security Act in order to extend to Puerto Rico titles I, IV, and X; to the Committee on Ways and Means.

By Mr. MADDEN:

H. R. 4307. A bill to bring seamen within the provisions of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. ANDREWS of New York:

H. R. 4308. A bill to amend section 1 of the act of July 20, 1942 (56 Stat. 662), as amended, relating to the acceptance of decorations, orders, medals, and emblems by officers and enlisted men of the armed forces of the United States tendered them by governments of cobelligerent nations, neutral nations, or other American Republics; to the Committee on Armed Services.

By Mr. CUNNINGHAM:

H. R. 4309. A bill to amend title III of the Servicemen's Readjustment Act of 1944 (GI bill of rights), pertaining to loans for the purchase or construction of homes, farms, and business property, so as to provide more adequate and effective farm-loan benefits; to the Committee on Veterans' Affairs.

H. R. 4310. A bill to provide that moneys derived from rental or operation of certain temporary housing shall be available for certain expenses, and for other purposes; to the Committee on Banking and Currency.

By Mr. LEMKE:

H. J. Res. 248. Joint resolution reenacting section 75 (title 11, ch. 8, U. S. Code, 1940, as amended), the farmer-debtor provisions of the Bankruptcy Act of 1898, as amended; to the Committee on the Judiciary.

By Mr. TWYMAN:

H. J. Res. 249. Joint resolution to reduce the rate of interest on postal savings by 1 percent per annum; to the Committee on Post Office and Civil Service.

By Mr. KNUTSON:

H. Con. Res. 107. Concurrent resolution authorizing the Committee on Ways and Means to have printed for its use additional copies of the digest of testimony, index to hearings, and each part of the hearings held during the current session relative to tax revision, 1947–48; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AUGUST H. ANDRESEN

H. R. 4311. A bill for the relief of Gold Star Fur Ranch, Inc., of Owatonna, Minn.; to the Committee on the Judiciary.

By Mr. ANDREWS of New York:

H. R. 4312. A bill to authorize the promotion of James Y. Parker, Army serial No. O20712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes; to the Committee on Armed Services.

By Mr. AUCHINCLOSS:

H. R. 4313. A bill to continue in full force and effect patent No. 1,605,697; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 4314. A bill for the relief of the guardian of Porfirio Velazquez; to the Committee on the Judiciary.

H. R. 4315. A bill for the relief of the estate of the late Anastacio Acosta; to the Committee on the Judiciary.

H. R. 4316. A bill for the relief of Gloria Esther Diaz; to the Committee on the Judiciary.

H. R. 4317. A bill for the relief of the estate of Rafael Rebollo; to the Committee on the Judiciary.

H. R. 4318. A bill for the relief of Lilly Velez; to the Committee on the Judiciary.

H. R. 4319. A bill for the relief of the estate of Avelino Rivera; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 4320. A bill for the relief of James R. Turner; to the Committee on the Judiciary.

By Mr. TEAGUE:

H. R. 4321. A bill for the relief of Dr. H. R. Allmon; 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:

761. By Mr. SMITH of Wisconsin: Petition of citizens of Racine, Wis., in the interest of H. R. 2910; to the Committee on the Judiciary.

762. By the SPEAKER: Petition of A. M. Keller 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.

763. Also, petition of Mrs. Leona Nelson 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

TUESDAY, JULY 22, 1947

(Legislative day of Wednesday, July 16, 1947)

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

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Pres-

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byterian Church, Washington, D. C., offered the following prayer:

He that dwelleth in the secret place of the most high shall abide under the shadow of the Almighty.

O Lord God, amid the burning of the noontide heat and the burden of the day, we stand in reverence under the shadow of Thy wing. It is well for us thus to refresh our souls at the beginning of the day, for other hours will be filled with pressing duties and nightfall will find us tired and exhausted. So let our first thought be of Thee, and let our first speech pronounce Thy holy name, and let our first act be to stand in the need of prayer. In gratitude we offer to Thee our consecrated service. Where any deed of ours can help to make this world a better place in which to live, where any word of ours can champion a worthy cause, where any vote of ours can foster the spirit of good will throughout the world, so may we do and speak and vote.

For the sake of the coming of the kingdom. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 21, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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 July 21, 1947, the President had approved and signed the following acts:

S. 880. An act for the relief of Rev. John C. Young; and

S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the following bills of the Senate, each with amendments in which it requested the concurrence of the Senate:

S. 338. An act to amend the Plant Quarantine Act approved August 20, 1912, as amended, by adding thereto a new section; and

S. 1185. An act to provide for the disposal of materials on the public lands of the United States.

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

S. 364. An act to expedite the disposition of Government surplus airports, airport facilities, and equipment, and to insure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes;

S. 682. An act to regulate the interstate transportation of black bass and other game fish, and for other purposes; and

S. 1317. An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

The message further announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 1, 17, 18, 19, 43, 50, and 59 to the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes; insisted upon its amendment to the amendment of the Senate numbered 42 to the bill; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DIRKSEN, Mr. PLUMLEY, Mr. H. CARL ANDERSEN, Mr. HORAN, Mr. PHILLIPS of California, Mr. CANNON, Mr. SHEPPARD, and Mr. WHITTEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 22 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 27 and 34 to the bill and concurred therein, each with an amendment in which it requested the concurrence of the Senate.

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

H.R. 29. An act making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers;

H. R. 72. An act to increase the number of authorized aviation stations operated by the Coast Guard, and for other purposes;

H. R. 452. An act to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders;

H. R. 489. An act for the relief of the city of El Paso, Tex.;

H. R. 669. An act to provide a method of paying all unsettled claims for damages sustained as a result of the explosions at Port Chicago, Calif., on July 17, 1944, in the amounts found to be due by the Secretary of the Navy;

H. R. 739. An act to provide for the protection of veterans and career-service employees in connection with reductions in force in the Federal service;

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments;

H. R. 1049. An act to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota;

H. R. 1113. An act to emancipate United States Indians in certain cases;

H. R. 1238. An act to permit vessels of Canadian registry to transport certain merchandise between Hyder, Alaska, and points in the continental United States;

H. R. 1426. An act to extend veterans' preference benefits to widowed mothers of certain ex-servicemen;

H. R. 1544. An act to provide appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States in World War II;

H. R. 1826. An act making it a petty offense to enter any national-forest land while it is closed to the public;

H. R. 2096. An act to amend section 11 of the act approved June 5, 1942 (56 Stat. 317), relating to Mammoth Cave National Park in the State of Kentucky, and for other purposes;

H. R. 2239. An act to amend section 13 (a) of the Surplus Property Act of 1944, as amended;

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace;

H. R. 2622. An act to authorize loans for Indians, and for other purposes;

H. R. 2645. An act to provide that appointments of United States commissioners for the Isle Royale, Hawaii, Mammoth Cave, and Olympic National Parks shall be made by the United States district courts without the recommendation and approval of the Secretary of the Interior;

H. R. 2776. An act to extend the times for commencing and completing the construction of a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.;

H. R. 2793. An act authorizing an appropriation for the construction, extension, and improvement of a State tuberculosis sanatorium at Galen, Mont., to provide facilities for the treatment of tuberculous Indians in Montana;

H. R. 2867. An act to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest designated as a game sanctuary, and for other purposes;

H. R. 2964. An act providing for the conveyance to the San Antonio Medical Foundation of that portion of the San Antonio Arsenal determined to be surplus to the needs of the War Department;

H. R. 3043. An act to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes;

H. R. 3075. An act to amend the act of July 6, 1945, relating to the classification and compensation of employees of the postal service, so as to provide proper recompense in the form of compensatory time for overtime performed by supervisors;

H. R. 3152. An act to extend certain powers of the President under title III of the Second War Powers Act;

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3243. An act for the relief of Roman Toporow;

H. R. 3315. An act to authorize conversions of certain naval vessels;

H. R. 3325. A bill to enable Osage Indians who served in World War II to obtain loans under the Servicemen's Readjustment Act of 1944, and for other purposes;

H. R. 3326. An act to provide for the granting of certificates of competency to certain members of the Osage Indian Tribe in Oklahoma, and for other purposes;

H. R. 3332. An act creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 3334. An act granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River;

H. R. 3370. An act to direct the Secretary of Agriculture to support the price of milk at not less than 90 percent of parity;

H. R. 3416. An act to provide for the establishment of the Pensacola National Monument;

H. R. 3417. An act to provide for the conveyance to Escambia County, State of Florida, of a portion of Santa Rosa Island which is under the jurisdiction of the War Department;

H. R. 3503. An act to permit the issuance of unrestricted deeds for town-site lands held by Alaska natives, and for other purposes;

H. R. 3619. An act relating to the sale of the Mission Point Lighthouse Reservation, Grand Traverse County, Mich.;

H. R. 3632. An act to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the Unemployment Trust Fund;

H. R. 3703. An act to authorize transfer of surplus real property to the jurisdiction of the Department of the Interior for consolidation of Federal holdings within areas administered by the National Park Service;

H. R. 3735. An act to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes;

H. R. 3738. An act to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945;

H. R. 3834. An act to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes;

H. R. 3862. An act to authorize the Federal Works Administrator to grant and convey to Montgomery County, Pa., a certain parcel of land of the United States in Norristown Borough, Montgomery County, Pa., for the purpose of erecting an additional annex to the present courthouse;

H. R. 3870. An act to authorize certain expenditures from the appropriation of St. Elizabeths Hospital, and for other purposes;

H. R. 3874. An act to authorize the city of Pierre, S. Dak., to transfer Farm Island to the State of South Dakota, and for other purposes;

H. R. 3889. An act to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases;

H. R. 3973. An act relating to the compensation of commissioners for the Territory of Alaska;

H. R. 4010. An act to authorize the Treasury Department and the United States Government Printing Office to furnish, or to procure and furnish, administrative materials, supplies, and equipment to public international organizations on a reimbursable basis;

H. R. 4018. An act authorizing the transfer of certain real property for wildlife, or other purposes;

H. R. 4059. An act to provide for the settlement of certain parts of Alaska by war veterans;

H. R. 4069. An act to terminate certain tax provisions before the end of World War II;

H. R. 4079. An act to amend the Taylor Grazing Act of June 28, 1934 (48 Stat. 1269), as amended June 26, 1936 (49 Stat. 1976);

H. R. 4084. An act to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments;

H. R. 4110. An act to amend title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act);

H. R. 4124. An act to amend the peanut-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended;

H. R. 4169. An act to amend section 401 of the Civil Aeronautics Act of 1938 so as to permit the granting of authority for temporary emergency service of air carriers;

H. R. 4229. An act to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States;

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor;

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; and

H. J. Res. 250. Joint resolution to provide for the appointment of Robert V. Fleming as a member of the Board of Regents of the Smithsonian Institution.

ORDER FOR CONSIDERATION OF THE CALENDAR

Mr. WHITE. Mr. President, I desire to make a brief statement for the information of Senators. It was my thought yesterday that we would call the calendar immediately following the disposition of the concurrent resolution with regard to Reorganization Plan No. 3. That is the present purpose. I now ask unanimous consent that at the conclusion of the consideration of the concurrent resolution having to do with Reorganization Plan No. 3 the Senate proceed to the call of the calendar of unobjected-to bills and that we start at the beginning of the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

MEETINGS OF COMMITTEES DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that the Subcommittee on National Resources of the Committee on Public Lands be permitted to sit today during the session of the Senate.

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

Mr. DONNELL. Mr. President, I ask that that a certain subcommittee of the Committee of Labor and Public Welfare which has under consideration Senate bill 984 may meet during the session of the Senate today.

I also ask that that a certain subcommittee of the Committee on the Judiciary which has under consideration the nomination of Roy W. Harper to be United States district judge in Missouri may sit today during the session of the Senate.

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

THREATENED STRIKE ON THE SOUTHERN PACIFIC LINES

Mr. WILEY. Mr. President, apropos of the remarks made on the floor of the Senate yesterday by the Senator from California [Mr. KNOWLAND] with reference to a threatened strike on the Southern Pacific Lines, I ask unanimous consent to have printed in the RECORD two telegrams I have received regarding that matter.

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

NEW YORK, N. Y., *July 21, 1947.*

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.:

Our Wisconsin members cranberry growers join us in requesting that you urge President Truman to take a firm stand and insist that the locomotive engineers abide by the provisions of the law and accept services of the emergency board appointed.

AMERICAN CRANBERRY EXCHANGE.

MILWAUKEE, WIS., *July 21, 1947.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Brotherhood of Locomotive Engineers have called a strike against the Southern Pacific Lines for tonight. President Truman has appointed an emergency committee to consider their grievances. Will you use your influence and insist that the brotherhood withhold strike action until the emergency committee has an opportunity to act. This very important to all lumber dealers as it will affect lumber shipments from West and veteran housing will be very much delayed as lumber stock in hands of dealers low. Need shipments come in regularly.

BOEHM MADISEN LUMBER CO.

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 communication and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 95)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, amounting to $17,900, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF OFFICE OF PRICE ADMINISTRATION

A letter from the Administrator of the Office of Temporary Controls, transmitting, pursuant to law, the Twenty-second Report of the Office of Price Administration, for the 2-month period ended May 31, 1947 (with an accompanying report); to the Committee on Banking and Currency.

VETERANS' HOUSING—RESOLUTION OF CITY COUNCIL OF PORTLAND, OREG.

Mr. MORSE. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Council of the City of Portland, Oreg., on July 16, 1947, in opposition to Senate

bill 1459, introduced on June 17, 1947, by the Senator from Washington [Mr. CAIN].

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

Resolution 23369

Whereas the Federal temporary housing projects in this area are threatened with extinction by Senate bill 1459, introduced on June 17, 1947, by Senator HARRY CAIN, of Washington; and

Whereas said Federal housing units in this area are at least 50 percent occupied by veterans and their families; and

Whereas a great many of these units are multiple dwellings and therefore not subject to purchase and removal to new sites by veterans; and

Whereas many veterans occupying these housing units are of substandard income and occupy these dwelling units for that reason and are obviously not financially able to purchase said dwellings; and

Whereas such veterans now occupying these units would be without homes after sale and eviction; and

Whereas such units would be purchased by speculators and removed to other areas that would constitute fire hazards and slums, not being subject to public control; and

Whereas it was definitely understood and a part of the plan for these dwellings that they were to be temporary expedients only and were not to be used as permanent dwelling places: Now, therefore, be it

Resolved, That the Council of the City of Portland, Oreg., does hereby memorialize the Congress of the United States not to pass Senate bill 1459, or any other measure effecting the same or a similar purpose as Senate bill 1459; and be it further

Resolved, That the city auditor forthwith send a certified copy of this resolution to the President of the Senate, the Honorable ARTHUR H. VANDENBERG, the Speaker of the House, the Honorable JOSEPH W. MARTIN, JR., and the Members of the Oregon delegation, the Honorable GUY W. CORDON, the Honorable WAYNE MORSE, the Honorable HOMER ANGELL, the Honorable LOWELL STOCKMAN, the Honorable HARRIS ELLSWORTH, and the Honorable WALTER NORBLAD.

Adopted by the Council of the City of Portland, Oreg., this 16th day of July 1947.

WILL GIBSON,
Auditor of the City of Portland.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 29. An act making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on Rules and Administration.

H. R. 72. An act to increase the number of authorized aviation stations operated by the Coast Guard, and for other purposes;

H. R. 1238. An act to permit vessels of Canadian registry to transport certain merchandise between Hyder, Alaska, and points in the continental United States;

H. R. 3043. An act to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes;

H. R. 3152. An act to extend certain powers of the President under title III of the Second War Powers Act;

H. R. 3619. An act relating to the sale of the Mission Point Lighthouse Reservation, Grand Traverse County, Mich.;

H. R. 4018. An act authorizing the transfer of certain real property for wildlife, or other purposes; and

H. R. 4169. An act to amend section 401 of the Civil Aeronautics Act of 1938, so as to permit the granting of authority for temporary emergency service of air carriers; to the Committee on Interstate and Foreign Commerce.

H. R. 452. An act to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders;

H. R. 1826. An act making it a petty offense to enter any national-forest land while it is closed to the public;

H. R. 4110. An act to amend title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act); and

H. R. 4124. An act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

H. R. 489. An act for the relief of the city of El Paso, Tex.;

H. R. 669. An act to provide a method of paying all unsettled claims for damages sustained as a result of the explosions at Port Chicago, Calif., on July 17, 1944, in the amounts found to be due by the Secretary of the Navy;

H. R. 1049. An act to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota; and

H. R. 3243. An act for the relief of Roman Toporow; to the Committee on the Judiciary.

H. R. 739. An act to provide for the protection of veterans and career-service employees in connection with reductions in force in the Federal service;

H. R. 4084. An act to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; and

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Civil Service.

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments;

H. R. 1544. An act to provide appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States in World War II;

H. R. 2964. An act providing for the conveyance to the San Antonio Medical Foundation of that portion of the San Antonio Arsenal determined to be surplus to the needs of the War Department;

H. R. 3315. An act to authorize conversions of certain naval vessels;

H. R. 3417. An act to provide for the conveyance to Escambia County, State of Florida, or a portion of Santa Rosa Island which is under the jurisdiction of the War Department; and

H. R. 3735. An act to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes; to the Committee on Armed Services.

H. R. 1113. An act to emancipate United States Indians in certain cases;

H. R. 1602. An act to stimulate exploration, development, and production from domestic mines by private enterprise, and for other purposes;

H. R. 2096. An act to amend section 11 of the act approved June 5, 1942 (56 Stat. 317), relating to Mammoth Cave National Park in the State of Kentucky, and for other purposes;

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace;

H. R. 2622. An act to authorize loans for Indians, and for other purposes;

H. R. 2645. An act to provide that appointments of United States commissioners for the Isle Royale, Hawaii, Mammoth Cave, and Olympia National Parks shall be made by the United States district courts without the recommendation and approval of the Secretary of the Interior.

H. R. 2793. An act authorizing an appropriation for the construction, extension, and improvement of a State tuberculosis sanatorium at Galen, Mont., to provide facilities for the treatment of tuberculous Indians in Montana;

H. R. 2867. An act to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest designated as a game sanctuary, and for other purposes;

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3325. An act to enable Osage Indians who served in World War II to obtain loans under the Servicemen's Readjustment Act of 1944, and for other purposes;

H. R. 3326. An act to provide for the granting of certificates of competency to certain members of the Osage Indian Tribe in Oklahoma, and for other purposes;

H. R. 3416. An act to provide for the establishment of the Pensacola National Monument;

H. R. 3503. An act to permit the issuance of unrestricted deed for town-site lands held by Alaska natives, and for other purposes;

H. R. 3703. An act to authorize transfer of surplus real property to the jurisdiction of the Department of the Interior for consolidation of Federal holdings within areas administered by the National Park Service;

H. R. 3834. An act to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes;

H. R. 3874. An act to authorize the city of Pierre, S. Dak., to transfer Farm Island to the State of South Dakota, and for other purposes;

H. R. 3973. An act relating to the compensation of commissioners for the Territory of Alaska; and

H. R. 4059. An act to provide for the settlement of certain parts of Alaska by war veterans; to the Committee on Public Lands.

H. R. 1426. An act to extend veterans-preference benefits to widowed mothers of certain ex-servicemen;

H. R. 3075. An act to amend the act of July 6, 1945, relating to the classification and compensation of employees of the postal service, so as to provide proper recompense in the form of compensatory time for overtime performed by supervisors;

H. R. 3334. An act granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River;

H. R. 3738. An act to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; and

H. R. 3862. An act to authorize the Federal Works Administrator to grant and convey to Montgomery County, Pa., a certain parcel of land of the United States in Norristown Borough, Montgomery County, Pa., for the purpose of erecting an additional annex to the present courthouse; to the Committee on Public Works.

H. R. 2239. An act to amend section 13 (a) of the Surplus Property Act of 1944, as amended; to the Committee on Expenditures in the Executive Departments.

H. R. 2776. An act to extend the times for commencing and completing the construction of a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.;

H. R. 3332. An act creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 4010. An act to authorize the Treasury Department and the United States Government Printing Office to furnish, or to procure and furnish, administrative materials, supplies, and equipment to public international organizations on a reimbursable basis;

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor; and

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; to the Committee on Foreign Relations.

H. R. 3370. An act to direct the Secretary of Agriculture to support the price of milk at not less than 90 percent of parity; to the Committee on Banking and Currency.

H. R. 3632. An act to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the Unemployment Trust Fund; and

H. R. 3870. An act to authorize certain expenditures from the appropriation of St. Elizabeths Hospital, and for other purposes; to the Committee on Labor and Public Welfare.

H. R. 3889. An act to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases; and

H. R. 4069. An act to terminate certain tax provisions before the end of World War II; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committtees were submitted:

By Mr. CAIN:

From the Committee on Public Works:

S. 1480. A bill authorizing the conveyance to the State of Delaware of a portion of Pea Patch Island; without amendment (Rept. No. 667).

From the Committee on the District of Columbia:

S. 968. A bill to authorize the Public Utilities Commission of the District of Columbia to limit the number of taxicabs licensed and operated in the District of Columbia, and for other purposes; with amendments (Rept. No. 687);

H. R. 3045. A bill to authorize the Commissioners of the District of Columbia to prescribe the processes and procedures for recording instruments of writing in the Office of the Recorder of Deeds of the District of Columbia, and for other purposes; with amendments (Rept. No. 688); and

S. Res. 154. Resolution authorizing an investigation of housing in the District of Columbia; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

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

S. 1590. A bill to amend the District of Columbia rent control law so as to provide that schools and universities may recover possession of housing accommodations in certain cases; without amendment (Rept. No. 677);

H. R. 2471. A bill to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force; without amendment;

H. R. 3852. A bill to amend the act entitled "An act for the retirement of public school teachers in the District of Columbia," approved August 7, 1946; without amendment; and

H. R. 3978. A bill to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads; without amendment.

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 3997. A bill to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; without amendment (Rept. No. 678); and

H. R. 4043. A bill to change the order of priority for payment out of the German special deposit account, and for other purposes; without amendment (Rept. No. 679).

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

S. 1418. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; without amendment (Rept. No. 680);

S. 1624. A bill granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River; with an amendment (Rept. No. 681); and

H. R. 3146. A bill to amend section 3 of the Flood Control Act approved August 28, 1937, and for other purposes; without amendment (Rept. No. 682).

By Mr. COOPER:

From the Committee on Public Works:

S. 1305. A bill to amend section 24 of the Federal Power Act so as to provide that the States may apply for reservation of portions of power sites released for entry, location, or selection to the States for highway purposes; without amendment (Rept. No. 686);

From the Committee on the District of Columbia:

H. R. 2173. A bill to amend section 7 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended; with amendments; and

H. R. 2659. A bill to establish a program for the rehabilitation of alcoholics, promote temperance, and provide for the medical and scientific treatment of persons found to be alcoholics by the courts of the District of Columbia, and for other purposes; with amendments.

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

S. 609. A bill conferring jurisdiction upon the United States District Court for the Western District of Arkansas to hear, determine, and render judgment upon any claims arising out of the deaths of Norman Ray Pedron and Carl Franklin Morris; without amendment (Rept. No. 668);

S. 1356. A bill providing for the incorporation of the Franco-American War Veterans; without amendment (Rept. No. 669);

S. 1375. A bill to incorporate the Jewish War Veterans of the United States of America; with amendments (Rept. No. 676);

S. 1557. A bill to incorporate the Catholic War Veterans of the United States of America; with amendments (Rept. No. 670);

H. R. 434. A bill for the relief of Lewis H. Rich; without amendment (Rept. No. 671);

H. R. 3361. A bill for the relief of J. Rutledge Alford; without amendment (Rept. No. 672); and

H. R. 3495. A bill for the relief of Andrew C. Extrom and Harry C. Pearson; without amendment (Rept. No. 673).

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

S. 1663. A bill to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress; without amendment (Rept. No. 683).

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

S. 430. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm-loan associations and production-credit associations; without amendment (Rept. No. 666).

By Mr. GURNEY, from the Committee on Armed Services:

H. R. 1544. A bill to provide appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States in World War II; without amendment (Rept. No. 674).

By Mr. VANDENBERG, from the Committee on Foreign Relations:

S. 1678. A bill to provide for the reincorporation of the Institute of Inter-American Affairs, and for other purposes; without amendment (Rept. No. 675);

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriaton therefor; with amendments (Rept. No. 684); and

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; with amendments (Rept. No. 685).

SURVEY OF FINANCIAL RECORDS AND PROCEDURES OF FEDERAL PUBLIC HOUSING AUTHORITY—REPORT OF A COMMITTEE

Mr. AIKEN. Mr. President, from the Committee on Expenditures in the Executive Departments, I ask unanimous consent to submit a report on a survey of the financial records and procedures of the Federal Public Housing Authority, and I submit a report (No. 665) thereon.

This report, of course, is based on a rather lengthy report of the Comptroller General and has been condensed for the benefit of the Members of the Senate. I ask unanimous consent that the report may be printed in the RECORD, as it is an excellent illustration of how a Government agency ought not to be run.

The PRESIDENT pro tempore. Without objection, the report will be received and printed in the RECORD.

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

In accordance with provisions of the Legislative Reorganization Act, the Committee on Expenditures in the Executive Departments makes a detailed review of each audit and financial report submitted by the Comptroller General. When occasion warrants this committee will make a special report to the Senate which will summarize the deficiencies pointed out by the audits and reports and describe the remedial actions to be taken.

This report is of that nature and is on the Federal Public Housing Authority. A report on the survey of financial records and procedures of the Authority was made by Price, Waterhouse & Co., a public accounting firm, of New York City, under contract to the General Accounting Office. The report, as submitted by the Comptroller General, covers the fiscal years 1945 and 1946.

The deficiencies disclosed by the report are so startling that they must be called to the attention of the Senate. In the long record of sins of omission and commission in the accounting field the following may be singled out as most important:

MAJOR ACCOUNTING DEFICIENCIES

1. "Development costs (i. e., cost of housing property) shown on the books of program 7 (war housing), have not been adjusted to reflect certain transfers of properties to and from other Government agencies, nor have they been adjusted, with minor exceptions, in respect of temporary housing sold or demolished, or removed for use in the veterans' housing program (9.2). Neither have certain transfers between programs and between regions been recorded. Significant amounts are involved in the property accounts, the expenditures in all programs having aggregated some $2,000,000,000, of which upward of $75,000,000 represented movable equipment."

2. "While the Accounting Handbook prescribes that losses sustained on abandonment or disposition of housing be charged off, the files indicate that in numerous instances such losses had not been so reflected on the books at June 30, 1946; also numerous balances are carried on the books in respect of preliminary and other costs relating to abandoned projects on which actual construction was not started or, if started, was never completed."

3. "Detailed records showing number of units and related dollar amounts have not been maintained in the Accounting Division with respect to movable equipment (stoves, refrigerators, household furniture and furnishings, etc.) purchased for use in housing projects."

4. "The temporary housing includes the so-called 'trailer program' costing some $25,000,000; originally the trailers were erected on cinder-block foundations and upon discontinuance of nearby war production or other war activities, many of such trailers were vacated by the tenants. Some of the temporary housing has since been removed to other locations for use in the Veterans' housing program (9.2), but for the most part the properties so removed were not written off (or reserved for) on the books of the war-housing program."

5. "Records of receivables, advances, payables (unliquidated obligations) and other personal accounts have not been properly maintained and in some cases it is impossible to determine readily from the books the amounts receivable from individual debtors and the amounts owing to individual creditors."

6. "Adequate accounting records have not been kept for housing properties (constructed by FPHA or transferred from other agencies), movable equipment, furniture, etc., or for inventories of fuel and supplies; neither have adequate records been kept as to construction and other costs incurred."

COMMENTS ON DEFICIENCES

The foregoing deficiencies result, in the aggregate, in a balance sheet totally without integrity. As the survey report properly states, it is impossible for any accountant to draw from the books of the Federal Public Housing Authority a statement reflecting the true financial condition of the Authority. This is a very serious matter, particularly when consideration is given to the fact that the Authority has invested some $2,000,000,000 of the taxpayers' money in the various programs which it has been administering and for which it is accountable. Moreover, this basic accounting defect not only prevents an accurate reflection of the financial affairs of the Authority, but it also distorts such important consolidated reports as are issued from time to time by the United States Treasury Department, notably, the "Annual Report of the Secretary of the Treasury on the State of the Finances."

The survey has disclosed, among other things, that even elementary inventory records have not been maintained and, while some effort appears to have been made insofar as recordation of physical properties is concerned, there has been no effort to maintain any monetary records of such properties. It is shown also that monetary values of losses and abandonments have neither been properly covered by reserves nor written off the books, the result being, of course, an inflation of assets, which is no less serious a defect than an understatement of assets.

The survey has disclosed equally serious deficiency in maintaining adequate accounting records of receivables and payables, and it is stated in the report that in some cases it is impossible to determine, from the books, amounts which are receivable from individual debtors and amounts which are payable to individual creditors. Nothing can be added to this charge, it being sufficient to point out that without a record of payables it would be conceivable for charges to be presented against the Authority for an indefinite time in the future, and it is presumed that the Authority would be helpless to verify the accuracy of such claims.

In support of the charges the following excerpts have been taken from the letter of the Director, Corporation Audits Division, in transmitting the report of Price, Waterhouse & Co. to the Comptroller General:

"The accounting of the Authority was found to be inadequate, inaccurate, and otherwise deficient.

"The situation in which the Authority finds itself is one where the accounting requirements of a great and important undertaking of the Government either were not fully comprehended by the undertaking's managers or were ignored, neglected, or regarded as having a relatively unimportant claim to attention, until the situation became very grave.

"It (the FPHA) is under the general supervision of the National Housing Agency, of course; but this agency appears to be more interested in broad policies of housing and in budgetary matters than in the internal management of the Authority."

RESPONSIBILITY

Poor accounting systems are established by poor executives. Inaccurate and incomplete records are maintained by subordinates when top management is inept.

Both the system and its maintenance were so poor that Price, Waterhouse & Co. could not make an audit, as required by law, but could only make a report. Conditions have been so bad that a period of 2 years must elapse beginning with the first year covered by the accounting firm until the books will be in shape to be audited.

It is submitted that, in any enterprise, top management must:

1. Formulate and follow fiscal policies which will preserve the financial soundness of the enterprise.

2. See that a proper and adequate accounting system is established.

3. Supervise the maintenance of accounts sufficiently to insure accuracy and completeness.

FUTURE ACTION OF THE COMMITTEE

The men responsible for this deplorable situation must be called to account for their stewardship. They must not be allowed to hide behind a divided responsibility and go on to perpetuate their ineptitude on other employers.

Your committee intends to hold hearings, at which time individuals responsible for this mismanagement of public funds and property will be called to account. If the charges made in the report are substantiated by evidence presented at the hearings, the committee intends to exert all its power to see that proper disciplinary measures are taken against those who were responsible and who are still on the Federal pay roll, and it intends to expose those who have left Federal employment.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled bill and joint resolution:

On July 21, 1947:

S. J. Res. 123. Joint resolution to terminate certain emergency and war powers; and

On July 22, 1947:

S. 1508. An act to amend the act entitled "An act to express the intent of the Congress with reference to the regulations of the business of insurance," approved March 9, 1945 (59 Stat. 33).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

David K. E. Bruce, of Virginia, to be Assistant Secretary of Commerce; and

W. A. Ayres, of Kansas, to be a Federal Trade Commissioner for a term of 7 years from September 26, 1947.

By Mr. MILLIKIN, from the Committee on Finance:

Hugh H. Earle, of Salem, Oreg., to be collector of internal revenue for the district of Oregon, in place of James W. Maloney, resigned.

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

Sundry postmasters.

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Warren R. Austin, of Vermont, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Herschel V. Johnson, of North Carolina, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Mrs. Anna Eleanor Roosevelt, of New York, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

John Foster Dulles, of New York, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Charles Fahy, of New Mexico, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York. N. Y., beginning September 16, 1947;

Willard L. Thorp, of Connecticut, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Francis B. Sayre, of the District of Columbia, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Adlai E. Stevenson, of Illinois, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Virginia C. Gildersleeve, of New York, to be an alternate representatives of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Henry S. Villard, of New York, for appointment as a Foreign Service officer of class 1, a consul general, and a secretary in the diplomatic service of the United States;

Morris N. Hughes, of Illinois, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States;

Milton K. Wells, of Oklahoma, now a Foreign Service officer of class 4 and a secretary in the diplomatic service, to be also a consul of the United States; and

Charles E. Bohlen, of Massachusetts, a Foreign Service officer of class 1, to be counselor of the Department of State.

By Mr. GEORGE, from the Committee on Foreign Relations:

John Carter Vincent, of Georgia, a Foreign Service officer of the class of Career Minister, to be Envoy Extraordinary and Minister Plenipotentiary to Switzerland.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. HOLLAND:

S. 1692. A bill for the relief of Ludmila Buresova, alias Buresh; Kristina Buresova, alias Buresh; and Edward Buresh, alias Eduard Bures; to the Committee on the Judiciary.

By Mr. WILEY (by request):

S. 1693. A bill for the relief of Henry Hill (with accompanying papers); to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1694. A bill to amend the act entitled "An act to provide for the acquisition by the United States of certain real property in the District of Columbia," approved August 7, 1946; to the Committee on Armed Services.

By Mr. O'CONOR:

S. 1695. A bill to amend subsection (d) of section 500 of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Banking and Currency.

By Mr. BUTLER (by request):

S. 1696. A bill to amend the act of August 13, 1940 (54 Stat. 784), so as to extend the jurisdiction of the United States District Court, Territory of Hawaii, over Canton and Enderbury Islands; to the Committee on Public Lands.

By Mr. EASTLAND:

S. 1697. A bill for the relief of Henrik Mannerfrid; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 1698. A bill to define the exterior boundary of the Unitah and Ouray Indian Reservation in the State of Utah, and for other purposes; to the Committee on Public Lands.

By Mr. BALDWIN:

S. 1699. A bill for the relief of Danyel Sages; to the Committee on the Judiciary.

By Mr. MORSE:

S. 1700. A bill for the relief of Szoszana Sierdzka; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1701. A bill relating to reemployment rights of persons who were released from Government employment to engage in private employment in support of the war effort; to the Committee on Civil Service.

(Mr. KNOWLAND introduced Senate Joint Resolution 152, to provide for the cancellation of the indebtedness of the Republic of Finland, which was referred to the Committee on Finance, and appears under a separate heading.)

CANCELLATION OF INDEBTEDNESS OF REPUBLIC OF FINLAND

Mr. KNOWLAND. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution to provide for the cancellation of the indebtedness of the Republic of Finland. I merely wish to point out to Members of the Senate that there were two Finnish loans made; one, in 1919, for $3,289,276.98; and one, on June 1, 1920, for $4,992,649.19; making a total loan slightly in excess of $8,281,000.

The Finnish Government has paid, in interest, $6,478,000, and, in principal, $1,375,000; making a total in payments of principal and interest of more than $7,854,000. However, Finland still owes approximately $8,259,000.

Finland is the one country to whom this Nation made post World War I loans which, over the years, has desperately endeavored to maintain its position by paying principal and interest. It seems to me, in the light of the terrific obligation that Finland is now facing, this would be a friendly gesture by the United States to a great people and would encourage them in working out their economic problems.

There being no objection, the joint resolution (S. J. Res. 152) to provide for the cancellation of the indebtedness of the Republic of Finland, was received, read twice by its title, and referred to the Committee on Finance.

Mr. KNOWLAND subsequently said: Mr. President, I should like to ask unanimous consent to have printed immediately following the earlier remarks I made a copy of the joint resolution which I introduced today concerning the subject, also a letter which I received from the Treasury Department, together with the table showing the payments which Finland has made.

There being no objection, the joint resolution, letter, and table were ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 152

Joint resolution to provide for the cancellation of the indebtedness of the Republic of Finland

Be it enacted, etc., That the indebtedness of the Republic of Finland to the United States of America under the agreement between that Republic and the United States of America dated May 1, 1923, is hereby canceled.

SEC. 2. The President is authorized to notify the Republic of Finland of the cancellation of such indebtedness, and to return to the Republic of Finland any bonds or other obligations evidencing such indebtedness.

TREASURY DEPARTMENT,
FISCAL SERVICE,
Washington, July 22, 1947.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR KNOWLAND: Reference is made to a telephone conversation of July 21, 1947, with Mr. Wilson of your office, requesting information concerning the World War I loan to Finland. Information will be given in the sequence in which requested.

1. The date and the amount of the original loan to Finland.

The indebtedness of Finland arose from obligations received by the American Relief Administration for relief supplies furnished under an act of Congress approved February 25, 1919. The principal amounts of such obligations were $3,289,276.98, dated June 30, 1919, and $4,992,649.19 dated June 1, 1920, totaling $8,281,926.17.

2. Total amount of loan paid, showing amount of principal and interest. Dates and amount of installments which have thus far been paid.

Finland has paid a total of $7,854,361.71 on account of its indebtedness, of which $1,375,500.41 has been principal and $6,478,861.30 interest. (See statement enclosed.)

3. What is the balance due and under what terms is such balance payable?

The present amount of indebtedness of Finland, referred to above, is $8,259,270.28, of which $7,624,499.59 represents principal and $634,770.69 interest accrued and postponed under the moratorium agreement of May 23, 1932, and the postponement agreements of May 1, 1941, and October 14, 1943.

Under the funding agreement entered into under date of May 1, 1923, the principal of the debt was to be paid in annual installments due December 15 each year over a 62-year period ending in 1984. Interest was made payable semiannually on unpaid balances on December 15 and June 15 of each year. The rate was 3 percent per annum from December 15, 1922, to December 15, 1932, and 3½ percent thereafter. This agreement was modified by the postponement agreements described in the enclosed extract from the memorandum covering the World War indebtedness of foreign governments to the United States (1917–21).

4. Has Finland ever been late in making payments?

The Government of Finland has not been late in making payments due on its debt.

Very truly yours,

JOSEPH GREENBERG,
Assistant Commissioner of Accounts.

To cover the installment ($235,445.06) due December 16, 1944, Finland tendered to the Treasury funds frozen in this country by foreign funds control. Consideration of this tender resulted in some delay, the installment finally being accepted by the Treasury on February 15, 1945.

Statement showing payments made by Finland on account of its indebtedness to the United States (as of June 13, 1947)

Date	Principal	Interest		Moratorium agreement payments	Total
		Prior to funding	On funded debt		
Mar. 8, 1923		$300,000.00			$300,000.00
May 1, 1923		9,315.27			9,315.27
June 15, 1923			$135,000.00		135,000.00
Dec. 15, 1923	$45,000		135,000.00		180,000.00
June 15, 1924			134,325.00		134,325.00
Dec. 15, 1924	45,000		134,325.00		179,325.00
June 15, 1925			133,650.00		133,650.00
Dec. 15, 1925	47,000		133,650.00		180,650.00
June 15, 1926			132,945.00		132,945.00
Dec. 15, 1926	49,000		132,945.00		181,945.00
June 15, 1927			132,210.00		132,210.00
Dec. 15, 1927	50,000		132,210.00		182,210.00
June 15, 1928			131,460.00		131,460.00
Dec. 15, 1928	52,000		131,460.00		183,460.00
June 15, 1929			130,680.00		130,680.00
Dec. 15, 1929	53,000		130,680.00		183,680.00
June 15, 1930			129,885.00		129,885.00
Dec. 15, 1930	55,000		129,885.00		184,885.00
June 15, 1931			129,060.00		129,060.00
Dec. 15, 1932	58,000		128,235.00		186,235.00
June 15, 1933			148,592.50		148,592.50
Dec. 15, 1933	62,000		148,592.50	$19,030.50	229,623.00
June 15, 1934			147,507.50	19,030.50	166,538.00
Dec. 15, 1934	62,000		147,507.50	19,030.50	228,538.00
June 15, 1935			146,422.50	19,030.50	165,453.00
Dec 15, 1935	65,000		146,422.50	19,030.50	230,453.00
June 15, 1936			145,285.00	19,030.50	164,315.50
Dec. 15, 1936	67,000		145,285.00	19,030.50	231,315.50
June 15, 1937			144,112.50	19,030.50	163,143.00
Dec. 15, 1937	69,000		144,112.50	19,030.50	232,143.00
June 15, 1938			142,905.00	19,030.50	161,935.50
Dec. 15, 1938	71,000		142,905.00	19,030.50	232,935.50
June 15, 1939			141,662.50	19,030.50	160,693.00
Dec. 15, 1939	74,000		141,662.50	19,030.50	234,693.00
June 15, 1940			140,367.50	19,030.50	159,398.00
June 15, 1943			136,220.00	32,725.56	168,945.56
Dec. 15, 1943	84,000		136,220.00	13,695.06	233,915.06
June 15, 1944			134,750.00	13,695.06	148,445.06
Dec. 15, 1944	87,000		134,750.00	13,695.06	235,445.06
June 15, 1945			133,227.50	34,827.24	168,054.74
Dec. 15, 1945	90,000		133,227.50	34,827.24	258,054.74
June 15, 1946			131,652.50	34,827.24	166,479.74
Dec. 15, 1946	93,000		131,652.50	34,827.24	259,479.74
June 13, 1947			130,025.00	34,827.24	164,852.24
Total	1,278,000	309,315.27	5,752,672.50	514,373.94	7,854,361.71

NOTE.—Of the moratorium agreement payments $97,500.41 represents principal and $416,873.53 represents interest.

PROTECTION AGAINST IMPORTATION OF GARBAGE—AMENDMENTS

Mr. KNOWLAND submitted amendments intended to be proposed by him to the bill (H. R. 597) to protect American agriculture, horticulture, livestock, and the public health by prohibiting the unauthorized importation into, or the depositing in the territorial waters of, the United States of garbage derived from products originating outside of the continental United States, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. CAPPER. Mr. President, I wish to call attention to an amendment submitted by me on March 27 to the bill (H. R. 597) to protect American agriculture, horticulture, livestock, and the public health by prohibiting the unauthorized importation into, or the depositing in the territorial waters of, the United States of garbage derived from products originating outside of the continental United States, and for other purposes. It was suggested by Maurice Collins, Acting Administrator of Federal Agency, on behalf of the Public Health Service.

Subsequent to the passage of H. R. 597 by the House of Representatives, the Acting Administrator wrote me to the effect the bill might create some confusion between the administration of its provisions and the administration of the Public Health Service Act, as the latter act gives the Public Health Service authority in the field of garbage disposal as it affects the spread of disease into this country and among the States.

The officials of the Public Health Service and the Department of Agriculture have conferred on this matter and I understand they are in complete agreement as to the administration of H. R. 597 were it to be amended as I have proposed.

In further reference to this amendment, Mr. Collins wrote me under date of March 19 as follows:

> The slight amendment would be adequate, I believe, to preserve the existing authority of the Public Health Service, the agency of the Government given primary responsibility under the quarantine laws to protect the public health and prevent the spread of communicable diseases into this country and among the States. This change would also assure cooperation between the Department of Agriculture and the Public Health Service in the control of diseases conveyed by garbage, a matter of concern to both agencies.

INCORPORATION OF JEWISH WAR VETERANS—AMENDMENT

Mr. DONNELL submitted an amendment intended to be proposed by him to the bill (S. 1375) to incorporate the Jewish War Veterans of the United States of America, which was referred to the Committee on the Judiciary and ordered to be printed.

ATTENDANCE OF MARINE BAND AT AMERICAN LEGION CONVENTION, NEW YORK

Mr. IVES submitted amendments intended to be proposed by him to the bill (S. 1633) to authorize the attendance of the Marine Band at the national convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947; which were ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS OF WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL

Mr. IVES. Mr. President, in accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4002), making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, the following amendment, namely:

On page 8, line 7, before the period, add the following proviso: *"Provided further,* That the existing rivers and harbors project at Fire Island Inlet, New York, as authorized by the act approved August 26, 1937, is hereby modified in accordance with reports of the division engineer dated May 16, 1947, subject to final approval by the Board of Engineers for Rivers and Harbors and the Chief of Engineers."

Mr. IVES also submitted an amendment intended to be proposed by him to House bill 4002, the War Department Civil Functions Appropriations bill, 1948, which was referred to the Committee on Appropriations and ordered to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. GURNEY. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, the following amendments, namely:

Page 5, line 22, after the word "aircraft", strike out the following: *"Provided further,* That no appropriation under the Corps of Engineers for the fiscal year 1948 shall be available for any expenses incident to operating any power-driven boat or vessel on other than Government business" and insert in lieu thereof the following: *"Provided further,* That hereafter no appropriation under the Corps of Engineers shall be available for any expenses incident to operating any power-driven boat or vessel on other than Government business, and that Government business shall be construed to include transportation, lodging, and subsistence on inspection trips of Federal, State, or local officials, having a public interest in authorized or proposed improvements for river and harbor and flood control, and any expenses incurred therefor shall be chargeable to river and harbor and flood control appropriations heretofore or hereafter made."

Page 8, line 25, after the word "law", insert the following: *"Provided further,* That funds appropriated herein may be used for necessary bank protection on the Missouri River in the vicinity of Aten, Nebr."

Page 8, in the paragraph "Flood control, general", after the sum of money, insert the following: ", of which, in view of the threat to human life, $200,000, shall be made available for the preparation of detailed plans, for the Dyberry and Prompton Reservoirs in

the Lackawaxen River Basin, Pa., recommended for construction in the report of the Chief of Engineers, United States Army, in House Document No. 113, of the Eightieth Congress, and the preparation of such plans is hereby authorized."

Page 9, after line 22, insert the following:

"Garrison (N. Dak.) Reservoir: For acquisition of the lands and rights therein within the taking line of Garrison Reservoir which lands lie within the area now established as the Fort Berthold Indian Reservoir, N. Dak., including all elements of value above or below the surface thereof and including all improvements, severance damages and reestablishment and relocation costs the sum of $5,105,625, which said sum is included in the total allocated under this act for the said Garrison Reservoir and which shall be deposited in the Treasury of the United States to the credit of the Three Affiliated Tribes of Fort Berthold Reservation, to be subject to withdrawal and disbursement as herein provided. This $5,105,625 is made available subject to the following conditions subsequent and in the event the said conditions are not complied with then this amount shall lapse and be thereby null and void. Said conditions subsequent are:

"That a contract between the United States and the said Three Affiliated Tribes shall be negotiated and approved by a majority of the adult members of said tribes and enacted into law by the Congress, providing for the conveyance of said lands and interests and the use and distribution of said fund and that disbursements from said fund shall be made forthwith in accordance with said approved contract and act of Congress.

"That said contract shall be submitted to the Congress on or before the 1st day of June 1948: *Provided, however,* That, notwithstanding said contract or the provisions of this act, the said Three Affiliated Tribes may bring suit in the Court of Claims as provided in section 24 of the act of August 13, 1946, on account of additional damages, if any, alleged to have been sustained by said tribes by reason of the taking of the said lands and rights in the said Fort Berthold Indian Reservation on account of any treaty obligation of the Government, any intangible cost of reestablishment or relocation or any other basis of claim cognizable under said act of August 13, 1946, and for which the said tribes are not compensated by the said $5,105,625."

Mr. GURNEY also submitted four amendments intended to be proposed by him to House bill 4002, the War Department Civil Functions Appropriation bill, 1948, which were referred to the Committee on Appropriations, and ordered to be printed.

(For text of amendments referred to, see the foregoing notice.)

PRINTING OF REVIEW OF REPORTS ON SKIPANON RIVER CHANNEL, OREGON (S. DOC. NO. 93)

Mr. REVERCOMB. Mr. President, I present a letter from the Secretary of War, transmitting a report dated May 5, 1947, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration on a review of reports on the Skipanon River Channel, with a view to providing a suitable harbor for small boats at Warrenton, Oreg., requested by a resolution of the Committee on Commerce of the United States Senate, adopted October 2, 1945, and I ask unanimous consent that it may be referred to the Committee on Public Works, and printed as a Senate document, with an illustration.

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

PRINTING OF A REVIEW OF REPORT ON SMITH RIVER, OREG. (S. DOC. NO. 94)

Mr. REVERCOMB. Mr. President, I present a letter from the Secretary of War, transmitting a report dated May 2, 1947, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of report on Smith River, Oreg., requested by a resolution of the Committee on Commerce of the United States Senate, adopted October 16, 1944, and I ask unanimous consent that it may be referred to the Committee on Public Works, and printed as a Senate document, with an illustration.

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

WONDERFUL WISCONSIN'S 1948 CENTENNIAL—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement by him on the subject of the forthcoming one hundredth anniversary of the admission of Wisconsin into the Union, which appears in the Appendix.]

ENFORCEMENT OF LOYALTY BY LAW—ARTICLE BY LOWELL MELLETT

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Congress May Do the Unforgivable in Seeking to Enforce Loyalty by Law," by Lowell Mellett, published in the Washington Evening Star of July 22, 1947, which appears in the Appendix.]

HERNANDO DE SOTO—PAPER BY HERBERT LAMSON

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a paper on the subject Hernando de Soto, presented by Herbert Lamson before the Jacksonville Historical Society, Jacksonville, Fla., on February 12, 1947, which appears in the Appendix.]

FLOOD CONTROL—EDITORIAL FROM THE WASHINGTON POST

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial entitled "Flood Control," published in the Washington Post of July 15, 1947, which appears in the Appendix.]

COLUMNAR COLLUSION—EDITORIAL FROM THE WASHINGTON POST

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial entitled "Columnar Collusion," published in the Washington Post of July 15, 1947, which appears in the Appendix.]

CONSTRUCTION OF DAMS ON THE SNAKE RIVER—LETTER AND STATEMENT

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter from the Oregon State Grange and statements by the Washington, Oregon, and Idaho State Granges at a public hearing on July 9, 1947, before the Army engineers with reference to the construction of Mountain Sheep, Hell's Canyon, and other dams on the Snake River, which appear in the Appendix.]

CONSERVATION AND DEVELOPMENT OF BASIC RESOURCES—STATEMENT OF C. GIRARD DAVIDSON

[Mr. MORSE asked and obtained leave to have printed in the RECORD a statement made on July 18, 1947, by C. Girard Davidson, Assistant Secretary of the Interior, before the Valley Authority Conference, which appears in the Appendix.]

DISPOSITION OF SURPLUS AIRPORTS AND AIRPORT FACILITIES

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 364) to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes, which was on page 7, line 21, to strike out "(c)" and insert "(e)."

Mr. BALDWIN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

DISPOSAL OF MATERIALS ON PUBLIC LANDS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1185) to provide for the disposal of materials on the public lands of the United States, which were, on page 1, line 5, after "including", to insert "but not limited to"; on the same page, line 5, after "gravel", to insert "yucca, manzanita, mesquite, cactus, common clay,"; on page 2, line 2, after "Secretary", to insert "*Provided, however,* That, to the extent not otherwise authorized by law, the Secretary is authorized in his discretion to permit any Federal, State, or Territorial agency, unit or subdivision, including municipalities, or any person, or any association or corporation not organized for profit, to take and remove, without charge, materials and resources subject to this act, for use other than for commercial or industrial purposes or resale"; and on the same page, line 20, strike out "at least 30 days" and insert "four consecutive weeks."

Mr. CORDON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REORGANIZATION PLAN NO. 3 OF 1947

The Senate resumed the consideration of the resolution (H. Con. Res. 51) that the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th of May 1947.

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

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

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

Aiken	Connally	Hawkes
Baldwin	Cooper	Hayden
Ball	Cordon	Hickenlooper
Barkley	Donnell	Hill
Brewster	Downey	Hoey
Bricker	Dworshak	Holland
Bridges	Eastland	Ives
Brooks	Ecton	Jenner
Buck	Ellender	Johnson, Colo.
Bushfield	Ferguson	Johnston, S. C.
Butler	Flanders	Kem
Byrd	Fulbright	Kilgore
Cain	George	Knowland
Capehart	Green	Langer
Capper	Gurney	Lodge
Chavez	Hatch	Lucas

McCarran	Myers	Taylor
McCarthy	O'Conor	Thomas, Okla.
McClellan	O'Daniel	Thomas, Utah
McFarland	O'Mahoney	Thye
McGrath	Overton	Tydings
McKellar	Pepper	Umstead
McMahon	Reed	Vandenberg
Magnuson	Revercomb	Watkins
Malone	Robertson, Va.	Wherry
Martin	Russell	White
Maybank	Saltonstall	Wiley
Millikin	Smith	Williams
Moore	Sparkman	Wilson
Morse	Stewart	Young
Murray	Taft	

Mr. WHERRY. I announce that the Senator from Wyoming [Mr. ROBERTSON] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from New York [Mr. WAGNER] is necessarily absent.

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

Mr. TAFT. Mr. President, I ask that the time for the consideration of Reorganization Plan No. 3 be limited to 4 hours, and that the time be equally divided between the Senator from Vermont [Mr. FLANDERS], favoring the plan, and the Senator from Delaware [Mr. BUCK], opposing it.

Mr. BARKLEY. Mr. President, I have no objection to that arrangement.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. WHERRY submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 82, 83, 97, 98, 103, 117, 118, 119, 120, 123, 126, 127, 155, 160, 173, 174, and 175.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 8, 10, 11, 12, 15, 21, 22, 23, 24, 25, 26, 27, 28, 32, 33, 35, 36, 37, 38, 40, 42, 43, 46, 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 66, 67, 69, 70, 71, 72, 73, 74, 75, 76, 77, 79, 80, 89, 99, 102, 106, 107, 110, 111, 112, 115, 116, 121, 122, 131, 132, 133, 134, 136, 139, 142, 147, 150, 154, 156, 157, 158, 159, 161, 163, 165, 170, and 172, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: ": *Provided further*, That not to exceed $50,000 of this appropriation may be used for the Division of Power under the Office of the Secretary"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,900,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,596,400"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Construction: The funds appropriated for the fiscal year 1947 (Interior Department Appropriation Act, 1947), are hereby continued available during the fiscal year 1948 to meet obligations incurred in contract or contracts duly executed and in force on or before June 30, 1947; for administrative expenses connected therewith; including purchase of five, and hire of passenger motor vehicles; for temporary services as authorized by section 15 of the Act of August 2, 1946 (Public Law 600), but at rates not exceeding $35 per diem for individuals; printing and binding; for the purchase or acquisition of necessary lands for rights-of-way and necessary engineering and supervision of the construction under said contracts; and for the construction of necessary interconnecting facilities incident to and connected with the construction of the Denison-Norfork transmission line."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,175,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$11,139,700"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,000,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$450,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$180,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,012,500"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,130,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,800,000"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,600,000"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$18,345,750"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,400,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Davis Dam project, Arizona-Nevada, $9,700,000;"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Central Valley project, California: Joint facilities, $690,000; irrigation facilities, $5,622,028; power facilities, Shasta power plant, $427,800, Keswick Dam, $100,740, Keswick power plant, $218,040; transmission lines, Shasta to Delta, via Oroville and Sacramento, two hundred and thirty kilovolt, $256,680, Shasta Dam to Shasta substation, two hundred and thirty kilovolt, $1,500,000, Keswick tap line, two hundred and thirty kilovolt, $160,000, Contra Costa Canal extension, sixty-nine kilovolt, $118,000; substation, Contra Costa, $48,000; in all, $9,141,288"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$9,500,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$2,500,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum named in line four of said amendment insert "$17,500,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$49,841,288"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,500,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "as provided in the Act of December 22, 1944 (Public Law 534), Seventy-eighth Congress, and the Act of August 14, 1946 (Public Law 732), Seventy-ninth Congress"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,000,000"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$435,000"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,300,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "the payment, directly or indirectly, for the drilling of water wells for the purpose of supplying water for domestic use"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$10,091,340"; and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$400,000"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$93,500"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,060,000"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,500"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$75,000"; and the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$600,000"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$41,500"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,060,000"; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$38,500"; and the Senate agree to the same.

Amendment numbered 145: That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$29,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$680,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$580,000"; and the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 162: That the House recede from its disagreement to the amendment of the Senate numbered 162, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$225,000"; and the Senate agree to the same.

Amendment numbered 164: That the House recede from its disagreement to the amendment of the Senate numbered 164, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$258,450"; and the Senate agree to the same.

Amendment numbered 166: That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$200,000"; and the Senate agree to the same.

Amendment numbered 167: That the House recede from its disagreement to the amendment of the Senate numbered 167, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,492,810"; and the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,492,810"; and the Senate agree to the same.

Amendment numbered 169: That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,082,700"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the figure "9" and insert in lieu thereof the following: "10"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 7, 16, 17, 18, 34, 39, 41, 68, 78, 85, 101, 104, 105, 114, 124, 130, 151, 152, 171, 176, 177, and 179.

KENNETH S. WHERRY,
CHAN GURNEY,
JOSEPH H. BALL,
GUY CORDON,
CARL HAYDEN,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
Managers on the Part of the Senate.

ROBERT F. JONES,
BEN F. JENSEN,
IVOR D. FENTON,
LOWELL STOCKMAN,
FRANCIS CASE,
MICHAEL J. KIRWAN,
JOHN J. ROONEY,
ALBERT GORE,
W. F. NORRELL,
Managers on the Part of the House.

Mr. WHERRY. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. I move the adoption of the conference report.

The PRESIDENT pro tempore. The question is on agreeing to the report.

Mr. McCARRAN. Mr. President, what report is this?

Mr. WHERRY. The conference report on the Department of the Interior appropriation bill.

Mr. McCARRAN. Mr. President, I should like to discuss a matter connected with the report for a brief time. There appears to be no printed report. Am I correct in that?

Mr. WHERRY. The report has been printed.

Mr. McCARRAN. Then apparently the printed report has just come to the floor of the Senate.

Mr. WHERRY. Yes.

Mr. McCARRAN. For the sake of convenience, I shall refer to page 9613 of the CONGRESSIONAL RECORD, on which the amendments, Nos. 97 and 98, are dealt with. I read:

Nos. 97 and 98 relating to operation and maintenance, Boulder Canyon project: Strikes out the proposal of the Senate to provide funds for the payment of tuition

for pupils who are dependents of employees of the United States living in the area, and appropriates $1,500,000 for operation and maintenance of the project, as proposed by the House, instead of $1,533,300, as proposed by the Senate.

Mr. President, I am at a loss to know why the conferees on the part of the Senate surrendered on this item. It cannot be dealt with on any other basis than as the Senate provided. The record has made the situation so plain and so convincing that it seems to me the conferees on the part of the Senate would have been authorized in remaining in session for any length of time in order to sustain it. If the amendments as now brought to the Senate from the conference committee prevail, then about 400 children in the Boulder Canyon area, or rather in Boulder City school districts, will be deprived of tuition.

I read from a letter received by me on the letterhead of the Boulder City schools, over the signature of Elbert B. Edwards, superintendent of schools of that district, as follows:

It has again come to our attention that the Subcommittee on Appropriations in the House has deleted all provisions for the operation of the schools and for the school building project in Boulder City.

We realize that you are thoroughly conversant with our problem, and that you have pledged your efforts in our behalf, but we wish to give you a few points which might be used effectively in your efforts to have these provisions reincorporated in the appropriation bill.

The letter was received by me, let me say, before the hearings which were conducted by the able Senator from Nebraska [Mr. WHERRY] who now has charge of the conference report on the floor. I continue to read from the letter of the superintendent of schools:

Herewith is a brief summary of the financial picture for the Boulder City School District for 1947-1948 school year:

1947-1948 estimated receipts for Boulder City Union School District from regular State, county, and local sources, $149,740.

Balance carried forward from previous year, $14,860.

Total resources for operation of schools for 1947-1948, $164,600.

Estimated expenditures for 1947-1948 school year $190,800.

Now listen to this, Mr. President:

Deficit for the school year (normally made up by the Federal Government as reimbursement for instruction in the schools operated by the Boulder City Union School District of each pupil who is a dependent of any employee of the United States living in or in the immediate vicinity of Boulder City, in the sum of $45 per semester per pupil in average daily attendance at said schools), $26,200.

Estimated average daily attendance for 1947-1948, 760 pupils.

Estimated instructional cost per pupil, $251.

Estimated average daily attendance of students dependents of employees of Federal Government, 300.

Estimated cost of providing instruction for dependents of Federal Government, $75,300.

Then he continues:

It is necessary that provision for the continued assistance of the Federal Government to the Boulder City schools be provided for the following reasons:

And this seems to me to be unanswerable:

1. The Boulder City School District has been reimbursed by the Federal Government for instruction given to students who were dependents of employees of the United States since 1939. The educational program and the economy of the schools and of the district have been made possible only on the basis of this assistance.

2. The educational program and the general economy of the district are geared to this assistance of the Federal Government, and any deletion of provision for this assistance from the Interior Department Appropriation Act will result in a sacrifice of the educational standards maintained in the district.

3. The schools of the district will suffer from the loss of this assistance specifically by a reduction in the amount of money available for salaries, for administration, for educational supplies and equipment, and operation. This will seriously and adversely affect the educational program provided for the school children in Boulder City.

4. The resources of the district subject to taxation are limited to personal property and improvements by virtue of Government ownership of the real estate and basic industries. It is, therefore, impossible for the district to carry its proportionate share of the tax burden for the support of its educational program when it does not have the authority to make assessments against its beneficiaries, as is the practice in other American communities.

Let me say here, Mr. President, that all the land in that community belongs to the United States Government and to no one else. No one living in the community can own a single foot of the land. It is entirely Government land. The leases which are made by the Reclamation Bureau for those who build houses and occupy space there provide for an amount of money sufficient to meet the school expenditures, so that if the appropriation were made as the Senate provided, not $1 would come out of the Treasury of the United States. It is provided for, first of all, in the money which is charged for the use of the public land in Boulder City by those who are employed on the Boulder project, and by no one else.

Secondly, with respect to the industries, the businesses that are conducted in Boulder City by what I choose to call the service community of Boulder City—those who serve the employees on the Boulder Dam—their personal property, their stock in trade, if you please, if it be a store, or other personal property, is assessed. Into that assessment goes a part of the cost of maintaining the schools. This is not a question of the Government maintaining the schools. The Government is not maintaining the schools. The maintenance for the schools comes out of the cost of the leases on land occupied by those who work on the dam. The maintenance of the schools is also tied into the power rate for the acquisition of power from Boulder Dam.

The superintendent of schools continues:

The money paid to the Boulder City Union School District is considered part of the cost of operation and maintenance of the project, and is recovered back by the United States out of the power rates and charges paid by the Boulder Dam power contractors.

That is entirely true; and it must have been the result of a misconception of the law, a misconception of the procedure, and a misconception of the entire condition, that the House conferees insisted on changing this item and the Senate conferees concurred in the change.

The superintendent of schools further says:

These power contractors have in the past announced themselves in favor of the charges made against the power rates for the purpose of providing instruction for the children of employees of the Bureau of Reclamation.

That is true. The question has been considered on a number of occasions by the Appropriations Committee of the Senate, and representatives of the power allottees have stated that they were entirely content that the power rate should carry a consideration in it for the maintenance of schools for the instruction of the children of their employees at Boulder City.

Continuing, Superintendent Edwards says:

If it is inevitable that the Boulder City schools must rely exclusively on State, county, and local resources we think it only fair and right that they be given ample notice, and be given an opportunity to make the necessary adjustments.

I am at a loss to understand why the able Senator from Nebraska [Mr. WHERRY], the Senator in charge of the bill, after he held hearings so generously and had developed the record which I am about to read, should for a moment consent that this item be omitted from the bill, and that approximately 400 children in Boulder City, the children of the employees of the Federal Government, should be deprived of a proper school system in that locality.

I read from page 1341 of the hearings before the subcommittee of the Committee on Appropriations of the United States Senate on House bill 3123. Mr. Ely was testifying. Mr. Ely is the representative of Bureau of Power and Light of the City of Los Angeles, and a representative of the other agencies which are allottees. He said:

All of the land in Boulder City is owned by the United States. All buildings are either owned by the United States or have been built by lessees on Government land. The Boulder City school district is consequently unable to levy taxes upon real estate to support the local schools. Moreover, the greater part of the school population comprises children of employees of Government personnel. Their parents live in Government-owned homes. School facilities are essential if the Government is to be able to attract and keep family men for employment at Boulder City.

Inasmuch as there is no real property subject to tax, it is wholly impracticable to pass the burden for maintaining these facilities on to the local school district.

The power contractors recognize the propriety of including in the power rates the cost of such schooling, for children of Reclamation Bureau personnel. There is not a burden to the Federal taxpayer involved.

On page 1343 of the record made before the subcommittee of which the able Senator from Nebraska was chairman, we find the following, from the testimony of Mr. Warne:

Senator KNOWLAND. As I understand the situation, within this particular school district, they are receiving from the State of Nevada the school allotment which the districts get in other areas of the State.

The only difference is that there is no local tax base for the school district to supplement what they received from the State.

EXPENSES OF BOULDER CITY SCHOOL DISTRICT IN 1947–48

Mr. WARNE. That is right. In the school year of 1947–48, the expenses of the Boulder City School District will be about $190,000. The payment that we anticipate to make, provided the language is restored and the funds are indicated as being available, will be $30,000. There are about 800 pupils attending this school, and 330 of them are dependents of Federal employees, subject to the payments by the Bureau of Reclamation under this provision of the appropriation bill.

The basic authority for this type of payment does not exist in any enactments heretofore outside of the appropriation bills.

That, as I understand it, was the reason that this particular item was omitted in the House. There are several bills pending before the Congress at the present time that would take care of this matter of authorizing these payments.

Mr. President, when that item is reached, if the Senator proposes to have the report read item by item, I shall certainly object to the Senate approving it.

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

Mr. McCARRAN. I yield.

Mr. WHERRY. I suggest to the distinguished Senator that this is in the conference report.

Mr. McCARRAN. I understand, and it must be voted up or down as a whole. I realize that; but I will not sit idly by and allow it to be approved on the floor of the Senate, when it will deprive 400 children of Federal employees at Boulder City, on desert land, of the opportunity of going to school.

Mr. President, I hope we may be able to send the bill back to conference so that a reasonable degree of justice may be rendered to those children. The Senate cannot afford to do such an injustice, even if only 400 children are involved. As a matter of fact, not a single dollar of this money comes out of the Treasury of the United States. The Senator from Nebraska will agree to that. It is paid in part by the allottees who take the power, and who consent that the charge be made a part of the power rate. They are willing to pay that power rate in order to sustain the schools. It is paid in part by those who lease Government land for the purpose of maintaining their homes in that particular city in order that they may serve the United States Government as employees.

I hope, Mr. President, that I may be afforded the privilege of a yea-and-nay vote on this item, if the Senator is now moving the adoption of the conference report as a whole, without reading it. Otherwise I do not propose to give up and let the matter go unnoticed. I cannot do that, in justice to myself; I cannot do it, in justice to the children of the employees of the Federal Government. If it is necessary to hold the bill here, I shall hold it.

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

The PRESIDENT pro tempore. Does the Senator yield the floor?

Mr. McCARRAN. I do not know whether I have the floor.

Mr. WHERRY. As a parliamentary situation, Mr. President, do I not have the floor?

The PRESIDENT pro tempore. The Senator from Nevada has had the floor for the purpose of this discussion.

Mr. McCARRAN. Does the Senator from Oklahoma wish me to yield?

Mr. MOORE. I simply want to ask a question which is entirely apart from this matter.

Mr. McCARRAN. I yield.

Mr. MOORE. Mr. President, I should like to ask the Senator from Nebraska regarding item No. 19, which, as I understand, appropriates no new money, but carries over the unexpended balance. Is that correct?

Mr. WHERRY. That is correct.

Mr. MOORE. I should like to ask the Senator if the conference committee had in mind the provision of law contained in the Reorganization Act of 1946, section (c), which is as follows:

No general appropriation bill or amendment thereto shall be received or considered in either House if it contains a provision reappropriating unexpended balances of appropriations, except that this provision shall not apply to appropriations in continuation of appropriations for public works on which work has commenced.

Mr. WHERRY. The public works item which the Senator has just mentioned is one exception.

Mr. MOORE. The conference had that in mind?

Mr. WHERRY. Oh, yes.

Mr. MOORE. That was considered. I ask the Senator if he is familiar, or if the conference was familiar, with the ruling of the Comptroller General under date of May 27, 1947, rendered to the chairman of the Appropriations Committee, in which it was held that any unexpended balances reappropriated for Southwest Power Administration in the 1948 Appropriation Act may be used only for discharging contracts on which work had actually physically been commenced prior to June 30, 1947?

Mr. WHERRY. I am familiar with that ruling. The Senate amendment provides for another purpose, namely administrative costs in connection with the construction of those projects.

Mr. MOORE. But as to the work, it has to be physically commenced before this appropriation can be applied?

Mr. WHERRY. If there is an unexpended balance of the 1947 appropriation it can be used for the purpose set out in Senate amendment as adopted by the conferees.

Mr. McCARRAN. Mr. President, I wish to read from page 1340 of the record of hearings conducted before the subcommittee, of which the able Senator from Nebraska was chairman. In passing, Mr. President, I desire to pay my sincere personal compliments to the manner in which the hearings were conducted by the Senator from Nebraska. I have attended hearings before this subcommittee ever since I have been in the Senate, and I want to say, with all due respect to all those who preceded him as chairman, that his conduct of the hearings and proceedings was most commendable, most patient, and most understanding of the problems in every respect.

The Senator from California [Mr. KNOWLAND] interrogated Mr. Ely who, I have stated, was the representative of the Department of Water and Power of the City of Los Angeles. The following occurred:

Senator KNOWLAND. Next we will hear from Mr. Ely.

The Senator from California [Mr. KNOWLAND] was acting as chairman.

Mr. Ely said:

Mr. Chairman, my appearance here is relative to the provisions for the Boulder school district in connection with the Interior Department appropriation bill for the fiscal year 1948.

The item at page 40, line 9, of H. R. 3123, captioned "Advances to Colorado River Dam fund," providing funds for operation and maintenance of Boulder Dam and incidental works, omits the following language which has been carried in past appropriation bills, and which appeared in the budget for the fiscal year 1948.

Then Mr. Ely quotes, as follows:

"And payment to the Boulder City school district as reimbursement for instruction during the 1947–48 school year in the schools operated by said district of each pupil who is a dependent of any employees of the United States, living in or in the immediate vicinity of Boulder City, in the sum of $45 per semester per pupil in average daily attendance at said schools, payable after the term of instruction in any semester has been completed, and under regulations to be prescribed by the Secretary."

I am in receipt of a teletype from Mr. S. B. Morris, general manager of the Department of Water and Power of the City of Los Angeles, as follows:

"Please appear before the Senate committee considering Interior Department appropriation bill and on our behalf urge most strongly that there be restored to the bill language authorizing payment from the Colorado River Dam fund of tuition to Boulder City school district. Emphasize the intolerable conditions which would result from the action taken by the House abruptly withdrawing from the district this necessary support."

The Interior Department Appropriation Act for the fiscal year 1945 contained the following provision:

"Boulder Canyon project * * * *Provided*, That on or before June 1, 1946, the Secretary shall report to the Congress on expenditures incurred and revenues received in construction, operation, and maintenance of Boulder City, together with his recommendations for allocation and adjustment of such expenditures and revenues between the construction, operation, and maintenance of the Boulder Canyon project and other Federal activities; and that such expenditures from the Colorado River Dam fund prior to such allocation and adjustment, under this or other appropriation acts heretofore or hereafter enacted, shall be without prejudice to the rights, if any, of power contractors to have adjustments, with respect to such expenditures, made to accord with the substantive provisions of the Boulder Canyon Project Adjustment Act."

Then Mr. Ely, continuing, said:

Under the terms of that legislation, it is assumed that any tuition paid under the

1948 appropriation act or other acts for the children of personnel of Federal bureaus other than the Reclamation Bureau, would be subject to retroactive adjustments, so that the power rates would not be burdened therewith.

With that understanding, the department of water and power and the other power users feel that the particular situation at Boulder City, and the lack of any established and adequate tax base for the support of the local schools, justify the continuance of the support for the schools out of the Colorado River Dam fund. The situation, as Mr. Morris says in his teletype, would be intolerable if this support were withdrawn.

Mr. President, that is exactly why I have the floor today, namely, to prevent an intolerable condition which was brought to the attention of the Senator from Nebraska, but as to which the Senate conferees surrendered entirely, either not knowing what they were doing, or else tired out, perhaps, by the argument made by the House conferees. I am not certain which is the case. In any event, the result is exactly the same; it is an intolerable and deplorable condition which will be visited on a community in my State.

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

Mr. McCARRAN. I yield.

Mr. WHERRY. The distinguished Senator from Nevada well knows that the Senate subcommittee and the Senate full committee in connection with this particular item voted to restore the amount requested for the operation of this school. There is no argument that the members of the subcommittee or the members of the full committee can present to offset the argument the distinguished Senator is now making, and he can continue to make it all afternoon, so far as that is concerned. But I respectfully call to the attention of the Senator the fact that the House raised the question that there is no legislation authorizing the payment of this money. The Senator will agree, I think, that there is no legislation authorizing the payment of these funds.

Mr. McCARRAN. I do not agree to that.

Mr. WHERRY. The Senator well remembers that recently—I think it was in the session before this one or perhaps in the Seventy-eighth Congress—a bill was passed to do the very thing the distinguished Senator is asking for, namely, the payment of tuition in these particular or unusual cases. But that legislation was vetoed.

Mr. McCARRAN. The Senator is in error.

Mr. WHERRY. I do not think I am.

Mr. McCARRAN. The legislation which was passed at that time was entirely different. It included many other items. With respect to this particular item, the President said at that time that he had no objection to it, and the President included this item in his budget request for the 1947–48 fiscal year.

When I said that I do not agree that there is no legislation, I meant to say that the Boulder Canyon Project Act, when enacted, contained provisions that it might be maintained and supervised by the Department of the Interior, and the act established Boulder City as the place from which it would be superintended.

Mr. WHERRY. The Senator can make that interpretation, of course.

Mr. McCARRAN. How can it be contended there would not be a service population and families of those who would be employed on non-Government projects, and that the children who would be there should not be educated?

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

Mr. McCARRAN. I yield.

Mr. WHERRY. I agree that the Senator can read that interpretation into that act, but that does not alter the case that there was a legislative enactment which went to the President—President Truman—and he vetoed it. That measure authorized the very thing against which the House of Representatives is contending in this connection.

I should like to say to the distinguished Senator that all the Senate Members of the Senate conference committee did their level best to uphold the position of the Senator from Nevada. We did our level best to do it. However, the House was adamant, not only as to this item, but also as to the Coulee City item. I think there is some difference between the two, as the evidence shows. I agree with the Senator on that point.

I have kept the Senator advised as to the situation. This item involves $33,000 for tuition. The item for Coulee City was $26,000, as I recall.

The conferees on the part of the House took the position that there was no legislation authorizing it—I am stating what they said—and that the item had no place in an appropriation bill. We pointed out that it had been done since 1940; but that did not make any difference to the conferees on the part of the House. They said, "We are going to stop this thing, and we feel that the Senate should go along with us."

We argued over this item, as we argued over many other items in the Interior Department appropriation bill, and the conferees met time and time again.

I appeal to the Senator from Nevada to inquire of his own colleagues whether the Senate conferees continued to hold out, hoping that we could get the conferees on the part of the House to agree to the amendment the Senate wrote into the bill, based on the very evidence the distinguished Senator is presenting, and on which the Senate subcommittee and the Senate full committee agreed.

I asked unanimous consent for the consideration of the conference report because I knew there were many controversial items in the Interior Department appropriation bill. The Senator knows that we held 23 days of hearings, that the record runs over 3,300 pages, that in the Senate subcommittee and in the full committee there was no dispute, and that the Senate committee adopted the very amendment propounded by the Senator from Nevada; and then conferees were appointed, and the conferees for both Houses met.

I say to the distinguished Senator that I have been told by those connected with the Appropriations Committee that we held more conferences than the average conference committee holds, and we did everything in our power to retain the Senate amendment. I appeal to the Senator from Nevada that time is running out on these appropriation bills.

So far as I am concerned, I should be glad to have the Senate take a record vote for the Senator from Nevada, if he would like to have a yea-and-nay vote taken on the question of adopting the conference report. But if the matter is to be delayed much longer, I shall have to ask that the unanimous-consent request be set aside, and that the Senate proceed with the regular order, because I feel that we should not encroach further upon the time available for debate on Reorganization Plan No. 3.

So I appeal to my friend from Nevada, who knows that I did everything in my power to have the amendment the Senate adopted approved by the House conferees. I tell the Senator now that I am not in disagreement with his argument; but if there is any wonderment about our receding, I appeal to the Senator that it is a wonderment that we got together on as many items as we did.

Now the time is here either to approve or disapprove the conference report. On behalf of all the conferees, because the report was unanimously agreed to, I appeal to the Senator's sense of fair play and his good judgment to let us proceed and have a vote on the conference report.

Mr. McCARRAN. Mr. President, let me say to the Senator from Nebraska that this matter is a very personal one with me. I have been a member of the committee ever since I have been a Member of the Senate, and I have made the population of Boulder City my particular pet, because they had no one to sponsor their requests, and their children have to be looked out for in the way of education. I do not want 400 children, the children of men who are employed by the Federal Government, to be without education during the coming year, which is exactly what will result if the conference report is agreed to as submitted. I do not want that item to be left out of the bill; and yet I am mindful of the appeal which has been made by my good friend the Senator from Nebraska.

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

Mr. McCARRAN. I yield.

Mr. O'MAHONEY. I should like to say to the Senator from Nevada that as one member of the Senate committee on the Interior Department appropriation bill, I was very deeply impressed by the argument he made in the committee for this item. As I remember the facts, the power rates which are charged there are sufficiently high to carry the expense of this item which he is seeking to obtain. Am I correct about that?

Mr. McCARRAN. That is correct.

Mr. O'MAHONEY. In other words, when the charges were fixed upon the power they were fixed for the purpose of making it possible to carry out this program?

Mr. McCARRAN. The Senator is correct.

Mr. O'MAHONEY. Moreover, the families of the children for whose education the Senator is so solicitous are living in homes to which they cannot obtain title.

Mr. McCARRAN. The Senator is correct.

Mr. O'MAHONEY. Therefore, taxation cannot be levied to sustain their education, or to raise any fund for education.

Mr. McCARRAN. Let me say at that point that the rental charged for the use of the houses and for the use of space within Boulder City also covers an item that goes into education.

Mr. O'MAHONEY. Mr. President, I desire to say to the Senator from Nevada and to the Senator from Nebraska that I feel that this item might have received a greater amount of discussion in the conference than it did receive, although I know the Senator from Nebraska held out to the very end in favor of the amendment.

I am now desirous of making a suggestion to the Senator from Nebraska and to the Senator from Nevada. There is a supplemental appropriation bill now pending in the Committee on Appropriations. I suggest to the Senator from Nevada that he offer as an amendment to the supplemental bill the amendment which he offered to the Interior Department appropriation bill. I shall be very glad to support such an amendment in connection with the supplemental bill, and I am sure the Senator from Nebraska would be willing to support it.

Mr. WHERRY. If the Senator will yield, the full committee will meet to consider the supplemental appropriation bill at 10 a. m. tomorrow, and inasmuch as I personally have supported the amendment prior to this time I have no objection to doing what the Senator from Wyoming suggests. The Senator from Wyoming well knows that the House was adamant in its attitude on the two provisions, one relating to the Mason City tuition and the one we are discussing. I shall be very glad indeed to join with the Senator from Nevada in supporting the amendment. I cannot guarantee that it will be agreed to, but I shall be glad to support it. I did support it in connection with the bill we are now considering. As I said before, I do not care to argue against my very good friend from Nevada, because we have already supported the amendment. I think the solution offered by the Senator from Wyoming is a way out, and I shall be glad to join the Senator from Nevada.

Mr. President, I agreed that at 1 o'clock or thereabouts, if consideration of the pending report were not concluded, I would ask for the regular order. I appeal to the Senator from Nevada once again to accept the suggestion of the junior Senator from Wyoming and permit us to act on the report. I shall deeply appreciate it if he can see his way clear to do that.

Mr. McCARRAN. Mr. President, I am mindful of the situation that exists in the Senate and the desire to conclude the session. I shall adopt the suggestion which has been made. I think perhaps it is the better course, because to send the entire conference report back to the conferees—and that is all we could do if we did not agree to it—might not be fruitful of beneficial results.

Therefore, Mr. President, I shall accept the suggestion of the Senator from Nebraska and the Senator from Wyoming, and I shall appeal to the full committee having the supplemental appropriation bill before it to insert this item by way of an amendment.

I am grateful to the Senators for their courtesy in connection with the matter.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. WHERRY. Mr. President, I ask that the Chair lay before the Senate the action of the House of Representatives on certain Senate amendments.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3123, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
July 21, 1947.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 17, 34, 41, 68, 85, 101, 105, 114, 124, 130, 151, and 152 to the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 6 to said bill and concur therein with an amendment as follows: In line 15, at the end of the matter inserted by said amendment, strike out "$324,730" and insert "$275,000."

That the House recede from its disagreement to the amendment of the Senate numbered 16 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment, strike out "$6,000,000" and insert "$4,935,500."

That the House recede from its disagreement to the amendment of the Senate numbered 18 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment insert: ": *Provided further*, That interest heretofore collected by Bonneville Power Administration from sales of electric energy generated at Grand Coulee Dam on the unamortized balance of investment allocated to power in Grand Coulee Dam shall be covered into the reclamation fund forthwith: *Provided further*, That said interest shall not be allocated during the fiscal year 1948."

That the House recede from its disagreement to the amendment of the Senate numbered 39 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert: "except for the Alamo Band of the Puertocito Indians in the State of New Mexico and for the Rapid City Band of Sioux Indians in the State of South Dakota."

That the House recede from its disagreement to the amendment of the Senate numbered 78 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment strike out "$430,000" and insert: "$215,000":

That the House recede from its disagreement to the amendment of the Senate numbered 104 to said bill and concur therein with an amendment as follows: In line 12 of the said amendment, after the words "Reclamation in the", strike out the remainder of the line and all of line 13, and insert in lieu thereof the following: "Interior Department Appropriation Act, 1947";

That the House recede from its disagreement to the amendment of the Senate numbered 171 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"The War and Navy Departments, the Civil Aeronautics Administration, and the War Assets Administration are authorized to transfer to the Fish and Wildlife Service aircraft for replacement purposes only (but not necessarily of the same size or type or at the same locations), and such other equipment, materials, and supplies (with an appraised value of not to exceed $500,000), surplus to the needs of such agencies, as may be required by said Service, such transfers to be without charge therefor; and in addition the Navy Department, the Coast Guard, and the Maritime Commission are authorized to transfer without charge therefor vessels for replacement purposes only (but not necessarily of the same size or type or at the same locations) marine engines, parts and accessories surplus to the needs of such agencies: *Provided*, That the authorization in this paragraph shall not be construed to deny to veterans the priority accorded to them in obtaining surplus property under Public Law 375, approved May 3, 1946."

That the House recede from its disagreement to the amendment of the Senate numbered 176 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out by said amendment insert:

"SEC. 8. Notwithstanding the provisions of Reorganization Plan No. 3 of 1946, no part of any appropriation contained in this Act shall be used, transferred or allocated for the expenses or salaries of any regional, field or other office or committee to perform any function of the Bureau of Land Management, or for the transfer or removal of any functions or duties of the said Bureau out of the District of Columbia, unless specific approval therefor has been given by the Congress prior to the establishment of such office or committee or prior to such transfer or removal."

That the House recede from its disagreement to the amendment of the Senate numbered 177 to said bill and concur therein with an amendment as follows: In line 1 of the matter inserted by said amendment, strike out "8" and insert "9."

That the House recede from its disagreement to the amendment of the Senate numbered 179 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"SEC. 11. Not to exceed a total of $1,000,000 of the appropriations contained in this Act shall be available for expenditure for the compensation of employees engaged in personnel work: *Provided*, That for purposes of this section employees will be considered as engaged in personnel work if they spend half time or more on personnel administration consisting of recruitment and appointments, placement, position classification, training, and employee relations."

Mr. WHERRY. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 6, 16, 18, 39, 78, 104, 171, 177, and 179.

Mr. KNOWLAND. Mr. President, before the Senate takes final action on the bill, I wish to commend the able Senator from Nebraska [Mr. WHERRY], who was chairman of the subcommittee and has been serving on the conference committee, for having performed a very diffi-

cult task in working out a bill which as nearly as possible meet desires of the Senate. Of course, there must be give and take in conference committees.

I wish to say at this point, prior to final action, that in the State of California we are deeply grateful for the action taken in regard to the great Central Valley project. That has been a multiple-purpose project, for flood control, for irrigation, and for the development of power resources.

One of the problems which the Senator from Nebraska had to handle was the matter of the transmission lines, which have always been a part of the Central Valley project. Some years ago we started to build a transmission line down the east side of the Sacramento Valley from Shasta Dam to the Delta region, where a substantial amount of the power will be used to pump irrigation water so that it can go into the San Joaquin Valley, where it is desperately needed.

There has always been a desire on the part of the people of California, as represented by their own votes, by the action of their State legislature, and by the action of their Governors, past and present, as well as an overwhelming desire on the part of the Members of the House of Representatives and both United States Senators from California, to have this project completed at the earliest possible data. It includes not only the building of the east side transmission line but the west side transmission line, as well.

The able Senator from Nebraska was not able to get as much in the way of funds as the Senate provided, which was $2,160,000, to build the line down the west side to a point opposite the Shasta substation. Under the conference report this feature of the project gets only $1,500,000. This will at least permit the beginning of the construction of the west side line. The amount provided by the Senate provided for construction down to a point opposite the Shasta substation.

I thank the able Senator from Nebraska for his efforts.

Mr. President, I ask that in connection with my remarks there be printed in the RECORD a letter regarding the initial cost of this transmission line from Mr. H. P. McPhail to the Commissioner of the Bureau of Reclamation.

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

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., July 16, 1947.

To: Commissioner.
From: Director, Branch of Power Utilization.
Subject: Break-down of costs on Shasta transmission line.

In accordance with your request, the following is the break-down of the estimated cost of a double-circuit, 230,000-volt transmission line from the Shasta power plant to the Shasta substation of the Pacific Gas & Electric Co. as contemplated in the $2,160,000 item included in the Senate committee report on the Interior appropriation bill for fiscal year 1948, reading as follows:

"West side line, Shasta to Delta, 230-kilovolt, to a point opposite and connecting with Shasta substation."

Break-down of estimated cost

Surveys and designs (covering necessary field surveys and office designs)	$65,000
Right-of-way (involving necessary width for double-circuit line through lands partially cultivated and partially requiring clearing of timber and underbrush)	50,000
Steel towers (involving one major river crossing and an average number of towers of about 6 per mile)	325,000
Conductors and fittings (including necessary clamps, armor rods, and splices; conductors will probably be 795,000 circular mill aluminum cable steel reinforced or copper equivalent)	495,000
Overhead ground wires required for lightning protection	200,000
Insulators and hardware	125,000
Metering equipment for measuring output of each line at Shasta substation	50,000
Labor for erection of transmission line and installation of equipment, including transportation	$650,000
Temporary connections at Shasta substation for controlling delivery of power and protection of apparatus	200,000
Total	2,160,000

The length of each circuit involved in the above estimate is approximately 32 miles.

H. P. MCPHAIL.

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

The motion was agreed to.

Mr. WHERRY. Mr. President, I now move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 176 with amendments, as follows:

In line 6 of the matter inserted by said amendment, after the word "Management", insert "now being performed in the District of Columbia", and in line 7 of the matter inserted by said amendment, after the word "Bureau", insert "including tract books heretofore held and administered in the District of Columbia."

I ask the distinguished Senator from Wyoming if he will explain the two amendments.

Mr. O'MAHONEY. Mr. President, the purpose of the first amendment, which was originally attached to the bill in the House of Representatives, was to prevent the Department of the Interior from transferring from the District of Columbia functions of the Department of the Interior heretofore performed in the District. There was a proposal to set up certain regional offices and to establish committees affecting the activities of two or more bureaus, which the House of Representatives felt was going beyond the objectives which had the approval of the House.

The Senate struck that amendment out. The substitute amendment which was presented to the House yesterday by the House conferees was a little broader than was intended either by the House conferees or the Senate conferees, and the amendments which are now before the Senate are designed to effectuate the purpose of both the Senate and the House conferees, which is that within the Bureau of Land Management no functions which have not alreday been performed outside the District of Columbia shall now be transferred beyond the District, and particularly that the administration of the tract books, which have been traditionally administered in the Department of the Interior here, shall continue to be handled here.

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

The motion was agreed to.

Mr. WHERRY. Mr. President, at this place in the RECORD, for the information of Members of the Senate, I ask unanimous consent to insert a table prepared by the Senate Appropriations Committee, which shows the budget estimate for 1948, the amount allowed by the House, the amount allowed by the Senate, and the bill as agreed upon by the conferees.

The PRESIDENT pro tempore. Is there objection?

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

Interior Department appropriation bill, 1948

Activity	Budget estimate, 1948	Allowed by House	Allowed by Senate	Bill as agreed to in conference
Secretary's office	$6,286,500	$3,424,000	$4,313,076	$4,063,346
Commission of Fine Arts	12,000	12,000	12,000	12,000
Bonneville Power Administration	20,278,000	6,907,800	[1] 16,222,400	[2] 8,596,400
Southwestern Power Administration	3,925,000	1,371,000	125,000	[3] 125,000
Bureau of Land Management	5,007,800	3,619,500	4,078,440	4,035,440
Bureau of Indian Affairs	45,224,520	33,122,133	37,579,100	36,748,230
Bureau of Reclamation	145,952,200	67,892,600	[4] 104,730,532	[5] 93,367,038
Geological Survey	18,104,900	9,113,230	10,256,340	10,091,340
Bureau of Mines	16,834,000	10,533,873	12,426,850	12,035,800
National Park Service	14,555,500	10,304,655	10,168,455	10,018,055
Fish and Wildlife Service	10,338,300	6,110,320	6,615,760	6,492,810
Territories	[6] 9,616,700	[6] 9,002,400	[6] 9,002,400	[6] 9,002,400
Total	296,135,420	161,413,513	215,530,353	194,587,859

[1] Together with contract authorization of $6,000,000.
[2] Together with contract authorization of $4,935,500.
[3] On construction, 1947 funds continued available.
[4] Together with contract authorization of $4,930,000.
[5] Together with contract authorization of $215,000.
[6] Together with contract authorization of $15,000,000 for "The Alaska Railroad."

Mr. O'MAHONEY. Mr. President, if the Senator from Nebraska will yield, I should like to add another word with respect to the table. The budget estimates as submitted by the President amounted to $296,135,420. The bill, as it passed the House, carried provisions amounting to $161,413,513. The bill in that form would have materially curtailed the functioning of the Department of the Interior; it would have hampered the work of the Geological Survey; it would have hampered the work of the Bureau of Mines; and it would have seriously hampered the work of the Bureau of Reclamation. It would have cut down the program followed for many years in the expansion of the multiple-purpose projects in the West.

The amount allowed by the Senate was considerably in excess, of course, of that allowed by the House. In conference, the Senate conferees were compelled to agree to certain curtailments, but the bill as agreed to in conference amounts to $194,587,859, as compared with $161,413,513 allowed by the House.

There were, however, several provisions, particularly those contained in the report, which make it clear that it is not the intention of the Congress, as the conference report is approved, to curtail the work of the Bureau of Mines, now engaged in developing the mineral resources of the West, and, for that matter, of the entire country.

I feel that there has been a substantial gain in the preservation of the public interest in the bill as it has been presented by the conference committee. I join with the Senator from California in expressing my gratification for the diligent, and I may say the combative, manner in which the Senator from Nebraska sustained the amendments of the Senate.

Mr. WHERRY. Mr. President, I thank the distinguished Senator for his words of commendation, and also the Senator from California. I may add that after 23 days of hearings, and after the days and nights of conferences, I thank the Members not only of the Senate but of the House for coming together on a highly controversial bill. It shows what can be done if the effort is made.

I desire also to speak a word of tribute for those who, perhaps, seldom receive it. I think a debt of gratitude is owed to the clerks of the Appropriations Committee, as well as other clerks and research workers, who served in connection with this bill, for their untiring efforts, night after night, as late as 11 and 12 o'clock, all day Saturday, and, if I may say so, even on some Sundays. They prepared statistics and tables and reports. Multiple reports were at our fingers' tips at a moment's notice. I, for one, would like to express my gratitude to those who served us so well, and who are so seldom mentioned in public in connection with the efforts they put forth.

REORGANIZATION PLAN NO. 3 OF 1947

The Senate resumed the consideration of the resolution (H. Con. Res. 51) that the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th of May 1947.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Is Reorganization Plan No. 3 of 1947 now before the Senate, and does the 4-hour time limit begin to run from this time?

The PRESIDENT pro tempore. The Senator is correct. The pending business is House Concurrent Resolution 51, reading as follows:

Resolved, etc., That the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th day of May 1947.

The 4 hours' allotment of time, to be divided equally, starts at 1:15.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senator from Washington [Mr. CAIN] control the time for the resolution, instead of the Senator from Delaware [Mr. BUCK].

The PRESIDENT pro tempore. Without objection, the order is made. The time from now on will have to be granted either by the Senator from Washington or the Senator from Vermont.

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

Mr. FLANDERS. I yield to the Senator from New Mexico.

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

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from New Mexico for that purpose?

Mr. FLANDERS. I yield for that purpose.

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

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

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. FLANDERS obtained the floor.

Mr. DWORSHAK. Mr. President, will the Senator yield to me to submit a conference report?

Mr. FLANDERS. I yield for that purpose.

Mr. DWORSHAK. Mr. President, I submit a conference report on the District of Columbia appropriations bill.

The PRESIDENT pro tempore. The division of time under the pending agreement will be suspended for the moment while the Senate considers the conference report submitted by the Senator from Idaho [Mr. DWORSHAK], which will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 7, 12, 15, 18, 21, 25, 26, 28, 29, 30, 31, 32, 33, 35, 36, and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 8, 10, 13, 14, 16, 19, and 23; and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$388,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "183,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$128,377"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$87,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That no part of these funds shall be expended for the care of children the income of whose parents, parent, or guardian exceeds $2,600 per annum"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$7,750,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 22, 27, and 34.

HENRY C. DWORSHAK,
JOSEPH H. BALL,
MILTON R. YOUNG,
HARRY P. CAIN,
JOSEPH C. O'MAHONEY,
PAT MCCARRAN,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

WALT HORAN,
KARL STEFAN,
RALPH E. CHURCH,
LOWELL STOCKMAN,
GEORGE ANDREWS,
JOHN E. FOGARTY,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

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

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4106, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
July 22, 1947.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 22 to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 27 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out by said amendment insert:

"SEC. 2. Vouchers in payment of obligations incurred by the Health Department and Public Welfare pursuant to the appropriations contained in this act shall be certified as lawfully payable in the department, board, or office responsible for the incurring of the obligations; thereafter the vouchers shall be audited before payment by or under the jurisdiction only of the Auditor for the District of Columbia and the vouchers as approved may be paid by checks issued by the Disbursing officer without countersignature."

That the House recede from its disagreement to the amendment of the Senate numbered 34 to said bill and concur therein with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "8" and insert "2."

Mr. DWORSHAK. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 27 and 34.

The motion was agreed to.

REORGANIZATION PLAN NO. 3 OF 1947

The Senate resumed the consideration of the resolution (H. Con. Res. 51) that the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th of May 1947.

Mr. FLANDERS. Mr. President, I am submitting on behalf of the Committee on Banking and Currency, its report recommending that House Concurrent Resolution 51 be disapproved. This is the resolution disapproving Reorganization Plan No. 3 of 1947 which would establish a Housing and Home Finance Agency. In effect, the committee's unfavorable report with respect to this resolution represents approval by the committee of the President's plan.

Reorganization Plan No. 3 would bring together into a single establishment all of the housing agencies, and the principal housing functions of the Federal Government. These functions would be administered through three constituent operating agencies, the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration. The Housing and Home Finance Agency would be headed by an Administrator responsible for the general supervision and coordination of the functions and activities of these three constituent operating agencies. The plan does not disturb the basic permanent pattern established hitherto by the Congress involving the three major operating units in the housing field, but it does provide for the general supervision and coordination of the activities and functions of these units in a single agency.

It may be noted that the report of the committee is based not only upon the hearings and investigations made with respect to this plan but also upon the basis of the exhaustive investigations and studies made over the past 3½ years by various committees of the Senate, starting with the Postwar Housing Committee, of which the senior Senator from Ohio [Mr. TAFT] was chairman. It is worth noting that the Joint Committee on Reduction of Nonessential Federal Expenditures, in emphasizing the need, as a matter of economy and efficiency, for reorganization and coordination of the multiplicity of Government units engaged in identical fields of Government activity, has cited housing as a prime example where need for reorganization and coordination is obvious.

Essentially, the basic problem involved is the matter of reconciling, on the one hand, the need for over-all coordination of the Government's activities in housing and for a central line of responsibility and accountability for carrying out the housing policies established by the Congress, and on the other hand for preserving the individual identity and the full operating responsibility of the various agencies in which the Government has vested the various Federal functions and activties relating to housing. It is my considered opinion that Reorganization Plan No. 3, more than any other plan that has been presented to the Congress for consideration thus far, strikes the necessary happy medium in this connection and effectively meets both needs.

An organization and coordination of the housing functions and activities of the Federal Government along the lines provided in the plan are clearly necessary both as a matter of sound Government administration generally, and also from the point of view of the special needs of housing which represents one of our most pressing domestic problems today.

There have been many loose charges with respect to this plan. These are answered effectively, I believe, in the report to the committee. I wish to say now, however, that they were carefully examined and that they were found to be without real foundation and based in large part upon erroneous interpretations of the provisions of the plan.

Mr. President, I wish to say that personally I arrived in this august body on January 3 with the long-time thought in mind that housing was one of the activities of the Federal Government that needed coordination. During the decade or so previous to the opening session of the present Congress so many times and in such exasperating ways did I encounter lack of coordination that it was inconceivable to me, and still remains inconceivable, that this body should want to go back, as we may if Reorganization Plan No. 3 is not adopted, to the period of lack of cooperation and lack of coordination.

If there were time and if it were more germane to the subject under discussion, I could tell of the exasperating experiences in obtaining war housing for the town in Vermont where I was formerly in business. It was silly; it was exasperating; it was unbelievable. Coordination is badly needed.

The present arrangement under which the various housing agencies are operating will continue until the Congress ends the war powers. It may—and presumably will—do so early in the next session of the Congress. Should that action be taken, immediately the entire housing situation would fall into the disorganization which has been so characteristic of it for many years. Mr. President, I feel very strongly that that danger should be obviated, and that we should not be faced with the possibility, nor should the various governmental bodies concerned with housing live in constant fear that that may take place.

I wish to say a word or two as to the improvement in the present housing organization contemplated in Reorganization Plan No. 3. There are two important improvements—perhaps three. One of the most important is the change in the functions of the Administrator, who is placed at the head of the whole group of activities.

Under the Reorganization Act of 1942 he was an Administrator who had under him the direction and supervision of all the activities related to housing which were contemplated in the plan. That has not been found the proper way to do it, and a great deal of difficulty has arisen therefrom. So under Reorganization Plan No. 3, with the activities quite similarly grouped, the present assignment given to the Housing and Home Finance Administrator is the responsibility for general supervision and coordination of the functions of the three constituent agencies. Each of them retains its authority and its administrative field. However, the Administrator himself is given the useful and necessary task of general supervision and coordination.

The second element in plan No. 3 which is of interest is the creation of a National

Housing Council which is to be advisory to the Administrator. This Council would be composed of the Housing and Home Finance Administrator as chairman, the Federal Housing Commissioner, the Public Housing Commissioner, the Chairman of the Home Loan Bank Board, the Administrator of Veterans' Affairs or his designee, the chairman of the Board of Directors of the Reconstruction Finance Corporation or his designee, and the Secretary of Agriculture or his designee.

Another important change is in making the Home Loan Bank Board a three-member board to take the place of the Commissioner of the Home Loan Bank Administration. All these changes have been drawn from experience in administration and will work for the better administration of this very important area activity in our Federal administration.

Mr. President, there are at least two groups, possibly more, either in being or contemplated, which now are concerned, or in the future will be concerned, with the general question of the Federal administration so far as it relates to housing. One of them is the group appointed under the resolution offered by the Senator from Massachusetts [Mr. LODGE]. I do not remember its name, but the resolution provided for the establishment of a Commission on the Organization of the Executive Branch of the Government. It is a very distinguished body. I see on it the names of a number of Senators for whom I have high respect. I see the names of some private citizens who have the respect of all of us. I have no doubt whatever that from the deliberations of that board on the executive branch study there will evolve fruitful conclusions which we shall want to put into law.

Mr. President, it would be most unfortunate if, while an investigation of this sort were going on, we suffered a temporary disorganization of the housing group by failing to maintain and improve the establishment in the manner contemplated in plan No. 3. It would be a most embarrassing, a most inefficient, and a thoroughly undesirable way to occupy ourselves, or to require the housing bodies to occupy themselves, during the interim between this time and the time when the board makes a report on the subject under discussion. The less we do in the way of reorganizing, disorganizing, and upsetting the housing establishment, the better we shall serve our country.

A somewhat similar situation exists with regard to a resolution proposing a study of the entire housing situation, which has been submitted by the Senator from Wisconsin [Mr. MCCARTHY] and with which I am in thorough sympathy. That resolution also calls for a study of the Government's activities relating to housing. But it would be most unfortunate if radical suggestions for improvement were made and eventually accepted, if we, in the meantime, should allow the present relationship between the housing bodies to fall into chaos instead of improving them and tightening them as the President's Plan No. 3 contemplates.

Mr. President, for those reasons I feel convinced that this body will make a mistake if it concurs in the resolution sent over by the House, House Concurrent Resolution 51, and I ask the Senate to vote not to concur therein.

I yield the floor to the Senator from Louisiana [Mr. ELLENDER].

Mr. TAFT. For how many minutes?

Mr. FLANDERS. I should like to ask the Senator from Louisiana how much time he desires.

Mr. ELLENDER. I think I shall take 20 minutes.

The PRESIDING OFFICER (Mr. THYE in the chair). The Senator from Louisiana is recognized for 20 minutes.

Mr. ELLENDER. Mr. President, I do not know that I can add much more for the information of the Senate regarding the plan than what has been given by the distinguished Senator from Vermont, except to go a little more into detail regarding the confused condition in the housing field that existed prior to February 1942, when Executive Order 9070 was put into effect.

It will be recalled that prior to that time a number of resolutions were introduced in this body suggesting that a thorough study be made of the housing agencies in general, with the view of consolidating them. They were then scattered over the lot, as it were, in various branches of our Government. At that time, as I recall, there were from 17 to 20 agencies which dealt in one way or another with housing, and each of those agencies was headed by some kind of an administrator who was adequately staffed. Some of them were administered through a board. There was little effort made by any of these agencies to cooperate with each other. Under title I of the First War Powers Act, which was passed in 1941, the President issued Executive Order No. 9070 and consolidated all of these housing agencies into the National Housing Agency, which is headed by an Administrator. Since that time all of the various housing functions have been administered by the Administrator of the National Housing Agency. Under his supervision and direction there has been a decided improvement in the housing field. There has existed a more unified spirit to do a good job with the tools at hand, and much duplication has been eliminated. With less duplication of effort there has been quite a saving to the Government.

In 1942 there were, as I have just indicated, 18 separate agencies concerned with housing. They are outlined on a chart which I have here. I shall not take the time to discuss the functions of all of them. According to this chart, with respect to the functions which were not related to World War II, defense and war activities, there were the following divisions:

First, the Federal Loan Agency, under which, in turn, there were four subdivisions: (a) The Federal Housing Administration, which had charge, under title I, of home modernization and improvement loan insurance, and, under title II, of home and rental housing mortgage loan insurance programs;

(b) The Federal Home Loan Bank Board, which supervised (1) the Home Loan Bank System and (2) the system of the Federal Savings and Loan Association;

(c) The Federal Savings and Loan Insurance Corporation, which insures shareholders' accounts in savings and loan associations; and

(d) The Home Owners' Loan Corporation program, which I am certain is familiar to all of you.

Second, the Federal Works Agency, which, in turn, had several constituent agencies: (a) The United States Housing Authority, with its low-cost rental housing program; and

(b) The United States Housing Corporation, which was in process of liquidating its World War I housing program.

On top of that, we had another main subdivision:

Third, the Farm Security Administration, which had under its jurisdiction the subsistence homesteads and suburban resettlements. Under that program we had, for example, the Greenbelt project, which is just outside of Washington, and which has been in the news on many occasions in recent months. The comments as to its operations were most favorable. Similar projects for families of low and moderate incomes, for nonfarm families have been developed in various parts of the country. That program was created back in the early days of the New Deal, and many of the houses were built under the so-called Tugwell plan. This program also included projects owned by homestead associations on which the Government held mortgages.

Then there was a "fourth" main division, namely, the Central Housing Committee, which was an interdepartmental committee set up by Presidential order to coordinate by voluntary cooperation work of governmental agencies in the field of housing.

Then there were the defense and war housing programs, which were divided among the following agencies: First. The Federal Loan Agency, which included, in turn:

(a) The FHA with its title VI program of mortgage insurance on defense and war housing; (b) The Defense Homes Corporation, which was established as a subsidiary of the RFC, to provide needed war housing by public financing.

Second. The Federal Works Agency, to which were assigned the Lanham Act and various temporary defense housing programs, which in turn were assigned for administration to the United States Housing Authority, the Public Buildings Administration, the Division of Defense Housing, and the Mutual Ownership Defense Housing Division, within the Agency itself, and to the War Department, the Navy Department, and the Farm Security Administration, outside of the Agency.

Third. The War Department, which had defense housing assignments in addition to the Federal Works Agency.

Fourth. The Navy Department, which also had defense housing assignments in addition to Federal Works Agency assignments.

Fifth. The Farm Security Administration, which had defense housing assignments in addition to Federal Works Agency assignments.

Sixth. Coordinator of Defense Housing, which office was established as a result of the scattering of defense and war housing functions, to make findings of need with respect to defense and war housing and to coordinate defense housing.

All the various agencies which I have just been discussing were scattered all over Washington. When the President issued his order in 1942, three constituent agencies were created to deal with all the housing functions heretofore administered by all of the agencies just named. They were: One, Federal Home Loan Bank Administration, which was under the supervision of a commissioner. All of the functions of the Federal Home Loan Bank Board, the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the United States Housing Corporation were transferred to that Commissioner; two, Federal Housing Administration. It is presently headed by a commissioner who has charge of all the functions of Federal Housing Administration; three, Federal Public Housing Authority, also under the direction of a commissioner. The third constituent agency, headed by a commissioner, performs all the functions and duties imposed on the United States Housing Authority, the Defense Homes Corporation, the nonfarm public housing of Farm Security Administration, and the Defense Public Housing, except that located on Army and Navy reservations.

So that by the executive order heretofore described, the President created the National Housing Agency and designated an administrator who had charge of all housing agencies. The Administrator, in turn, had under his authority, three constituent agencies, which, as I have said, were known as the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority, each headed by a commissioner. Today that is the arrangement under which housing as a whole is being administered and it can readily be seen that by having all of the housing agencies responsible to one head, much time is saved, much effort is preserved and a better chance of coordinating all housing activities is made possible.

The National Housing Administrator has direction and supervision of all these various agencies, as I have indicated. In other words, he is some kind of over-all boss.

It will be recalled that last year the President sent to Congress a reorganization plan which, in effect, made the National Housing Agency a permanent agency. Under that plan, which was voted down by the Senate, the Administrator was clothed with full power of direction and control of the entire set-up which now is under the National Housing Agency. Not only was he empowered to control and supervise, but he could tell the administrators of those various agencies what to do.

The plan was strenuously objected to by many Members of the Congress. The plan was also opposed, although not openly, by some of the heads of the constituent agencies named above. The plan placed too much power in one person. The plan had the effect of giving complete control to an Administrator over all the housing agencies now created by law.

The reorganization plan now before us is much milder. It simply gives to the Administrator general supervision and coordination of the various housing agencies now under the control of the National Housing Agency. The commissioners of each of the constituent agencies will have the same power that they had prior to the issuance of the Executive order which the President issued in 1942. In the case of the Federal home loan bank, a board of three is created. I feel that unless this plan is adopted the whole housing function of the Government will revert to the confusion which existed prior to 1942.

It must be remembered that the National Housing Agency goes out of existence 6 months after the President, or the Congress by resolution, declares the war over. The President could send us another plan if this one is defeated. Under the Reorganization Act he has until April 1, 1948, to send another plan, but why not pass the one under consideration. Surely he cannot improve on the plan unless he removes the power of supervision and coordination from the Administrator, both of which are so essential to any proposed plan.

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

Mr. ELLENDER. I yield.

Mr. HILL. There is no Member of the Senate who has devoted more time or effort to the matter of housing than has the Senator from Louisiana. He has been most diligent in this matter, particularly in doing all he could to encourage the construction of more housing and more homes.

Can the Senator from Louisiana tell us how many different agencies, bureaus, or departments were handling some phase of housing or some matter related to housing before 1942?

Mr. ELLENDER. Eighteen.

Mr. HILL. Eighteen different ones?

Mr. ELLENDER. Yes.

Mr. HILL. They were scattered all over Washington, were they?

Mr. ELLENDER. Yes; and each was headed by a separate administration, and there was little effort on the part of the various heads of those agencies to coordinate or cooperate with each other. It seems that all of them were vying with each other for power and to retain their own little organization to itself, without in any manner attempting to cooperate one with another. That is what gave rise, as I indicated a while ago, to the creation of the National Housing Agency, which placed all housing activities of the Government under one administrator, with full power to supervise and coordinate all housing functions.

Mr. HILL. What we would have now would be this one administrator; is that correct?

Mr. ELLENDER. Yes.

Mr. HILL. He would be clothed with the power and authority to coordinate and bring together, insofar as possible, the operations and functions of the different agencies which have jurisdiction over housing; is that correct?

Mr. ELLENDER. That is exactly correct.

As I indicated a while ago, let us bear in mind that the administrator, under Reorganization Plan No. 3, would not have as much power as the Administrator of the National Housing Authority now has.

As I indicated a while ago, the Administrator of the National Housing Agency, the agency which now has charge of all housing, has the direction and the control of all these various agencies. In other words, he is the big boss, and he can tell the administrators under him what to do. But Reorganization Plan No. 3, as I have said, merely gives him the authority to supervise generally the work of all the various agencies, and to coordinate their efforts. Each of the constituent agencies retains such power as it now has under the law. That is about the sum and substance of what Reorganization Plan No. 3 does.

Mr. HILL. In other words, subject to this over-all authority to bring about coordination, the heads of the different housing agencies still retain their power and these units are what we might call autonomous.

Mr. ELLENDER. Exactly; and they get their authority from the laws under which they were created. They are referred to as constituent agencies, but all their authority is spelled out in the law creating them, as I have just indicated. The only authority that the Administrator of the new set-up, created and known as the Housing and Home Finance Agency, will have over the commissioners and the directors of the constituent agencies is general supervision and power to coordinate their work. That is about the sum and substance of his power.

Mr. HILL. As the Senator knows, there is no charge hurled against the Government more than that there are so many different agencies, scattered all over Washington, handling one subject. If there is any one thing which should be done it is the very thing the Senator is trying to do here today, to coordinate these agencies, bring them together, and, insofar as possible, coordinate their activities into one effort. Is that not true?

Mr. ELLENDER. That is exactly what the plan seeks to do. Let me repeat to Senators that the reason why this is necessary is that either Congress or the President may declare the war ended, and within 6 months thereafter the agencies which existed prior to 1942 would be revived and would have control over all the housing functions of our Government. In other words, we would have a reversion to the chaos which existed prior to 1942.

As I have just indicated, the power to issue Executive Order 9070 was given to the President by virtue of title I of the First War Powers Act that was passed in 1941. This authority would expire 6 months after it was declared, either by the Congress or the President, that the war was at an end.

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

Mr. ELLENDER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Does what the Senator just said mean that the reorganization plan is making permanent some agency which otherwise would lapse; that is, some temporary agency?

Mr. ELLENDER. Yes; the National Housing Agency would go out of existence. The plan seeks to create a substitute therefor, and consolidate the functions of many of the agencies which are now operating under Executive Order 9070, and thereby extinguish many of them, as it were.

The Senator will recall that under date of June 30, Congress by Public Law 183 abolished the Federal Loan Agency. In view of such abolition, the Federal Housing Administration, with its permanent home and rental housing insurance programs, and its temporary veterans' home and rental housing loan insurance program would become an independent agency. Likewise the Federal Home Loan Bank Board, together with the Home Owners' Loan Corporation, and the Federal Savings and Loan Insurance Corporation, would become independent. The Defense Corporation, which is now in process of liquidation, would be transferred from the FPHA to the RFC.

Mr. FULBRIGHT. Is not the Home Owners' Loan Corporation in liquidation also?

Mr. ELLENDER. It is still in liquidation. It would become an independent agency and there is no need for permitting such to happen. Its liquidation is now in the hands of competent people who have been handling the matter since 1942, and it would be extreme folly to have it revert as an independent agency. All such matters are now being handled under one head and I ask, why scatter them all over the lot, as was the case prior to 1942? That is some of the things that would happen if the reorganization plan were not agreed to.

The PRESIDING OFFICER. The Chair calls the attention of the Senator from Louisiana to the fact that his time has expired.

Mr. ELLENDER. May I have 10 minutes more?

Mr. FLANDERS. The Senator from Louisiana may have 10 minutes more.

The PRESIDING OFFICER. The Senator is yielded 10 more minutes.

Mr. ELLENDER. Mr. President, I shall not take the time of the Senate to go into details as to what the situation would be when Executive Order 9070 expires, but I ask consent to place in the RECORD, following my remarks, a short statement and two charts, which indicates how all these agencies would revert back to their former status if the reorganization plan were not agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. ELLENDER. Mr. President, I also ask that a brief description of the agencies and functions being consolidated into Housing and Home Finance Agency by Reorganization Plan No. 3 of 1947 be incorporated following my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. ELLENDER. Mr. President, I wish I had the time to go into details about this matter, but I have not.

I ask also that there be incorporated in the RECORD a letter addressed to me, signed by the president of the National Savings and Loan League, which, by the way, is in favor of the pending plan, and which was violently opposed to the Reorganization Plan No. 1 of 1946, which pertained to housing. The reason assigned by them then was that the Administrator under the 1946 plan was given entirely too much power. I again say that the Congress at that time shared that view, and voted down plan No. 2.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

(See exhibit 3.)

Mr. ELLENDER. Mr. President, I should like to say a few words in regard to the savings to the Government which will accrue by virtue of this consolidation.

I should like to say that the lack of savings argued by some constitutes one of the more common arguments that have been advanced against Reorganization Plan No. 3. The allegation is made that the Plan would not effect savings and economies, and would thereby fail to meet the requirements of the Reorganization Act of 1945.

The report of the Committee on Banking and Currency shows that there is no basis whatsoever for this allegation. As aptly pointed out by the committee report, elaboration is hardly necessary to prove that without coordination of the housing functions and activities of the Government as provided in the reorganization plan, each agency would undertake its own independent general statistical studies, technical research, and similar matters. Each would duplicate these and other activities which are common to the programs of all of them, and which, as contemplated by the plan, could be done for all of them on a mutually satisfactory and much more economical basis, by a single central unit. This seems so obvious that there would seem to be little point in taking up time in discussing the matter.

But several factors have been used by certain groups opposing the plan in their attempts to confuse the issue, which I think ought to be specifically discussed and clarified.

One such contention that has been made is that the Reorganization Act requires that each reorganization plan involve a 25 percent reduction in administrative costs—the implication being that in connection with each plan there must be a positive demonstration of such a reduction. The simple fact is that there is no such requirement in the law, and this was specifically pointed out by the Committee on the Judiciary last year. The committee pointed out that the provisions in this regard was rewritten during the consideration of the Reorganization Act by the Congress so as to be applicable, not to any particular reorganization plan, but as an over-all expectation with respect to the aggregate of reorganizations proposed by the President under the act.

I make this point not because I think it constitutes a positive basis for the support of the plan, but because it indicates typically how the arguments that have been made against the plan are without foundation.

The opponents of the plan have further tried to create confusion on this issue of economy by trying to take advantage of the fact that many of the savings under the plan are not immediately obvious because of the existing consolidation of housing functions and agencies under Executive order. If we presently had, today, 18 housing agencies scattered throughout the executive establishment, we could readily take a loot at the reorganization plan and get a fairly good picture as to the savings it would bring about. I do not think that under those circumstances 25 percent is at all an extravagant figure as to what might be involved in savings. But this situation no longer exists. It was eliminated by the temporary reorganization made necessary by the war and carried out under the war powers.

Does anyone seriously suppose that a major agency of government, which has been in continuous operation since 1942, could be unwound and scattered over a variety of different departments and establishments without serious disruption of the work, loss of efficiency, and totally unnecessary increased expense? Or does anyone seriously suppose that such a process of multiplication and subdivision could possibly fail to lead to duplication and overlapping of staffs, programs, and activities?

It is just as much a matter of economy and efficiency to prevent the dissipation of savings already accomplished as to effect new savings.

Some of the trade groups opposing the plan have gone even further in their attempts to confuse the picture on the issue of economy. They have attempted to find foundation for their argument that the plan fails to support economy, by pointing out, as certain witnesses did at the hearings on the plan, that the total administrative budget proposed for the National Housing Agency for the fiscal year 1948 somewhat exceeds that for 1947.

Careful examination of this argument shows it to be little better than frivolous. Let me show why:

The testimony of the opposition in this connection was that the 1948 budget submitted proposed an increase of $3,700,000 over the budget figures for 1947. Actually, if we take the figures laid before the House Appropriations Committee, we find that this supposed increase of more than $3,700,000 was in fact a proposed increase of only about $1,205,000.

But this is not the only interesting result of analyzing the figures a bit. What does this increase consist of? We find first of all that it is a net figure, the end result of certain increases and also certain decreases. What has decreased? The decrease is in the amounts provided, first, for over-all supervision and admin-

istration and, second, for the execution of the public housing program. These activities—the very ones which the opponents of the plan claim to fear—have been reduced by nearly $5,000,000. By contrast, the increases are in the budget items which provide for aids to private enterprise in the production and financing of housing. These items have been increased by about $6,000,000. It is therefore this increase of $6,000,000 for private housing aids, in contrast with the $5,000,000 decrease for over-all supervision and public housing activity, which is responsible for the $1,200,000 proposed increase in the budget.

Where does this leave the opponents? On the one hand, they come before the Banking and Currency Committee and oppose the plan on the ground that it is a mere scheme or subterfuge to promote public housing. Then, without batting an eye, they attack it on the ground that the budget for 1948 represents an increase, rather than a saving, and cite figures which, on analysis, prove to be reductions for public housing and increased amounts for assistance to private enterprise. Finally—and this, Senators, caps the climax—these same spokesmen then take their hats and brief cases and go down the hall to the Appropriations Committee, and there they ask that the reductions in the FHA budget which the House had recommended, be restored by the Senate, on the ground that the services are essential and valuable to private enterprise and should be continued without curtailment. Surely, this is arguing all sides of all questions.

Those who have served in this Chamber long enough to remember the good old days will think of another kind of economy which will be promoted under the plan. Before 1942, there was a housing agency to be found under almost every bush and shrub in Washington, as I have previously stated, and those of us who were unfortunate enough to have a question from a constituent or some other matter to be investigated were shunted about from office to office like a man trying to lodge a complaint in one of these big department stores. If we were fortunate enough to obtain answers, more often than not, we would come up not with one answer but with as many answers as there were agencies. It has been a very different story since the agencies have come under a single roof—and we ought to keep it that way.

In conclusion, I would summarize by saying that Reorganization Plan No. 3 consolidates agencies and functions according to major purpose. That was a purpose of the Reorganization Act. By so doing, it prevents a wasteful, inefficient scattering of related programs among many different agencies, and prevents overlapping, duplication, confusion, and lost motion which would inevitably result. It thus promotes economy and efficiency; and that, too, was a purpose of the Reorganization Act. It would consolidate existing agencies under a single head, and prevent the imposition on the Chief Executive of an unwarranted and burdensome administrative load. That was a further purpose of the Reorganization Act. In short, the plan seems to me moderate; based on experience; consistent with the conclusions of the Senate committees which have given the matter the most thorough study and consideration; and wholly in keeping with the intent and purpose of the legislation under which it is recommended. It should be approved and I ask each of you to vote nay when your name is called.

EXHIBIT 1

IV. SITUATION IF EXECUTIVE ORDER 9070 IS TERMINATED WITHOUT NEW REORGANIZATION

1. In view of the abolition of the Federal Loan Agency on June 30, 1947, by Public Law 132, Eightieth Congress (this is the act which extended the RFC), the Federal Housing Administration, with its permanent home and rental housing insurance programs, and its temporary veterans' home and rental housing loan insurance program, would become an independent agency.

2. Likewise, the Federal Home Loan Bank Board, together with the Home Owners' Loan Corporation and the Federal Savings, and Loan Insurance Corporation, would become independent.

3. The Defense Homes Corporation—which is now in the process of final liquidation—would nevertheless be transferred from FPHA to RFC.

4. The United States Housing Authority, and its low-rent housing program, would be returned to the Federal Works Agency.

5. The United States Housing Corporation, which is in the final stages of dissolution, would be transferred back to the Federal Works Agency.

6. The management, and eventual removal or disposition, of defense and war housing, now consolidated under FPHA, would be scattered among the Federal Works Agency (and subsidiary units), the War Department, the Navy Department, and the Farm Security Administration.

7. The Lanham Act title V temporary reuse program for veterans would be transferred from FPHA to the Federal Works Agency.

8. The subsistence homestead projects and mortgages, and the Greenbelt towns, would go back to the Farm Security Administration.

9. The two coordinating agencies—the Central Housing Committee and the Coordinator of Defense Housing—would apparently not be revived. As already indicated, the Federal Loan Agency has been abolished, so that its coordinating functions would likewise remain abolished.

EXHIBIT 2

BRIEF DESCRIPTION OF AGENCIES AND FUNCTIONS BEING CONSOLIDATED INTO HOUSING AND HOME FINANCE AGENCY BY REORGANIZATION PLAN NO. 3 OF 1947

HOME LOAN BANK BOARD

1. Federal Home Loan Bank System

The bank system consists of 11 regional home-loan banks, chartered by the Federal Home Loan Bank Board and operating under FHLBA supervision. Its function is to provide a reservoir of credit for the home-financing operations of bank members.

Membership in the system is open to federally and State-chartered savings and loan associations, insurance companies and savings banks. The great bulk of the actual membership consists of savings and loan associations (they comprised all but 37 of the 3,698 bank members as of early 1947). These member savings and loan associations have aggregate assets of $9,000,000,000, representing 90 percent of the assets of the entire savings and loan industry of the country. Member institutions have been making about one-third of the annual total of the nonfarm home-mortgage loans of the country.

The home-loan bank credit is made available to member institutions in the form of advances, for terms up to 10 years, on the security of home mortgages. (The banks do not engage in mortgage discount or purchase operations.) Short-term unsecured advances are made under certain conditions.

The banks obtain their funds for advances to member institutions from three basic sources:

1. Capital subscription: As of early 1947, their outstanding capital amounted to $209,000,000, of which $123,000,000 was provided by Treasury subscription and $86,000,000 by the member institutions;

2. Borrowings: These borrowings are through the issuance, to the general financing community (primarily banks and dealers), of consolidated debentures, notes, and bonds representing joint obligations of all the 11 banks;

3. Deposits of member institutions:

2. Federal Savings and Loan Associations

These associations represent a national system of thrift and home-financing institutions operating under Federal charter, regulation, and supervision. This system was established in 1933 to serve two basic purposes:

1. To provide sound thrift and home-mortgage lending facilities in communities lacking adequate savings and home-loan financing resources;

2. To develop under Federal charter a system of home-financing institutions operating under the best standards and practices evolved upon the basis of experience to date.

Accordingly, the system consists both of (1) newly created institutions, and (2) institutions which have been converted at their request from State to Federal charter.

The basic lending operations of these associations consists of first-mortgage loans upon homes and combination home and business properties. Most of these loans are made under the direct reduction plan of amortization.

Funds are derived from two main sources: (1) Share investments of association members—this is the primary source; and (2) borrowings from the home-loan banks. Each association is required to be a member of the Home Loan Bank System; to have its accounts insured by the Federal Savings and Loan Insurance Corporation; and to be examined periodically by the Federal Home Loan Bank Administration.

As of early 1947, there were 1,471 federally chartered associations, with aggregate assets of nearly $5,000,000,000.

3. Federal Savings and Loan Insurance Corporation

FSLIC insures accounts (up to $5,000) of shareholders of federally and State chartered savings and loan associations. The insurance provided is that in the event of default by an insured institution, the insured account holder has the option of either (1) a new insured account in another insured institution not in default, or (2) 10 percent of the amount insured in cash and the remainder in non-interest-bearing FSLIC debentures maturing within 3 years. (These debentures do not carry any Government guarantee. Government financial backing of FSLIC consists of a subscription by HOLC to the entire capital stock of FSLIC in the amount of $100,000,000.)

The insured institutions pay an annual premium charge of one-eighth of 1 percent of their shareholders' and creditor liabilities.

Approximately 2,500 federally and State chartered savings and loan associations participate in this program, involving 5,000,000 shareholders with $6,500,000,000 of share accounts under the insurance protection.

4. Home Owners' Loan Corporation

HOLC, from 1933 to 1936, refinanced the mortgages of more than 1,000,000 home owners. Since then its chief function has been

liquidation of its assets, including collection of the loans made in connection with these refinancing operations, and the sale of the houses that it has been forced to acquire by foreclosure (vendee accounts).

As of April 30, 1947, the HOLC had 364,000 mortgage loan and vendee accounts outstanding in the amount of $582,000,000 representing an 83-percent liquidation of its original total investment of $3,500,000,000 in loans and properties. As of that date also, the impairment of its capital stood at $65,000,000, as compared with a $134,000,000 deficit as of June 30, 1944. It is estimated that on the basis of the continuation of present economic conditions and the normal liquidation operations of HOLC, the impairment of its capital will be completely removed by fiscal year 1951. On this basis, HOLC should be able to return its entire original capital to the Treasury, instead of suffering the huge losses anticipated at the time it was established.

5. United States Housing Corporation

As a minor phase of Home Loan Bank Administration activities, Executive Order 9070, in establishing the National Housing Agency, placed in FHLBA the responsibility of supervising the final liquidation of the United States Housing Corporation which was created in 1918 for the purpose of housing workers in congested war-industry areas during World War I. At the time of the Executive order, the Corporation still held an interest in 445 houses (out of approximately 6,000 residential properties completed under its program). The liquidation job given FHLBA has involved primarily the task of clearing up litigation surrounding the remaining properties of the Corporation in order that they may be sold. This liquidation involves a minor expense covered by special authorization from the Congress.

FEDERAL HOUSING ADMINISTRATION

1. Title I—Home modernization and improvement program

Under its title I program, FHA insures loans made by financing institutions for home modernization and repair. Such loans may be secured or unsecured, may be up to $2,500 in amount, and up to 3 years in maturity. In practice, these loans have been generally character loans in small amounts averaging less than $450 each, with relatively short maturities, averaging approximately 30 months, and carrying a maximum financing charge to the borrower of 9.6 percent per annum (including the insurance premium charge). The great bulk of the loans have been for heating, painting, roofing, additions and alterations, and insulation, mostly on single-family dwellings.

The insurance protection is not with respect to individual loans, but with respect to the aggregate of the loans made under the contract between the financial institution and FHA and calls for FHA payment in cash of losses in an amount up to 10 percent of the aggregate amount of the loans made under the contract. Experience has shown that the participating institutions receive virtually a 100-percent guarantee against loans where reasonable credit judgment is exercised.

Commercial banks and finance companies have been the two primary types of institutions participating in this program.

Title I insurance operations, originally limited to loans made before April 1, 1936, are, as a result of various extensions, presently limited to loans made on or before June 30, 1949. Under this program, FHA may have outstanding at any time a total liability which, when added to the aggregate amount of all claims paid less income, does not exceed $165,000,000.

As of early 1947, more than 6,000,000 loans, aggregating approximately two and one-half billion dollars in amount, have been insured under this title, of which $355,000,000 was estimated to be outstanding.

2. Title II—Home and rental housing mortgage loan insurance

The title II program is FHA's permanent program of insurance on first-mortgage loans made for (1) home construction, purchase or refinancing, and (2) construction of rental projects. The insurance is with respect to individual loans, and essentially consists of payment of loss on unpaid principal, made in the form of FHA negotiable debentures guaranteed by the Government. (Payment of losses on interest and foreclosure costs is contingent upon adequate recovery on the loans or property by FHA.)

In the case of new construction for owner occupancy not exceeding $6,000 in valuation, FHA, under this program, insures 90-percent 25-year mortgages at an interest rate not exceeding 4½ percent (exclusive of FHA's one-half-of-1-percent insurance-premium charge). On new homes for owner occupancy, where the valuation is between $6,000 and $10,000, FHA insures mortgages for 90 percent of the first $6,000 and 80 percent of the balance, with maturities not exceeding 20 years, and with a maximum 4½-percent interest rate (exclusive of the insurance premium). On other new homes, or on existing homes, FHA insures 80-percent 20-year mortgages. The maximum interest rate of 4½ percent and the one-half-of-1-percent insurance premium is applicable to this insurance also.

With respect to multiple-family rental projects, FHA insures individual loans up to $5,000,000 in amount and 80 percent of the estimated value of the property when the proposed improvements are completed. The maximum interest rate is 4 percent by regulation, plus a one-half-of-1-percent mortgage-insurance premium. There is no maximum maturity period prescribed by law, and in practice the term on most mortgages has been in the vicinity of 26 to 28 years.

There are no time limitations with respect to this program. Under this program, FHA may have outstanding at any time insurance on $4,000,000,000 in aggregate principal amount of home and rental housing mortgage loans, which limit the President is authorized to increase to $5,000,000,000.

Under this program, FHA has insured as of the end of 1946 over $5,000,000,000 in home mortgages, and $160,000,000 in rental project loans, of which $2,500,000,000 and $52,000,000, respectively, were outstanding as of the end of 1946. The home loans covered 630,000 new dwelling units, and 620,000 existing units; the rental housing loans, 43,000 units.

As indicated, premium charges are made, and the program is on a self-sustaining basis.

On the basis of prewar figures, FHA's insurance activities have come to cover about 30 percent of the annual total of new homes constructed, and over 20 percent of total home-mortgage financing. The bulk of the homes insured have been single-family, and many of the homes financed are in new subdivisions planned and developed from the beginning with the cooperation of FHA. About one-half of the financing on home mortgages under this program has been by commercial banks, with the remaining one-half divided among mortgage companies, insurance companies, savings and loan associations, and savings banks, in that order. Mortgage companies sell practically all the loans they finance. Insurance companies, in contrast, hold approximately one-third of the insured mortgages outstanding, as compared with 12 percent financed by them.

Two-thirds in amount of the insurance mortgages on rental projects are held by insurance companies, the other active institutions being commercial and savings banks.

3. Title VI—War and veterans' home and rental housing mortgage loan insurance

FHA's title VI program was originally undertaken as an emergency program in 1941 to provide needed housing for defense and war workers, and as such would have expired in 1946. Through the operations of this title, FHA was enabled to insure mortgages on homes and rental housing involving risks that were not considered appropriate under its permanent title II program, particularly from the point of view of economic soundness. The title VI program is also more liberal in various respects with respect to the mortgage terms (such as with respect to ratio of loans to value of the property, maximum maturity, etc.). Altogether a $1,800,000,000 program was authorized, under which over 300,000 home mortgages involving nearly 400,000 dwelling units were insured in an aggregate amount of about $1,600,000,000, and about 500 rental housing projects, with 37,000 dwelling units, in an aggregate amount of $162,000,000.

In 1946, in connection with the veterans' emergency housing program, this title was extended to make its liberalized terms available for veterans' housing. For this purpose, an additional billion dollar authorization was made available, which the President was authorized to increase by an additional billion dollars. (This authority has been exercised.) Under the Housing and Rent Control Act of 1947 just passed, the expiration date of this title is March 31, 1948.

PUBLIC HOUSING ADMINISTRATION

1. United States Housing Authority

The USHA program is the low-rent housing and slum clearance program authorized in 1937, involving Federal loan and subsidy aid to local public agencies to provide housing at rentals within the means of low-income slum-dwelling families.

Three forms of financial assistance were authorized under this program:

1. Loans fully repayable with interest, at terms not exceeding 60 years, to finance not more than 90 percent of the capital cost of the projects. Most loan contracts are at a 2½ percent interest rate. Under them FPHA has, on the average, been lending two-thirds of capital costs to be repaid over 50- to 60-year periods. (The remaining one-third has been raised by the sale of local public agency bonds to the general financing community.)

2. Annual contributions to reduce (together with required local contributions) rentals from the amount necessary to meet the annual expenses of the project to the amounts that the low-income tenants can afford to pay. These contributions are made each year on a pay-as-you-go basis to make possible the low-rent character of the project (thus permitting their reduction, as during the war, when income levels rise); are subject to the continuance of the low-rent character of the project; are limited to 60 years; may not exceed 1 percent above the going Federal rate of interest at the time of contract, applied against the cost of the project; and are subject to periodic reexamination as to amounts necessary. Under most contracts to date, the maximum annual contribution payable is 3 percent of project cost, and actual payments have averaged about 30 percent lower than the maximum provided in the contracts.

3. Capital grants, as an alternative method of assistance to annual contributions. The provisions with respect to these grants have been entirely dormant.

The statute requires local governmental contributions amounting to at least 20 percent of the Federal annual contribution, in the form of cash or tax remissions or exemptions. (All local contributions to date have been in the form of tax exemptions.) The statute also requires that the community eliminate unsafe or insanitary dwellings in the locality approximately equal in number to the number of new dwellings provided by the project being assisted ("equivalent elimination").

The program authorized under this program is $800,000,000 in capital loans and $28,000,000 in annual contributions. Substantially the entire annual contribution authorization (which is the limiting one) is under contract.

In 1940 the United States Housing Act was amended by Public Law 671, Seventy-sixth Congress, so as to authorize the use of these authorizations, and the projects provided thereunder, for housing defense and war workers during the period of emergency.

The figures with respect to incomes, rentals, and costs under this program are briefly as follows:

1. In 1945 the average rent charged families admitted to public housing was $22.59 a month, including all utilities, as compared with the average rent of $24.79 in substandard dwellings. Prior to the war, in 1940, the average rent charged families admitted to public housing was $17.95, in comparison with the average rent of $18.80 in substandard dwellings.

2. In 1945 the average money income of urban families in the lowest income third was $1,500 per year. The incomes of families admitted to public housing in 1945 averaged $1,259. In 1941 the income of families admitted to public housing averaged $873, as compared with the average income of $1,050 for families in the lowest income third. The average income of all families living in low-rent public housing in 1945 was $1,566, including the higher incomes of essential war workers admitted in furtherance of the war effort, and of families whose incomes since admission have risen to a point which now makes them ineligible. Despite the continuing difficulties of evicting these families, a program is now under way for the systematic removal of all ineligible tenants.

3. The total over-all cost per unit has averaged $4,649; this includes not only the cost of constructing dwellings but also the cost of land, old buildings purchased and torn down where slum sites were used, site improvements and utilities, movable equipment, and all other costs.

The entire program includes 799 projects with 216,000 dwelling units. These figures include (1) 154 projects, with 19,000 dwelling units, deferred because of the war, and (2) 50 former PWA projects, with 22,000 units, which were transferred to the USHA when the United States Housing Act was enacted. As of June 30, 1946, 126,000 unsafe and insanitary dwelling units had been eliminated under the "equivalent limitation" program.

2. Nonfarm public housing of Farm Security Administration

Executive Order 9070, establishing the National Housing Agency, transferred to the Federal Public Housing Authority all the nonfarm housing of the Farm Security Administration. These included the subsistence homesteads, and suburban resettlement (Greenbelt towns), projects developed by the Farm Security Administration for nonfarm families of low or moderate income. It also included projects owned by homestead associations on which the Government held mortgages.

The transfer involved 31 developed subsistence homestead projects, 3 Greenbelt towns, and 8 undeveloped projects. The 31 projects range from houses with subsistence garden plots to projects for stranded families in mining and timber areas where efforts were made to develop industrial, agricultural, and cooperative activities to help reestablish sources of income.

Of the 31 subsistence homestead projects, 16 were sold by Farm Security Administration before FPHA assumed jurisdiction, but the mortgages are being serviced by FPHA. (Four have now been paid off.) Several hundred homestead units on 5 other projects were also sold by Farm Security Administration. Of the remaining projects, there are only 2 with respect to which no disposition of units has been made by FPHA in its disposition program.

3. Defense Homes Corporation

DHC is a corporation established in aid of the war program by RFC to provide needed war housing, and like other public war-housing programs was transferred to FPHA by Executive Order 9070 in 1942. Under this program, 31 projects were initated in 13 States and the District of Columbia, of which 25 were completely developed, at an approximate cost of $92,000,000. Fifteen of the 25 projects have been sold, and the remainder are in the final stages of sale proceedings. Likewise, the 6 undeveloped projects have been sold or are in the process. It is anticipated that by 1948, all the affairs of DHC will have been wound up.

HOUSING AND HOME FINANCE ADMINISTRATOR

1. Lanham Act, Temporary Shelter Acts, and Public Law 781, war housing

Beginning with 1940, a series of statutes were passed to provide necessary war housing for defense and war workers which private industry was unable to provide. The basic statutes involved, originally passed as independent measures, are the Lanham Act, (Public Law 781, 76th Cong.), and the Temporary Shelter Acts (Public Law 9, 73, and 353, 77th Cong.).

Under Executive Order 9070, these various programs were all transferred to the National Housing Agency, and under various statutory enactments during the war, management and operations with respect to these various programs were consolidated to a basic extent. Under the procedures developed, operations have been carried out by FPHA, under the policy supervision of the National Housing Administrator.

Originally, housing of a permanent nature was constructed as part of the defense housing program, but with this country's entry into the war, the critical shortages of materials and manpower, the urgent need for speed and other wartime exigencies, transformed the program to one basically of temporary housing.

The present number of still active projects under NHA jurisdiction as a result of this program amounts to 1,566, with approximately 426,000 dwelling units, involving a development cost of approximately $1,400,000,000. In addition, there are under this program approximately 44,000 homes conversion units representing properties which were leased by the Government, for the emergency period, for conversion into additional dwelling units for defense and war workers.

With respect to the permanent units under this program the present law provides that such housing may be sold and disposed of as expeditiously as possible; that in disposition consideration is to be given to the full market value; and that no such housing may be conveyed for slum clearance or low-rent housing purposes without the specific authorization of the Congress.

With respect to the temporary housing (which necessarily has been of a substandard nature, because of the wartime exigencies under which it was built), the law provides that such housing is to be removed as promptly as may be practicable and in the public interest, and in any event within 2 years after the war emergency has ceased to exist. (Under the terms of S. J. Res. 123 recently passed by the Senate, the running of the 2 years would start at this time.) To provide necessary flexibility, however, the law further provides that there will be excepted from this 2-year requirement such housing as may be found still to be needed in the interest of the orderly demobilization of the war effort. These exceptions may be made only after consultation with local communities, and must be annually reexamined and reported to the Congress.

2. Lanham Act veterans' housing (temporary reuse program)

Title V of the Lanham Act was enacted in June 1945. As originally passed, it authorized the National Housing Agency to exercise the war housing powers of the Lanham Act in order to provide temporary housing for servicemen and veterans and their families who were affected by evictions and other hardship. In December 1945, the title was amended to provide for what is now commonly known as the temporary reuse program.

Under this program surplus army barracks and other wartime structures are converted into temporary veterans' housing. The program is carried on jointly by the Federal Government and local communities, educational institutions, and similar local agencies. The local agencies provide the sites and off-site utilities, while the Federal Government undertakes the responsibility for the actual transportation and reerection of the structures. The Federal Government may enter into contracts to reimburse the local agencies or institutions for any costs which they may incur in transporting and reerecting the structures or in connecting utilities from dwellings to mains.

Federal funds in the sum of approximately $440,000,000 have been made available for this program which, as of March 31, 1947, comprised 164,000 units, of which 126,000 units had been completed. Under Public Law 85, Eightieth Congress, passed May 31, 1947, an additional $35,500,000 was authorized to complete projects under construction. Appropriation of this amount is now pending in the Congress.

EXHIBIT 3

NATIONAL SAVINGS AND LOAN LEAGUE,
Washington, D. C., June 27, 1947.

DEAR SENATOR: Although the National Savings and Loan League last year opposed Reorganization Plan No. 1 of 1946, which would have created a permanent National Housing Agency under a National Housing Administrator and within that Agency a permanent Federal Home Loan Bank Administration under a Commissioner, the League favors plan No. 3 of 1947 because of important basic differences. We were glad to see the Senate Banking and Currency Committee approve the new plan also.

Plan No. 3 of 1947 would establish a Home Loan Bank Board in lieu of a one-man Commissioner who, under Executive Order 9070, has had all of the duties, powers, and responsibilities of the original Federal Home Loan Bank Board with respect to the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the chartering, regulation, and supervision of Federal savings and loan associations under section 5 of the Home Owners' Loan Act of 1933, as well as other duties and powers vested in the Board.

The quasi-legislative and quasi-judicial functions of the Federal Home Loan Bank Board are of such a type and of such life-and-death importance to the thousands of thrift and home-financing institutions with their more than ten billions of assets and many millions of private investors as to require the judgment and the checks and balances which exist in a Board as contrasted to a single Commissioner.

Whereas Plan No. 1 of 1946 gave the Administrator of the National Housing Agency unnecessary directive authority over the constitutent agencies, plan No. 3 of 1947 only gives the Administrator responsibility for "general supervision and coordination of the functions of the constituent agencies."

We do not question the responsibility of the President of the United States to exercise general supervision over these Federal agencies. All that Plan No. 3 does is to designate someone who will be the direct representative of the President in serving this function and will report to him.

Plan No. 3 does not, in any way, lessen the autonomy of the Home Loan Bank Board in performing its functions.

If this plan is effectuated, the Congress of the United States will still have the final authority over the activities and programs of the agencies concerned and if, for any reason, the arrangement contemplated by plan No. 3 does not prove to be satisfactory, then the Congress can change these agencies and the facilities for the coordination of their activities as then indicated.

It is our earnest hope that the Congress will permit this plan to be effectuated.

Sincerely,

CURTIS F. SCOTT,
President.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. CAIN. Mr. President, I yield to the senior Senator from Virginia [Mr. BYRD] as much time as he may care to use on this subject.

Mr. BYRD. Mr. President, I have carefully read the message of the President submitting Reorganization Plan No. 3, and I have read the hearings. There is not a single assertion by anyone that any savings will result to the Treasury by reason of the adoption of this plan. No Senator is more desirous of seeing a reorganization of the 1,152 agencies, bureaus, and commissions of the Government than is the Senator from Virginia. I was a strong advocate to give this reorganizational authority to the President of the United States. In fact, as certain Members of the Senate will recall, I introduced an amendment to the bill, requiring that there should be negative action by both the House and the Senate before a plan submitted by the President could be prevented from going into operation.

I am very deeply disappointed that, despite the great opportunities for economy that exists in every single branch and agency of the Government, the President of the United States has recommended three plans, in not one of which is there a single claim made that any economy will result.

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

Mr. BYRD. I yield.

Mr. REVERCOMB. I may say to the able Senator from Virginia that I recall how much interest was manifested by the Senator from Virginia when the legislation was being formulated, and later enacted, which authorized reorganization plans to be prepared by the Chief Executive and submitted to the Congress. I was also greatly interested in the legislation. I understand that now the Senator states with respect to the Plan No. 3 that it brings about no saving in cost whatsoever to the Government.

Mr. BYRD. I say, Mr. President, that the claim is not even made that any saving will result. So far as I can see, there will be no saving, because the plan abolishes nothing. It simply coordinates certain agencies of the Government which will continue to operate as they are operating now.

Mr. REVERCOMB. Was not the very purpose of the legislation as a result of which the plans have been prepared and submitted to make more efficient the administrative side of government, and was it not the thought of those who brought forth the legislation that the cost of government would be lessened by reorganization, and that there would be need for fewer employees in the executive departments under reorganization?

Mr. BYRD. That should certainly be the main purpose of any reorganization plan.

Let me say, Mr. President, that we have 1,152 boards, bureaus, and commissions in the Federal Government. Yet not one single one has been abolished by any one of the three reorganization plans submittee to the Congress. A fisherman, who throws his line into the water, sometimes finds his efforts rewarded. Like the fisherman, it seems to me that one who attempts to reorganize various agencies, could hardly fail occasionally to achieve some little economy under whatever effort is made. Under the condition which now confronts us, when we have nearly numberless boards, commissions, and bureaus, when 2,100,000 persons are still employed by the Federal Government, it seems to me there should be some way whereby the President of the United States, under the power which Congress gave him, could submit to Congress plans which would abolish something. That is what I want to see done. I want to see abolished bureaus or commissions which are doing overlapping work, or departments of the Government which are duplicating the work done by other departments.

What the reorganization plan does is to deal with seven agencies of the Government. It deals with the Federal Home Loan Bank Board. It also deals with the Home Owners' Loan Corporation. Mr. President, the Home Owners' Loan Corporation should be liquidated. It should not be continued and made permanent under the new organization. There has been no better time in the Nation's history to sell the buildings and the homes which are now owned by the Home Owners' Loan Corporation, than now. Since, as I believe, the present market for buildings is the highest in many years, and it will probably continue for some time, instead of transferring that agency to some other agency why can it not be liquidated, and thus save the great amount of money which the Government now pays out with respect to employees of the Home Owners' Loan Corporation and the administrative costs involved.

The Home Owners' Loan Corporation has not made a loan for homes for many years. The Plan No. 3 proposes to place it under the new agency, and nothing is done except to group it with other agencies. There is no elimination of duplication of effort or of expense.

The next one is the Federal Housing Administration. Then there are the Federal Savings and Loan Insurance Corporation, the United States Housing Authority, the Defense Homes Corporation, and the United States Housing Corporation, and the new coverall agency.

Mr. President, I have always found that when such a thing as simply coordinating and consolidating existing agencies is undertaken, without eliminating anything, and establishing a coverall agency, it really costs more money. That has been the experience of the Government since I have been in the Senate during the past 14 years.

A new council is then placed at the top, which is called the National Housing Council. The purpose of the new council is to coordinate the activities of the seven agencies I have named. In other words, we have a super coverall agency to coordinate the agencies we already have.

Another effect of Plan No. 3 is to make permanent by law temporary agencies of the Government. That is one of my main objections to the plan.

Let me recapitulate the reasons, Mr. President, why I intend to vote against the plan.

First. There is no contention that any savings will result.

Second. The temporary National Housing Administration will be made permanent under the new name of "the Housing and Home Defense Administration."

Third. An additional agency will be added, to be known as National Housing Council.

Fourth. Although the seven housing agencies are to be transferred into the new administration, they will not be consolidated, and they will in no way lose their identities. They will function just the same, doing the same work, and involving the same duplicating expense. The only difference is that there will be at the top of them all a coordinating agency which will result in the outlay of more money.

Fifth. It is bad policy to mix agencies concerned, on the one hand, with public or socialized housing with private housing.

Sixth. It is bad business to mix agencies concerned with banking or housing loans with agencies concerned with construction and materials.

Seventh. Only in very slight degree, if any, would confusion be eliminated, because only 7 out of the 13 agencies dealing with housing are embraced in the plan.

For the reason stated, Mr. President, I am very regretful, as one who has fought for 14 years in the Senate to do all he could to bring about a simplification of the vast governmental machinery, to cast my vote against Reorganization Plan No. 3, just as I voted against Reorganization Plan No. 2.

I wish to say further, Mr. President, that as one who supported the President of the United States with all the capacity he had, by giving to him the authority to reorganize, for which he asked, I do not intend to vote for a single reorganization plan that fails to bring about economies. That is the purpose and that is the reason for reorganization of the Federal Government. We should have economy which goes with efficiency.

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

Mr. BYRD. I yield.

Mr. REVERCOMB. The able Senator from Virginia has made a statement which I am glad has been made. When he supported the original legislation and worked hard to have this power placed in the hands of the President to draw up

reorganization plans, doubtless the Senator will remember that I rather insisted that the reorganization should be done by the Congress itself. The Senator will probably recall the discussions we had in committee upon that subject. But my seniors, who had a great deal more experience with such matters in the Senate, prevailed upon me that the only way to do it was to place it in the hands of the Chief Executive. The result has not been a very happy one, because, as has been pointed out, plans are being submitted which contain no saving in cost of administration, and so far as I can find, no reduction in the number of persons employed in administrative capacity.

Mr. BYRD. I will say to the Senator that whenever no claim is made that savings will result we can rest assured that there will be no savings, but, to the contrary, my experience has been that there will be increased costs. If there is any saving whatsoever in contemplation it will be claimed that saving will be effectuated. As I read the testimony of the Director of the Budget, he does not claim that there will be any saving. I have read the report of the committee. I have read the message of the President. I have not been able to find any claim made in any of these documents that one dollar of saving will result to the Federal Treasury by reason of the passage of the reorganization bill.

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

Mr. BYRD. I yield.

Mr. TAFT. Of course, we have now in effect what is substantially the pending reorganization plan. It is in effect under section 1 of the War Powers Act. So that substantially what the plan under consideration would do would be to continue that existing reorganization. Naturally there would not be in such a plan a saving. If left to themselves, the existing agencies may fall apart. Under the reorganization plan, it is proposed to set up a Housing and Home Finance Agency, which will supervise the FHA, the Federal Home Loan Bank Board, and the Public Housing Administration, under each of which there are a number of constituent agencies. My experience is that in every case such agencies, by themselves, with no supervision, but responsible only to the President, rapidly expand and spend more money than if they are in one consolidated agency.

I dispute entirely the contention of the Senator from Virginia that if Plan No. 3 is adopted there will be no saving. We have had this consolidation during the entire war period. My opinion is that we would spend much more money if we were to let these agencies fall apart into half a dozen constituent agencies, each one responsible only to the President of the United States.

Mr. BYRD. The Senator from Ohio has touched upon one feature which has influenced the Senator from Virginia to vote against this plan. He admits that what the plan does is to make permanent these emergency agencies. They were created under war powers, but it is proposed, by an enactment of Congress, to make them permanent. That is one reason why I cannot vote for the plan.

Mr. TAFT. So far as I know, none of these agencies were created for the war. They existed before the war. Before the war, there were 15 different agencies dealing with housing. Under the War Powers Act, they were put together and one man was placed in charge of them all. Perhaps he is an extra agency. But it is not an expensive overall change. It is to a large extent a consolidation of research activities in the housing field. It has been unnecessary in many cases to create new agencies under them because they have been able to operate directly in the special field of war housing. So far as I know, no war agency is continued.

Mr. BYRD. I refer to agencies created under the war powers. The Senator is correct; there are about 14 agencies relating to housing, and only 7 of these are dealt with in this plan. Not a single one of them is abolished. There would still be six or seven additional agencies dealing with housing which are not covered by the plan.

Mr. TAFT. I question that. What agencies are there that are not covered by this plan which are now dealing with housing?

Mr. BYRD. I can furnish the Senator a list of them. There are quite a number of such agencies.

Mr. TAFT. I know of none; and I have been over the subject quite often, and fairly recently.

Mr. BYRD. I shall furnish the Senator a list of the agencies. I do not have it at hand.

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

Mr. BYRD. I yield.

Mr. FLANDERS. I should like, if I may, to come to the Defense of the Committee on Banking and Currency, which reported the resolution adversely. I understood the distinguished Senator from Virginia to say that he found in the report of the committee no reference to a reduction of expenses. I find these words in the report:

> No elaboration is necessary to prove that without the general supervision and coordination of the functions and activities of the constituent agencies provided in the reorganization plan, each would undertake separately its own independent general statistical studies, technical research and similar matters, and would duplicate other activities which are common to the programs of all of them and which, as contemplated by the plan, could be done for all of them on a mutually satisfactory basis by a single central unit more economically.

Mr. BYRD. What is the estimate of savings made by the committee?

Mr. FLANDERS. There is no estimate of savings by reason of improved operation under the proposed plan; but each of us is at liberty to make his own estimate of what the losses would be if we were to disapprove the plan and return to the disorganized situation which existed prior to 1942.

Mr. BYRD. I will say to the Senator that when the question was asked of Mr. Lawton, representing the Budget Bureau, on page 13 of the hearings held in the House, he gave the answer which I shall read. He was being questioned by Representative KARSTEN:

> Mr. KARSTEN. I should like to ask you if you have this consolidation, in your opinion, would it result in greater efficiency and perhaps reduce the expenses of the over-all agency if they were all under one head or authority?
>
> Mr. LAWTON. I cannot answer that specifically. I can only answer it in this general fashion, that is the unification of the housing activities under one general direction.

My observation over quite a long period of years is that when any branch of the Government feels that it can effect economies, the claim is always made that there will be economies, though frequently economies are not effected. However, no claim is even made for economies in connection with this plan. If the committee has any information which is not available to the Senator from Virginia as to the economies, I should like to know what it is.

Mr. FLANDERS. Mr. President, will the Senator further yield?

Mr. BYRD. I yield.

Mr. FLANDERS. I believe that the response made to the question in the House was an honest answer. No claims were made for any great reduction in costs by reason of the revision under the existing plan. But again I call the attention of the distinguished Senator from Virginia to the very serious alternative possibility of going back to no plan and having a very greatly increased expense. That, in my opinion, is where the question of expense enters into this problem.

Mr. BYRD. In the judgment of the Senator from Virginia it is very much better to wait, even if we wait a year or so, and bring about a real reorganization, abolishing some of these agencies. No agency is proposed to be abolished under this plan. I disagree with the Senator from Vermont that the plan provides for changing the functions of the agencies. It simply coordinates them under a new agency called the Housing and Home Finance Agency.

Mr. FLANDERS. Mr. President, will the Senator further yield?

Mr. BYRD. I yield.

Mr. FLANDERS. That is not a new agency. If the Senator will compare the new agency with the existing agency established in 1942, he will find that the only change is to diminish the powers of the head of the coordinating agency and give him general supervision and coordination, instead of making him a dictator. Dictatorship did not work.

Mr. BYRD. My observation is that we always get a coordinator, instead of abolishing something. Instead of discontinuing some function of Government we establish another agency to coordinate the existing agencies. That has happened time and time again in Washington in the past 14 years.

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

Mr. BYRD. I yield.

Mr. FERGUSON. On page 2 of the report, under the heading "Description

of Reorganization Plan No. 3," I find this:

Reorganization Plan No. 3 of 1947 groups nearly all of the permanent housing agencies and functions of the Government, and the remaining emergency housing activities, in a Housing and Home Finance Agency, with the following constituent operating agencies:

Earlier we were discussing the question whether all the agencies were included. The report uses the words "nearly all."

Mr. BYRD. There are some other agencies which deal with housing. Unfortunately I have not the data at hand now. There are some other agencies which are not included in the report.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. BYRD. I yield.

Mr. FERGUSON. I should like to inquire if the Housing and Home Finance Agency is not a new organization. I did not find it in the corporation appropriation bill. We did discover there the National Housing Agency, office of the Administrator, for which, on page 3 of the bill, line 15, we appropriated $100,000. We discovered that he desired more than $1,000,000 to operate the office of the Coordinator; but after going over the facts it was disclosed that he wanted economists, attorneys, and an organization to do research work. There is a great deal of money spent by all the agencies and bureaus of the Federal Government under the guise of research and coordination. I wonder whether or not the Senator knows of any appropriation which has been asked for the Housing and Home Finance Agency?

Mr. BYRD. I have never heard of it. So far as I know, it is a new agency, though the Senator from Vermont [Mr. FLANDERS] says it is not.

Mr. FERGUSON. Mr. President, will the Senator yield so that I may ask the floor manager of this legislation, the Senator from Vermont, regarding that matter?

Mr. BYRD. I yield.

Mr. FLANDERS. Mr. President, this is not a new undertaking. It is the same Administrator, but with a new name.

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

Mr. BYRD. I yield.

Mr. CAIN. I should like to ask the Senator from Vermont if the time which he is most interestingly and informatively using comes from the time allotted to him? He has control over the 2 hours allotted to those in favor of the proposal. Does it come from our time, which we could, I think, from our point of view, use to better purpose?

Mr. FLANDERS. Mr. President, being similarly unskilled in the arts and wiles of discussion on the floor of the Senate, I likewise ask the same question.

The PRESIDING OFFICER (Mr. THYE in the chair). If the Chair make this observation, unless the two Senators cease "kidding" each other considerable time will be lost which belongs to both of them.

Mr. CAIN. I will say to the Senator from Vermont that I was trying to save time.

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

Mr. BYRD. I yield.

Mr. FERGUSON. The Senator now advises me that this is not a new agency, but that the name has been changed?

Mr. FLANDERS. Under the existing organization which derives from the reorganization of February 24, 1942, the name "National Housing Agency" is changed to "Housing and Home Finance Agency." Why the name was changed I do not know; so I do not wish to be questioned.

Mr. FERGUSON. I imagine that one of the reasons is that they could use more letters of the alphabet. As we try to consolidate they think about the alphabet a little more, and therefore they are using another name. The National Housing Agency, Office of the Administrator, is the agency which the Appropriations Committee saw fit to limit, both in the House and in the Senate, to $100,000, because we figured that if they were coordinated they should do that job alone and not enter into the big field of research.

Mr. FLANDERS. It would seem to me, Mr. President, that the things on which the heart of the Senator from Virginia is set, in common with the hearts of all of us, have already been accomplished.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. BYRD. I yield.

Mr. FERGUSON. I am anxious to know more regarding the statement that each individual agency will possess its individual identity and be responsible for the operation of the program. How could a coordinator, no matter how much money was appropriated, do anything with relation to constituent agencies if they were to retain their individual identity and be responsible for the operation of their programs? How could a coordinator do anything in that situation? Is it not pure surplusage?

Mr. BYRD. I think the Senator is entirely correct. That is the point which the Senator from Virginia has made. This is merely a coordination, not a revamping of the functions of the various agencies. They remain and continue as they have been.

Mr. President, I shall conclude. I do not want to take up any more time of the Senator from Washington [Mr. CAIN]. I merely desire to say that it is with very deep reluctance that I shall vote against this Reorganization Plan, because I supported the authority of the President with all the vigor I possessed, and offered an amendment which was agreed to by a close vote, by which the plans were to be made operative, unless rejected by both Houses. I did so, Mr. President, in contradiction of a position which I had taken 2 or 3 years earlier. I doubt very much whether I was correct about it, but I did it because I wanted to give the President every possible opportunity to effect a reorganization which would mean something, which would prevent duplication of effort, which would save money for the taxpayers, and reduce the number of employees who then numbered 2,100,000. I again express my regret that the President of the United States has not seen fit to use this power in any of the three organization plans which he has submitted to Congress in such a way as to effect economy and actually reduce the overlapping and duplicating activities of these 1,142 agencies. Therefore, Mr. President, I shall cast my vote against the plan as submitted by the President.

Mr. CAIN. Mr. President, the junior Senator from Washington shares one conviction with every other Senator in the Chamber; namely, that housing is a national problem, that it is complicated and complex and as difficult of understanding as any other problem which confronts us. By instinct and by study, we realize it to be a problem for which we hope before very long America will find an answer, but for which some of us in this Chamber at this time feel that the President's proposed Reorganization Plan is not even an approximation of the answer which the Nation is seeking.

The consideration given to the President's reorganization plan by the Senate Committee on Banking and Currency was a rather thorough one and long extended. It was finally resolved by a vote of 7 to 6 for approval. The junior Senator from Washington obviously represents the minority vote and position, and in connection with it I hope in a few minutes to submit for the RECORD the reasons which guided our negative action on the President's proposal.

I am but one of a good many who will vote against the President's reorganization proposal for approximately five reasons, which are as follows:

First, it is unnecessarily expensive and will, in our opinion, become extravagantly so in the future. I think that what the senior Senator from Virginia [Mr. BYRD] has said is incontrovertible, that the consolidation, coordination, and integration contemplated by Plan No. 3 will result in no saving for the American taxpayer. Though it may be held by some that savings will be accomplished in the future, such evidence is not in the record up to this time.

On the basis of the budgets which have been recently submitted by the various component parts which make up the National Housing Agency, no one who understands the situation and studies the figures will gain any impression that we are even beginning to think about saving money in the field of Federal housing.

Second, those of us who strenuously oppose this plan do so because it makes permanent an institution or an agency or a group—call it what we will—which was designed primarily to attempt to do a good job during the war.

I think it was the senior Senator from Ohio [Mr. TAFT] who said a few minutes ago, in response to a question or a comment of the senior Senator from Virginia [Mr. BYRD], that the President's proposal was merely to continue on in the future what we have learned to do through coordination in the field of housing during the war. If that is the basis of the support which the senior Senator from Ohio will give to this program, I am inclined to believe that time will cause him to change his mind, because on my desk there is evidence so

much to the contrary that any reasonable minded person who had thought that what we did in the name of war housing was effective, would be forced to come to a different conclusion.

My third reason, Mr. President, is that I see absolutely no reason to believe that war housing—a very simple phrase of two words—will be better liquidated under the President's proposed reorganization plan than has been the case in the past. That, to me, is tremendously important. War housing, for the benefit of those who do not know its size, scope, and magnitude, cost the American taxpayer by way of investment approximately $2,000,000,000. Through sale and liquidation the average taxpayer in this country has a perfect right, as does his Government, to expect a return on the investment.

It is not necessarily on the basis of my very few months in the Senate that I feel so strongly about this matter as an individual, but it is because of the evidence which is before me. I know of no single agency under the jurisdiction of this great Government which, perhaps because of its inability to understand its accountability, has given to the American citizen such a very bad run for his or her money. Bear in mind that the National Housing Agency, which was created, as I recall, by Executive Order 9070 on February 14, 1942, had three component parts. One was the Federal Housing Agency.

Then there was the Federal Farm Bank Loan Board, and there was the third component part, the Federal Public Housing Authority.

If I am not mistaken, the senior Senator from Ohio in one or two of his questions a few minutes ago indicated that he did not believe that that Executive order did anything other than to group and coordinate. He did not know that it created a new agency. Yet, Mr. President, in 1942 it created the Federal Public Housing Authority to have management and jurisdiction over what previously had been known as the United States Public Housing Authority; I think that is its correct title. That organization concerned itself with low-rent housing and slum clearance. In addition the FPHA was given a mandate by Presidential order to manage, maintain, and construct war housing.

Mr. TAFT. Mr. President, if the Senator will yield to me, let me say that was not a new agency; it was merely a new name for the United States Housing Authority, which had existed for 6 or 8 years.

Mr. CAIN. Mr. President, the Senator from Ohio may be correct. I think he will find, upon closer examination, that the United States Housing Authority became but one of a number of constituent agencies under the Federal Public Housing Authority. But the point in that connection—as to whether the interpretation of the Senator from Ohio or my interpretation is correct—I think is not the important item to consider. I am talking about effectiveness and efficiency, and I am talking in the hope that we can do a better job of housing, so as to build more houses and save money for the American people.

I think it was the senior Senator from Vermont [Mr. AIKEN] who earlier today in this Chamber asked consent to have read into the RECORD, as he did the other day, a governmental report on a Federal agency, in this case being a report submitted, I think, by the General Accounting Office. The other day he said that he wished to submit 5 or 6 similar reports which he was prepared to clear at that time, but he said he was not prepared to submit for the RECORD of the Senate a General Accounting Report on a particular Federal agency, for he said the allegations and the charges of mismanagement and misdirection were so positive and firm and clear and concise that he would like to give those who as individuals are accused an opportunity to speak for themselves.

Mr. President, most of us had not heard any more about that matter; and then earlier today the Senator merely introduced that document for the RECORD. I have a copy of it before me. It is a result of a public accounting by the firm of Price, Waterhouse & Co., of the city of New York, on its survey of the accounting system of the Federal Public Housing Authority for the fiscal years 1945 and 1946. This accounting report is not going to cover a couple of million dollars, Mr. President; it is not going to cover a couple of hundred million dollars; it covers approximately $2,000,000,000 of assets. When it is said by one of the most reputable firms, accounting-wise, in this country, that—

> The foregoing deficiencies result in the aggregate in a balance sheet totally without integrity—

I think that is germane and important to a further consideration of the President's proposal that we shall continue, in part, some of the methods that recently were used during the war.

Mr. President, I hope every Senator in this Chamber will read as closely and carefully as he can the consolidated report coming from the committee of which the Senator from Vermont [Mr. AIKEN] is chairman, and which resulted from the report made by Price, Waterhouse & Co., an accounting firm in the city of New York. I am strongly opposed to the continuance of any system of war-housing disposition which gives us so little reason to believe that the job will be better done than has been the case in the past.

Along with other of my colleagues, my fourth reason for opposing this Presidential plan is because in our opinion it violates congressional directives which have been laid down in the past; and in my considered opinion, at any rate, I think this body should give much more consideration to what it wishes to do about housing in the future, before it adopts a plan which is primarily and essentially what we have been doing already since the year 1942.

Recently other Senators and I voted very enthusiastically, as I recall, for a resolution which proposed the creation by the President of a 12-man commission. I think the author of the resolution was the junior Senator from Massachusetts [Mr. LODGE]. I saw a great significance and importance in that resolution, and so, too, did most other Senators.

Several days ago I sat as a member of the Banking and Currency Committee, and I joined with other Senators in voting unanimously in favor of a housing resolution which had been submitted by the junior Senator from Wisconsin [Mr. MCCARTHY], the purpose of the resolution being to have a complete analysis made of the housing situation in this country. If that work were properly done over a period of a year, and if the duty which was allocated to and directed toward the Presidential commission which grew out of activities arising within the Senate—and the function of the commission, as I understood, was to determine the efficiency of the executive branch and how best to group and coordinate executive agencies within the Government—was properly performed, I think we should have the kind of answer to the housing problem which all of us sincerely and anxiously are looking for.

Mr. President, my next reason for opposing the plan is because I do not see that, if adopted, it will result in the building of any more houses. If we are considering a housing plan with reference to the building of more houses, I do not think we wish to spend any more time on the President's reorganization plan. I think those phrases are used rather loosely. We are discussing an attempt to continue what some persons admittedly have thought was a job well done, whereas others, including myself, think it was purely an experiment, and that the sooner we get rid of much of it, the better off the country will be.

I should like to refer to a colloquy which occurred a few minutes ago between the Senator from Alabama [Mr. HILL] and the Senator from Louisiana [Mr. ELLENDER]. The Senator from Alabama wanted to know from the Senator from Louisiana what power the head administrator would have under the President's proposed reorganization plan. The Senator from Louisiana said, in effect, "I can best tell the Senator what his power would be by telling him what it has been under the National Housing Agency." If I understood him correctly, he said that under the reorganization plan of 1942 the National Housing Administrator had the power of direction over the constituent agencies that, in the words of the Senator, he had a "big stick," that he could get things done, that he had power. As I understood the interest of the Senator from Alabama in the problem, he was agreed that under the previous plan of 1942, and as suggested in the reorganization plan of last year, the Administrator was given too much power.

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

Mr. CAIN. Certainly.

Mr. HILL. As I understood the Senator from Louisiana, he was making the point that under the reorganization plan now before the Senate the over-all Administrator would have as much power as he has under the 1942 Executive order.

Mr. CAIN. That is my understanding. My reason for bringing that up is that if the Senator from Louisiana was correct, and under the reorganization plan of 1942 the chief Administrator has power sufficient to do a job, I cannot

for the life of me understand if, through his office—not himself as a person—the conduct of the Federal Public Housing Authority, which was one of the three constituent agencies, was permitted to be profligate and extravagant and without accountability, and if we are to lessen, under the President's proposal, the power of the chief Administrator, we can look for a better result. If the job was badly done—and on the basis of figures within this one constituent agency, known as the Federal Public Housing Authority, it was badly done—the natural assumption would follow that he should have greater power rather than less.

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

Mr. CAIN. I yield to the Senator from Ohio.

Mr. TAFT. If the plan is rejected, this particular agency would be entirely on its own, there would be no check on it at all of any kind, except the President himself. Whether the National Housing Administrator did a job of supervising may be important, but I do not see what it has to do with the question whether we should consolidate housing agencies under one head, because when they were consolidated, the job that should have been done was not done.

Mr. CAIN. In my opinion it is extraordinarily important, because we are not talking about $10,000,000 or $40,000,000, we are talking about a couple of billion dollars, and we are talking further about the fact that the National Housing Administrator in a number of hearings—and this is not to his prejudice as an individual—said, "My difficulty has been that I as supervisor do not know what goes on in the Federal Public Housing Authority," and no one else knows what has been going on within that agency.

The Senator from Ohio has just suggested that if the President's reorganization plan fails the Federal Public Housing Authority will become again an independent agency. For a period of a good many weeks two bills have been pending in the Committee on Banking and Currency——

Mr. TAFT. If the Senator will yield, I take that back, because I remember now that he is to be subjected to the Federal Works Administrator. He will be returned to the Federal Works Administration, and subject to their supervision. I made a mistake in making the statement.

Mr. CAIN. Before the Committee on Banking and Currency for some weeks there have been two bills. One is the bill to which the Senator has just referred. What does it do? It provides that as of the date of the enactment of the bill, if it shall be enacted, the Federal Public Housing Authority, with all its assets, functions, responsibilities, and duties, shall be returned to where it came from under the Lanham Act, to the Federal Works Agency, for the reason that it would be the desire of those who support this character of legislation to liquidate the Federal Public Housing Authority as rapidly as possible, in the interest of the American taxpayer.

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

Mr. CAIN. I yield.

Mr. TAFT. Regardless of the desire to do so, it would be wholly impossible, because it has a 60-year obligation to check all the metropolitan housing authorities which have been established. It has to determine the proper amount of subsidy under the contracts which have been made, and it cannot be liquidated. Its functions might be transferred to some other agency, but it cannot be liquidated.

Mr. CAIN. I suggest I referred to its Lanham Act functions. I should like to make it clear to the Senator from Ohio, that if what we think is a counter and proper proposal should prevail, the FPHA, so far as its responsibility for Lanham Act activity is concerned, would be liquidated. The United States Housing Authority, which is presently a component and constituent part of the FPHA, would continue its operations, as it should.

Mr. TAFT. As a matter of fact, the Government should own no housing, and everyone agrees that all the war housing should be disposed of. There is a question as to whether some of it suitable for public low rent housing should be transferred to local authorities. Everyone agrees, and under this reorganization plan it will be just as necessary, that all the war housing be liquidated.

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

Mr. CAIN. I yield.

Mr. MAYBANK. I call to the attention of the Senator from Ohio and the Senator from Washington the fact that while the plan now being considered is not a perfect plan, it is the first reorganization plan having to do with housing I have seen presented since I have been a Member of the Senate. Going back to 1941, I remind the Senator from Washington that for the first time we will have an over-all housing agency. When one goes to a meeting of the Committee on Appropriations, on which I have had the pleasure to serve for 5 years, he will find one appropriation to cover various branches. On too many occasions I have seen this agency and that agency, each vying with the other to get more appropriations, whether it be the FHA, the Home Loan Owners Organization, the Alley Dwelling Organization, or whatever it may be.

The Senator knows that in the committee I voted for the approval of the plan. It was, of course, a negative vote. I do not believe it to be a perfect plan, but despite the remarks of the senior Senator from Virginia [Mr. BYRD] a few moments ago, I believe it would save some money, because there would be only one agency before the subcommittee of the Committee on Appropriations and before the Committee on Appropriations, and we would get an over-all picture from the one agency, whereas in 1942, 1943, 1944, 1945, and 1946, as a member of the subcommittee which had charge of the housing appropriations, I could see all these agencies, vying with each other, come with their over-all staffs, each desiring the full appropriation.

I am supporting Plan No. 3 reluctantly. I agree with the Senator that it is not perfect. I believe Lanham Act housing, as he knows, should be returned to the communities, and I am supporting his bill, so there would be one over-all control in the communities, but I believe the plan submitted is the beginning of something on which we may build.

I merely wanted to express to the Senator what I thought about the matter as it pertained to the appropriations, which, after all, are the expenditure of tax money.

Mr. CAIN. Mr. President, if I understood the Senator correctly, he said that during the years he had been in the Senate this had been the first attempt to coordinate housing agencies.

Mr. MAYBANK. On the floor of the Senate, yes. In the Committee on Appropriations in 1942, I think, or in 1943, the senior Senator from Tennessee [Mr. MCKELLAR] tried to coordinate the activities through an amendment to a bill. I may be wrong in that statement, but I think I remember correctly.

Mr. CAIN. I should like to make the point, if I may, that in 1942 the National Housing Agency was directed to group under and within itself most of the separate housing agencies then in existence. What is the essential difference between the plan before us, the President's proposal, and the Reorganization Plan of 1942? I think there is no difference.

Mr. MAYBANK. I might say to the Senator that in 1941, when the war began, there was of course a great demand for war housing not only in Washington but in communities where there were large camps, for the purpose perhaps of housing the wives of officer personnel. There were large housing developments in the Senator's State of Washington, where so much war work was done; likewise, in South Carolina. I think that after the commencement of the war, it was not carried out as I hope this will be. When I say I hope, I mean that we all entertain a hope, at least to some extent.

Mr. CAIN. I may say to the Senator from South Carolina that, should the plan prevail, I shall join with the Senator in a very serious hope that it will work as effectively as certain of its sponsors are firmly of the opinion it will work.

Mr. MAYBANK. That is my hope and prayer. I admit it is not perfect, but in my judgment it is at least a start. I thank the Senator for yielding.

Mr. CAIN. Mr. President, if it is permissible, I had had prepared for delivery on this floor a statement covering individual views in opposition to the majority views of the Committee on Banking and Currency, which reported favorably the President's Reorganization Plan. If I may be permitted to do so, I shall for the reason that I have already stated

much of what is in the statement, submit it for the RECORD at this point in my remarks.

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

INDIVIDUAL VIEWS

GENERAL STATEMENT

Under the Reorganization Act of 1945 on May 27, 1947, the President submitted to the Senate and House of Representatives Reorganization Plan No. 3 affecting the so-called housing and home-finance agencies. House Concurrent Resolution 51 was, after hearings, reported by the House Committee on Expenditures in the Executive Departments favorably by a vote of 13 to 4 and the same was passed by the House of Representatives disaffirming said plan without opposition.

The House committee's opinion on this plan was as follows:

"Reorganization Plan No. 3 of 1947 is inconsistent with the action taken by the Seventy-ninth Congress. The substance of the opinion filed by the committee last year is as follows:

"1. Congress and the Federal Government should encourage private home ownership and discourage Government ownership because private home ownership is the foundation of our democracy.

"2. Private home ownership is strongly favored and will not be encouraged or protected by an agency whose policy favors Federal building and Federal control of homes; therefore,

"3. While there should be a permanent consolidation and grouping of all related housing agencies and functions thereof, such agencies as the Federal Home Loan Bank Board and the Federal Housing Administration, which respectively makes mortgage loans to and insures mortgage loans for private builders and private home owners, should not be placed under administrative control of an agency whose primary function is to build houses with Federal funds or manage federally owned housing projects.

"The views of this committee are substantially the same."

The undersigned in principle agree with the House committee's conclusions.

Said resolution was considered by the Senate Banking and Currency Committee and reported to the Senate adversely by a vote of 7 to 6. Said plan will become law unless disaffirmed by the Senate by July 27, 1947.

The undersigned object to Reorganization Plan No. 3 and favor House Concurrent Resolution 51 for the following reasons:

1. Said plan is the same in substance and effect as Reorganization Plan No. 1 of 1946, which was disaffirmed by the House and Senate last year.

2. Said plan seeks to accomplish by Executive order of the President a form of organization of the so-called housing and home finance agencies now under consideration by the Senate in S. 866, by Mr. TAFT for himself and Mr. ELLENDER and Mr. WAGNER, and it is the judgment of the undersigned that the questions dealt with in said reorganization plan should be more appropriately dealt with in S. 866 or other appropriate legislation.

3. Said plan was forwarded to the Congress under the Reorganization Act of 1945, which expressly provides in section 2, as follows:

"SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"'(1) to facilitate orderly transition from war to peace;

"'(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

"'(3) to increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"'(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"'(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"'(6) to eliminate overlapping and duplication of effort.'

"(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"(c) It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected."

It is the opinion of the undersigned that said plan will not accomplish economy or efficiency but, on the other hand, that it will require much larger appropriations and be less efficient, as has been demonstrated by the National Housing Agency, which is in effect continued by this plan under another name.

4. The Reorganization Act of 1945 in section 5 expressly prohibits the continuance of temporary war agencies and prohibits the creation of new functions by such reorganization plan. Section 5 is as follows:

"SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this act shall have the effect of—

"'(1) abolishing or transferring an executive department or all the functions thereof or establishing any new executive department; or

"'(2) changing the name of any executive department or the title of its head, or designating any agency as "Department" or its head as "Secretary"; or

"'(3) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

"'(4) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made, or beyond the time when the agency in which it was vested before the reorganization would have terminated if the reorganization had not been made; or

"'(5) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

"'(6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function; or

"'(7) increasing the term of any office beyond that provided by law for such office.'"

This plan in effect continues the National Housing Agency under a new name and it appears to be the purpose to continue certain functions requiring very large appropriations which have been developed by this organization.

5. The Reorganization Act of 1945 expressly prohibits any restriction upon the exercise of discretion or quasi-legislative or quasi-judicial functions created by Congress. This plan abolishes the five-man Federal Home Loan Bank Board as created by Congress and provides a new type of board of three members, vesting extraordinary powers in the chairman, thereby diluting discretion and consideration intended by Congress to be given to important quasi-legislative and quasi-judicial functions.

6. It is objectionable in the view of the undersigned to create one centralized Housing and Home Finance Agency under one man in Washington, with jurisdiction over the public-housing functions of the Government and the facilities provided by the Government to encourage and assist private thrift and home ownership. These diverse functions should be dealt with separately and upon their respective merits and demerits.

Finally, the Congress now has under consideration with legislation in H. R. 3492 and S. 1459 to transfer certain public and war housing activities from the Federal Public Housing Authority, which is involved in this reorganization plan, to the Federal Works Agency. S. 1179, by Mr. BRICKER, provides for a form of organization of the private housing agencies with a provision for a coordinating council. Furthermore, the Congress has recently passed a resolution creating a 12-man Commission to be appointed by the President, the Speaker of the House, and the President of the Senate from Government and private life to study the organization of the executive branch of the Government and report, and this proposed reorganization should be deferred until that report is made.

For these and other reasons, we believe that the disaffirming resolution should be adopted.

Mr. CAIN. Mr. President, in view of the fact that the hour is exceedingly late, and for the further reason that all Senators have a great deal to do, and also because I take it for granted that most of the Senators, having lived through a reorganization attempt, however abortive it was, a year ago, are probably very well convinced of what they want to do on this issue. I, on behalf of those who, as strenuously as they can, oppose the plan and program of the President, relinquish whatever portion of our 2 hours may remain, in the hope that thereby the matter might be brought to a more speedy conclusion.

I should like merely to restate four reasons which constitute our opposition to the President's proposed program:

First. I say again that on the basis of the studies which we have given to housing operations generally with particular reference to the Federal Public Housing Authority, we know of no single reason for believing that any economies would result from the grouping of constituent agencies in the manner proposed.

Second. We oppose the program for a most important reason, in the view of those who are in opposition, namely, it makes permanent that which had been a war-born experiment, an experiment in housing, which, with many virtues, also possessed numerous vices, and for which we shall be paying for a good many years to come. There should be a better

way to retain the good parts of what we learned in the war, by discarding the bad. It is our considered opinion that the President's reorganization program merely makes permanent what has been temporary. We further think that his proposal violates certainly the spirit if not the letter of certain congressional directives which have been imposed upon boards of directors of various home building and financing institutions in the years gone by.

Third. We have a certain degree of faith in the coming results, to ensue from the studies to be made by the recently created Presidential commission of 12 men, to inquire into the executive abilities of the many Federal agencies, and the resolution submitted by the junior Senator from Wisconsin, proposing a national study of current housing shortages and the ineffectiveness of present programs.

Fourth. We oppose the plan because in itself it will produce no houses, although houses are what we principally desire at this time. I hope that many people will agree that an issue of this character will focus emphatic attention on the need for further consideration of what the President proposed last year, a proposal which was not adopted, that we shall take all the time that may be required to determine how to balance properly the delicate mechanism of housing as it exists today, through the governmental agencies. I am satisfied that the President's proposal does not approach a solution to the problem.

The PRESIDENT pro tempore. The Chair understands that the Senator surrenders the remainder of his time.

Mr. CAIN. The Chair's understanding is correct.

The PRESIDENT pro tempore. The Senator from Vermont has 60 minutes remaining.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. May I inquire how much time was turned back by the opponents of the plan?

The PRESIDENT pro tempore. Fifty-seven minutes. It would be the understanding of the Chair that that time was canceled.

Mr. FLANDERS. Mr. President, I regret I did not understand the statement of the Chair.

The PRESIDENT pro tempore. The Senator from Vermont has 60 minutes remaining to his side.

Mr. FLANDERS. The opponents of the plan have how many minutes remaining?

The PRESIDENT pro tempore. The other side has turned back its remaining time and canceled it.

Mr. FLANDERS. I thank the Chair. I understand that.

The PRESIDENT pro tempore. In other words, the Senate will vote at 4:20, if the Senator uses all his time.

Mr. FLANDERS. I yield the floor to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, let me ask the Chair whether, if quorum calls are suggested in the meantime, the time consumed in the quorum calls is to be deducted from my time?

The PRESIDENT pro tempore. It is.

Mr. BARKLEY. I thought, when a certain amount of time was allotted to each side, it was exclusive of quorum calls. However, it makes no difference to me, since I am not going to suggest the absence of a quorum.

Mr. LUCAS. I should like to make the suggestion.

The PRESIDENT pro tempore. Quorum calls are, under the agreement, charged to both sides, when each has time available.

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

Mr. BARKLEY. I yield to the Senator from Illinois.

Mr. LUCAS. I ask unanimous consent that a quorum call may be had, before the Senator from Kentucky proceeds with his remarks, and that no time be charged to the proponents of the plan by reason thereof.

The PRESIDENT pro tempore. The Chair supposes the Senate can do anything it pleases, by unanimous consent; but what the Senator from Illinois asks is a departure from the procedure under which such proceedings are conducted.

Mr. LUCAS. I appreciate that, but it has been done many times, let me say to the able Presiding Officer, on occasions of this sort.

The PRESIDENT pro tempore. It has never been done, if the Chair may be permitted to disagree with the Senator, when a reorganization plan was under consideration.

Mr. LUCAS. I do not know what has occurred in the case of reorganization plans, but unanimous-consent agreements have been entered into at least a thousand times since I have been in the Senate. It makes no difference whether it be a reorganization plan or anything else, if there is a unanimous-consent agreement, what I have suggested may be done.

The PRESIDENT pro tempore. The Senator is probably correct that the Senate can do anything it pleases by unanimous consent. The Chair would like to repeat, however, that this is a statutory procedure, and, under statutory procedures, the procedure proposed by the Senator has not been followed. Is there objection to the request of the Senator from Illinois?

Mr. CAIN. Mr. President, reserving the right to object, I should like to make an inquiry.

Mr. BARKLEY. Mr. President, out of whose time is this colloquy being taken?

The PRESIDENT pro tempore. The time is taken out of the time of the Senator who yields the floor to the Senator from Washington.

Mr. CAIN. Mr. President, there is no other recourse than to object.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. The Senator from Washington having yielded back 57 minutes, if a quorum call is indulged in is the time taken out by such quorum call to be divided equally, as the Chair indicated a moment ago?

The PRESIDENT pro tempore. Not without the consent of the Senator from Washington.

Mr. BARKLEY. In other words, neither the Chair nor the Senate, nor anyone else can reclaim any of that 57 minutes of time except by the consent of the Senator who surrendered it?

The PRESIDENT pro tempore. That is correct.

Mr. BARKLEY. That, to me, is an unusual situation. My interpretation is that a statutory requirement for debate presents no different situation from that created when there is unanimous consent agreement for debate on any proposition for a certain length of time, the time to be divided. Heretofore, under such conditions, a quorum call has never been taken out of the time allotted. But it makes no difference to me. I shall proceed and take whatever time I am allotted by the Senator from Vermont, regardless of the quorum call.

Mr. LUCAS. If the Senator will yield to me, I shall renew my unanimous-consent request, because I think the Senate is entitled to hear the minority leader on the pending question.

Mr. BARKLEY. If the request is made on that basis I will not yield for the purpose of having a quorum call.

Mr. LUCAS. I will place the request on any other basis, if the Senator does not like the reason I assign. I make that unanimous-consent request.

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

Mr. BARKLEY. No, Mr. President; I shall proceed, because I am satisfied that the time taken for a quorum call will be taken out of my time, and not divided, as the Chair previously indicated it would.

Mr. President, I shall not take very much of the Senate's time in discussing the pending matter. I wish, however, to register one or two or three reasons why I think the Reorganization Plan No. 3 should be adopted. For a long time we have been expostulating in the Senate and throughout the country about economy and efficiency. Prior to the adoption of reorganization legislation we all seemed to be in favor of it. We are all in favor of the consolidation of departments and agencies for efficiency purposes and for economy purposes if economies can be worked out. But strange to say, when, operating under such a law and carrying out the mandate of Congress, the President of the United States sends a reorganization plan to us, we get out our spy glasses, our lenses, to see if we can find some reason which would justify us in rejecting the plan.

The reorganization law under which the President has sent in the plan was not the outgrowth of the war particularly. Ever since I have been a Member of the Senate, and even before, we have talked about reorganizing the Government, we have talked about agencies and departments growing up like Topsy, scattered all over Washington. We passed a reorganization bill in 1939. We created a special reorganization committee, of which the former Senator, former Su-

preme Court Justice, and former Secretary of State, Mr. Byrnes, was the chairman. I happened to be a member of that committee. We brought in a reorganization plan, in a limited way, which authorized the President for a temporary period to bring about the consolidation of various departments and agencies, and he submitted two or three plans under that temporary law.

The housing agencies were not necessarily a creation of the war. We established the Home Owners' Loan Corporation in order to preserve, or to put the Government of the United States at the service of those who desired to preserve their homes. Some of those who are opposing this very plan opposed the Home Owners' Loan Corporation, although they were being bailed out by the Government of the United States. They wanted to control the bailing process. They were willing to accept whatever assistance the Government would render to them, but if it was to render any assistance to the individual home owner they preferred themselves to control the method by which such assistance was to be given.

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

Mr. BARKLEY. I yield.

Mr. MAYBANK. I desire to call the Senator's attention to the fact that, in addition to being the means of bailing various persons out in the manner referred by the Senator from Kentucky, the Federal Government itself in many instances paid the very taxes which were due on properties to the communities and to the States. When the Corporation was first organized, back in the 1930's, I had considerable experience with various home-loan agencies, or whatever they might be designated, and I may say that many municipalities throughout America, as well as many States, accepted Government bonds which were given in connection with this bailing-out process, although they were selling at only $80 or $90, in payment of taxes. There were many houses being foreclosed during that period.

Mr. BARKLEY. The Senator is correct. I thank him for reminding me of that matter. The Corporation was established in order to preserve an atmosphere of home ownership at a time when homes were being foreclosed at the rate of 1,000,000 a year, at a time when, because of the economic conditions, hundreds of thousands of families were on the verge of being put out in the streets under the foreclosure of mortgages which could not be paid, nor could the interest on the mortgages be paid, nor could the taxes be paid on the property.

Mr. MAYBANK. Mr. President, will the Senator again yield?

Mr. BARKLEY. I yield.

Mr. MAYBANK. The only thought I wished to express was that not only were foreclosures being made by banks and individual mortgage holders but in many instances the States and political subdivisions thereof, the townships, the counties, and the cities themselves were foreclosing on many properties, not because they desired to do so, but because it was obligatory upon them to do so under the law by reason of the fact that taxes were not paid. Tax sales appeared on page after page of the newspapers during that period.

Mr. BARKLEY. The home owners were the victims of an economic situation which they themselves could not remedy, and were being approached from all directions by everyone who had a mortgage or by various divisions of government, whether it was the State or the city or the county, to which taxes were owing but not paid. In that circumstance, the Federal Government, through the Home Owners' Loan Corporation, undertook to make it possible for homes to be preserved in the ownership of their occupants, and the Government created at the same time, or a little before, the Federal Home Loan Bank, under which the building and loan associations of the United States, which, I am glad to say, had rendered a great service in the past, were to be coordinated.

Then after that the Federal Housing Administration, which was not a Government housing project, was created. The Government of the United States put no money into the Federal Housing Administration, except for administrative purposes, and even then it paid itself out and it never cost the Government anything. The Government guaranteed the bonds which were accepted in payment of mortgages by banks and other lending agencies in order that private capital might be invested in homes throughout the United States.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. MAYBANK. The Senator is eminently correct. I feel as he does with respect to the private building industry. My mind goes back to 1932 and 1933. In many instances in those days not only were mortgages on homes being foreclosed but I know of many instances in which water had been turned off because of nonpayment of water bills. That was done pursuant to law. In those depression years there was nothing left for the public service commissions of the various cities and communities to do, under the law. I cannot say too much for the generosity of the Federal Government toward various private real-estate concerns, as well as many individuals, and the mortgagees themselves.

Mr. BARKLEY. Undoubtedly. I certainly remember the tragic conditions which existed in 1931, 1932, 1933, and 1934. The situation was desperate. It was not one which the Federal Government had created. It was the result of the economic depression, which was not only Nation-wide, but world-wide. It was to the interest of real-estate operators, builders, and mortgagees of real estate that the Government of the United States do exactly what it did. It was not only in the interest of the home owner, but in the interest of the mortgagee and in the interest of those who had invested their money in homes for the benefit of the people. The Federal Government did the only thing that could have been done. No one else was qualified to do it. The banking system had collapsed, and there was no agency except the Government of the United States which could come to the relief of the American home owner.

It is a strange circumstance that some of those who now oppose consolidation of the housing agencies in order that they may be coordinated actually opposed what was done in the trying days of 1932, 1933, and 1934.

Mr. MAYBANK. The Senator is correct. I remember the experience of those days. If one goes back to the records of 1932 and 1933, he will find that most of the mortgages which the Government took over in those days were taken from the banks themselves, which transferred real-estate mortgages so that they might obtain cash and become liquid.

Mr. BARKLEY. Undoubtedly that is true. It was a case of—

> The devil was sick—the devil a monk would be;
> The devil was well—the devil a monk was he.

We are now faced with the same situation. Undoubtedly the war accentuated this condition. It resulted in the creation of other agencies, with which we are all familiar.

We all recall also that there were so many agencies scattered around Washington and over the country that no one anywhere in the United States who wanted to obtain exact information about a housing property knew where to go to get the information, or to get the last word as to what his rights or opportunities might be.

Mr. MAYBANK. I must say that the situation is not much different today.

Mr. BARKLEY. No.

Mr. MAYBANK. That is the primary reason why I hope that this reorganization plan will be adopted. At least, we shall have a central agency, under central control, where we can find out what is going on. We may like it, or we may not. Time will give us an opportunity to change the plan if we do not like it.

Mr. BARKLEY. Mr. President, one of the grounds of objection to the reorganization plan which we are now considering is that it results in no economies. That is a speculative objection. I do not suppose it can be said categorically that in the first year a very great amount of money would be saved, although I believe that in the long run at least $1,000,000 to $2,000,000 a year would be saved. Even in these days that is not something to be laughed off. However, there would be a saving so far as concerns the convenience of the people who must deal with these agencies. There would be a saving in the convenience of United States Senators and Members of the House of Representatives, who act as go-betweens between their constituents and the agencies in Washington. The people generally do not know anyone in Washington except their Senator or their Representative. Whenever they have a problem to bring to the attention of some governmental agency the natural and proper thing to do is to take it up with their Senator or Representative. If we consider only our own convenience, our own time, our own knowledge, and our own efficiency in representing our constituents, it would be well worth while to establish a consolidated, coordinated housing agency, to see what the result would be.

I am not able to predict, and I presume no one is able to predict with certainty, how much actual saving in money would result from the consolidation of these agencies. But in the long run, even though a saving were not effected in the first year, it would be bound to bring about a substantial saving in the administrative costs of operating whatever housing activity the Government of the United States may undertake.

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

Mr. BARKLEY. I yield.

Mr. MAYBANK. If I may digress a moment, the Congress has passed a unification bill for the armed services. No one knows what it will save during the first few years. The testimony before the committee was to the effect that it might not save much the first year, but at least it was a unification; and in the years to come it may save a great deal. Likewise the housing reorganization plan is a beginning. It is a unification. At first the saving may be small; but ultimately there will be a saving not only in money, but, as the Senator has so aptly stated, a saving in time and in the efforts of the people to find out the facts as to where they should go.

Mr. BARKLEY. I thank the Senator. What he says is undoubtedly true.

Another objection which has been raised to the reorganization plan is that it makes permanent temporary powers and functions, in violation of the Reorganization Act. I have been unable to find anything in the reorganization plan, reading it alongside the Reorganization Act itself, which is inconsistent with the act. There is nothing that I have been able to find in the plan which undertakes to make permanent temporary powers in violation of that act. Of course, the act itself was couched in broad terms. It had to be couched in broad terms. It had to be of a general nature.

The plan certainly would not perpetuate any of the temporary powers which ought to be temporary and are temporary, and were intended to be temporary so far as the Reorganization Act itself was concerned.

Another objection is raised to the plan on the ground that it places arbitrary control in the hands of the proposed Administrator under the reorganization plan. Some of us recall the reorganization plan which came before us in 1946, and which was rejected by the Congress. That plan proposed to give to the Administrator specific power to supervise, direct, and control. I think those were the precise words. The Senator from Vermont [Mr. FLANDERS] will correct me if I am mistaken. I am speaking from memory.

Mr. FLANDERS. Those are the words.

Mr. BARKLEY. The words were "supervise, direct, and control." Largely because of the power proposed to be lodged in the hands of the Administrator, Congress, not being willing to go that far, rejected the plan.

Having in mind the previous action of Congress, the President has not followed that course in connection with the present reorganization plan. The Administrator is authorized to have general supervision of policy and to coordinate, by which I presume it is meant that he is to bring the various agencies into closer relationship. But they are still left independent in their respective fields, insofar as independence may be necessary, in order that they may function economically and efficiently in the field which they occupy. Certainly there can be no valid objection, as I see it, to the coordination of the functions of all these agencies which are taken under one roof with respect to housing. Not only should there be no objection to the plan, but it ought to be welcomed by the Senate, by the House of Representatives, and by the people of the United States. I have every belief that in the long run it will work for economy and efficiency; it will work for a more harmonious housing program in the United States, whether it be under the Home Owners' Loan Corporation, which is gradually being liquidated, or under the Federal Housing Administration, which is still a private-enterprise program. All the money which has gone into it and which will go into it is private capital which has been profitable to the American people, and even to the American Government. It is one of the few agencies which has declared a dividend and turned money back into the Treasury of the United States.

So, Mr. President, there is no fear on my part, and I do not think there is or ought to be any valid fear on the part of anyone that this plan would set up a sort of housing dictatorship, an arbitrary czar over the housing agencies established by the United States Government, whether they are in any way related to the private construction of homes, to the lending of money, or to the guarantee of money loaned by private institutions to home owners and home builders.

An objection has been raised that this plan would put Federal public housing, such as may remain, under the same housing organization with private housing institutions. Why not? There ought not to be any competition, certainly among Government agencies. There ought not to be any rivalry between them. There should be no incentive for one agency, which is trying to help the American people, to go beyond its legitimate authority in order to take away authority from some other agency under Government supervision. There is nothing which leads or tends toward inefficiency, chaos, or confusion more than does competitive action between Government agencies dealing with the same general subject. This plan is undertaken with the view of trying to consolidate and coordinate all these agencies.

So, Mr. President, taking into consideration every phase of the problem, taking into consideration the history of housing legislation in the United States, beginning in the early 1930's and coming on down to the war, in the war, and since the war, there ought not to be any fear, doubt, or hesitation on our part, it seems to me, to bring these agencies and activities under one roof, under one general administrator who has supervisory or coordinating power, leaving each constituent part sufficiently independent to act within its own field without arbitrary control on the part of anyone. It seems to me that is something which the Government of the United States ought to look to, not only in the housing field, but in as many other fields as possible.

So I am in favor of this plan, Reorganization No. 3. I hope it will be adopted. I think it is very vital from the standpoint of economy and efficiency, and from the standpoint of the psychological effect it may have upon the American people and upon the Congress. If we continue to reject the plans sent here in good faith by the President—I am not talking about President Truman or President Roosevelt, I am talking about any President who seeks to bring about economy and efficiency—if we continue to reject these plans because of some petty difference of opinion, or because of the activity of some group which has a selfish interest in the defeat of the plan, the time will come when we may not have hope of obtaining any sort of coordination or of efficiency in the operation of the Government of the United States.

So, Mr. President, I hope that this plan will be adopted. I believe it will have a successful operation, subject to any change which experience may bring about. I have no doubt that there are weaknesses in the plan. I have no doubt that if any one of us had been writing it we might have provided some differences in it. We should try the plan. It is a process of trial and error. That is true of all legislation. We hope to profit by experience. Until we have tried it, we cannot know with any degree of certainty what this plan will accomplish. If it turns out to be not so good as we hope it is, there is always the possibility of change. Let us give it a trial. Let us put these agencies under one roof. Let us have a general supervisor. In the long run, I believe it will satisfy the American people and convince the Congress that it can take a chance on these efforts to bring about efficiency and economy in the administration not only of all Government agencies but particularly in this field which is so important and so essential to the life of the American people.

I reiterate what I have before said, that we ought to be interested in every American having a stake in the American economy. The greatest stake is the ownership of a home, around whose fireside a man and his wife and children may gather to discuss the problems of the day and of the age in which they live. It is one of the most vital points at which our economy touches the American people. Let us not for any petty reason or for any indiyidual objection to something that may be contained in the plan, reject it when it holds out such a hope, in my judgment, ultimately, for the American home owner, the American real estate dealer, and all the agencies dealing with the building and preservation of homes in this country.

Mr. FLANDERS. Mr. President, I yield 3 minutes to the Senator from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. President, in view of the housing shortage which exists today, I find it difficult to understand the reasoning behind the opposition to

the housing reorganization plan which is now before the Senate.

It would seem to me to be merely a matter of good business sense as well as good governmental sense that the various complex programs of Federal assistance to housing should operate on a coordinated basis with a common purpose and a common basic policy of maximum assistance in helping overcome the housing shortage. It would seem to me to be just the opposite of good business sense or good governmental sense to allow these various housing programs to be scattered and to operate helter-skelter.

As long as I have been a Member of this Congress, and I am sure that as long as any other Senator has been a Member, businessmen and taxpayers have pleaded for simplifying and streamlining the Government. It is they more than any other group who have argued for streamlining, for efficiency, for economy, for uniform and consistent Government policy, for the elimination of conflicting practices, and for simplifying lines of contact between business and the Government.

I strongly sympathize with that point of view. I believe it to be a sound position under any circumstances, but in my opinion, it is particularly appropriate in the field of housing where there is a crying need today and for years to come for maximum coordination in the dealings of the Federal Government with the builders, the lending institutions, and the communities which are grappling with the housing shortage.

I am a firm believer in the FHA program. I think the Federal Home Loan Bank System has demonstrated its importance and value in the field of home finance. I believe the public-housing program has made a pioneering contribution to the relief of the problem of the slums and of low-income families who cannot afford decent shelter. But I do not believe any of these programs should operate in a vacuum. I think each of them, important as they are in their own right, should be in balance with each other and should proceed with a common sense of direction rather than at cross purposes.

That is precisely what Reorganization Plan No. 3 would make possible. Under this plan these agencies would continue to exercise full responsibility for their day-to-day operations. But there would also be adequate machinery, through the Administrator of the House and Home Finance Agency, for general supervision and coordination of their functions. In short, this plan would make possible a balanced housing program, without overlapping or duplication and without interagency bickering and disputes.

If anyone will take the time to examine the record of the Federal Government's housing activities since the early thirties he will find that record full of complaints against the very lack of coordination which this reorganization plan would correct. The various trade and business organizations in the housing field were particularly vehement in their criticism of the administrative confusion in housing and of the difficulties of trying to do business with a maze of uncoordinated Federal agencies dealing with various aspects of housing. Their publications and their testimony before various congressional committees in the last thirties and early forties are filled with their complaints against that situation and with their expressions of satisfaction with the temporary consolidation of the housing agencies into the National Housing Agency during the war.

Most of these trade organizations have now changed their position and are opposing Reorganization Plan No. 3 in favor of returning to the prewar situation in housing. I cannot say what has led them to change their minds, although I have heard it frequently stated that this all stems from their opposition to public housing. Of course, the decision as to how much more public housing to authorize, if any, will be made by the Congress and not by the head of any agency. Furthermore, as a matter of simple common sense, I would much prefer to see public housing administered in a housing agency where all the considerations pro and con would receive full weight than to have it placed in an unrelated agency where other considerations would be controlling.

Neither can I cite any evidence as to how accurately the opposition of these organizations to Plan No. 3 reflects the true and considered views of the rank and file of businessmen in the housing field. In this connection I was struck by a letter to the Senator from New Mexico [Mr. HATCH] from Mr. Ben H. Wooten, chairman of the board of the Federal Home Loan Bank of Little Rock, Ark., which is printed in the hearings of the Banking and Currency Committee on Plan No. 3. I understand that Mr. Wooten is a highly respected businessman and banker in the Southwest. His views impress me as so sensible that I should like to read this brief letter to the Senate:

DEAR SENATOR HATCH: I am hopeful that you have had time to study the President's Reorganization Plan No. 3, which deals with housing and home-financing agencies of the Government. We believe it to be good. Certainly the Home Loan Bank Board should be reestablished, and beyond any doubt the housing efforts of the Government should be coordinated and a national policy formulated.

You will recall, I am sure, the differences of opinion between the various housing agencies and the conflict of views and programs that have retarded construction not only for veterans but for others. The Government has a tremendous liability in its guaranty on FHA insured mortgages, insurance of shares of savings and loan associations, and guaranteed GI loans. Before another 5 years have elapsed, it is easy to believe that the Government's total guaranty will run $50,000,000,000 and the mishandling of any phases of the housing program will affect all the agencies. Therefore, I am strongly in favor of the coordinated plan as set out in the order.

I understand that a vicious attack is being made by two or three trade organizations on the theory that the order tends toward socialized housing. A careful reading of the order will not bear this out, and it will be noted that the Housing and Home Financing Administrator will be responsible for the general supervision and coordination of functions of the various agencies. The order does not give him authority to issue directives and the term "supervision" limits him to seeing that laws governing these agencies are complied with.

The Government should supervise and coordinate the efforts of the agencies for which it is responsible on guaranties. Any sound business operation demands that there be an over-all policy where the activities of the various agencies deal with the same subject. By no stretch of the imagination can the order be justly termed a "public-housing program." It is a common-sense business approach to what is now a confused condition in the various housing agencies.

If hearings are held on the order, it is possible that I would like to appear before the committee.

With warm personal regards and best wishes, I am,

Sincerely yours,

BEN H. WOOTEN.

In conclusion, Mr. President, I believe that Plan No. 3 represents a businesslike solution to the problem of housing reorganization, and I trust that it will be supported by the Senate.

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

Mr. FLANDERS. Mr. President——

The PRESIDENT pro tempore. The Senator from Vermont is recognized.

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

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

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. From whose time will the time for the quorum call be taken?

The PRESIDENT pro tempore. It will be taken from the time of the Senator from Vermont.

Mr. FLANDERS. I expect it to be taken out of my time.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

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

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

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

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Vermont has the floor. Does he yield; and if so, to whom?

Mr. FLANDERS. I yield to the Senator from Ohio.

The PRESIDENT pro tempore. Does the Senator yield the balance of the time to the Senator from Ohio?

Mr. FLANDERS. I do.

The PRESIDENT pro tempore. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, since I came to the Senate, 8 years ago, I have been intensely interested in trying in some way to develop an over-all Government housing policy. There is no question that is more important to the people of the United States than the development of a housing policy. Not only does it affect their comfort, but it affects the construction industry and the prosperity of the whole country.

When I came to the Senate, there were approximately 15 agencies of the Government involved in housing. At the time when I campaigned for the Senate, and ever since, I cited it as one of the worst examples of confusion which exists in the entire governmental structure.

Of those 15 agencies, today there are three main agencies. There is the Federal Home Loan Bank System, which finances the building of savings and loan associations, which today furnish approximately 35 percent of all the mortgages on new homes in the United States. There is the FHA, in which the Government insures loans on housing. The Government today, through the FHA, is really in the housing business. The third agency is that which supports public low-rent subsidized housing. Those three agencies dominate all the others. There are many others, however.

The Public Works Agency, as well as the War Department and Navy Department and the Department of Agriculture, undertook housing, and there were all the Tugwell housing plans. We experimented in every field. Under the war powers, most of these agencies were consolidated in the National Housing Agency. In my opinion they should be in a National Housing Agency.

Under the proposed plan these three main functions, and a number of others which are being liquidated, which have been consolidated with them, are under a new Administrator of Housing and Home Finance.

If we do not approve this plan, the war consolidation will come to an end with the end of the war, and the agencies will fall to pieces. The FHA will become an independent agency, the head of it responsible to nobody except the President of the United States. The Federal Home Loan Bank Board will become an independent agency, responsible to nobody but the President of the United States. The Public Housing Authority will go back to the Federal Works Agency. The War Department and the Navy Department will get back their various housing projects. I do not know what will become of the Farm Security Administration. Then there were the various "Green" towns which were constructed under the original Tugwell administration.

I feel very strongly that we should put all housing agencies into one administration. We have had put upon us one after the other of these various plans of housing, and their advocates have been strong. The advocates of one plan have fought the advocates of another. The result has been that before the war, each of them tried to expand its importance, and spend all the money it could in order to build up itself.

Of course the President of the United States never had time to coordinate the three large ones and half a dozen small ones, so that for all practical purposes they went their own way and developed their own policies.

When I first came to the Senate I tried to persuade the Senate to order a general investigation of the housing program, and finally such an investigation was obtained, and was proceeded with under the Special Committee on Postwar Economic Policy and Planning, headed by the Senator from Georgia [Mr. GEORGE]. There was a subcommittee composed of the then Senator from Maryland, Mr. Radcliffe, the Senator from Delaware [Mr. BUCK], the Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. CHAVEZ], the then Senator from Wisconsin, Mr. La Follette, and myself, and in our report we developed a plan for consolidation. That report, which was submitted on August 1, 1945, provided specifically for the organization of a Federal agency. We said in the report:

> The first requirement for the postwar establishment, therefore, is that it be sensitive to rapid changes in the economy and flexibile in its adjustment to new demands. In order to achieve such adaptability, it is essential that all the housing activities of the Government be subject to a common policy and, to assure the consistent execution of that policy, that the agencies operate under some form of unification.

Mr. President, that was the recommendation of the committee at that time. It was the recommendation of the Committee on Banking and Currency when it recommended a general housing bill last year, and it was the recommendation of the Committee on Banking and Currency this year when it recommended a general housing bill.

In submitting the plan which is now before the Senate, the President does no more than follow what has been already suggested by committees of Congress, and particularly committees of the Senate.

Last week we spent some time in an effort to unify the armed forces, through the medium of a unification bill, because in reality the two departments involved dealt with one subject, and because in determining the defense policy, we wanted one man to head up all opinions into one thought and one policy. We wanted to have a man who was not the President himself—who, after all, has not the time to coordinate the thinking of a number of others. So in this case we want a national-housing administrator who can develop a housing policy and take it to the President of the United States. I think that in housing we are doing, in a somewhat smaller field, although almost as complicated a field, exactly what we did in passing the unification bill.

The principal objection to the consolidation—and we heard it all through the committee hearings—is that the so-called private agencies, the private builders, the real-estate boards, do not want to have the FHA and the Federal home loan bank combined with the Federal Public Housing Authority. They have felt that if those were put together the head man would be a public houser, and for some time there was perhaps some justification for that idea. But certainly President Truman has shown that it need not be true under his administration, for when the last National Housing Administration resigned the President appointed the man who had been head of the Federal Housing Administration Insurance Agency, which is to a large extent the representative of the private builders of homes in the United States. Mr. Foley has not been in that position very long, and has not had time to correct the things which should be corrected, but the President has certainly shown that, so far as he is concerned, he is just as likely to appoint a man with a previous private housing experience as a man with a previous public housing experience. In any event, my own opinion is that the man who has the job of coordinating policy will look at all phases of the situation.

No one can help realizing that today, regardless of how important we may think public housing is, the construction of even 125,000 homes a year, which is the largest number anyone has proposed in the way of public housing, is only a small fraction of what should be built in the way of private houses, and that the real problem is primarily a private housing problem. Any man who is broad enough to look at the whole housing policy is bound to take that position. The idea that the Administrator is going to play down FHA or play down the Federal home-loan banks seems to me to be utterly fantastic. I can see no reason why the activities should not be combined.

Incidentally, the private builders are not very reasonable, because they say, "We do not want the Government in the housing business," but they invite the Government into the housing business. Under the FHA, and under the pressure of private builders, the Government today is actually lending builders 90 percent of the cost of the construction of houses, not the man who ultimately buys the house, but the Government is lending the builder 90 percent, so that he does not have to put in one cent of his own money. The FHA program today is financed practically 100 percent by the Government of the United States, so far as the cost of building is concerned. There is about as much public housing as the subsidized housing of the United States Housing Authority. The private builders want the Government to help them, they want the Government to relieve them of the necessity of providing capital, but they oppose public housing. They oppose the consolidation of the housing agencies which help them, with the other housing agencies of the Government, which are administering public housing previously authorized. Today there is no public housing authorized, and there is no construction. There is no work that can be done by

the Federal Public Housing Authority unless Congress specifically grants money with which they may build houses or may subsidize housing throughout the United States; so there is no public housing today.

The idea that the head of this agency is going to favor the Public Housing Authority over the other agencies which are rendering most of the assistance to the construction of building today seems to me to be completely untenable.

There has been a complaint that the Administrator will oppose the FHA and the Federal Home Loan Bank System. I think that fear also is groundless. He is supposed to supervise and coordinate. I take it that means that if they develop a policy which is in conflict with other housing policies of the Government, he may check that policy. He has a kind of veto power. He has not, as he had last year, the power and authority to step in and really take over the management of these particular agencies. They are created under statute. The statutes define very closely what they may do. There is a certain latitude. His job is to see that the policies are coordinated, and that, when they are added together, there is a consistent and a progressive housing policy for the Federal Government.

Last year I opposed the plan because after we had struggled over certain words, and used the words in our bill "supervise and coordinate the administration," without consulting anybody, it was proposed to bestow power on the new Administrator to direct and, in substance, to substitute himself for the man who headed the three lower agencies. That has been corrected; and he is now to have the same functions which were proposed by the original committee and the power to supervise and coordinate the various agencies of the Federal Government.

I may say the plan goes still further. Certain agencies are not consolidated. I think perhaps it might be better if they were. But in order that the policies may be coordinated there is created a National Housing Council, which is composed of this new man—the over-all policy man, as he might be called—the head of each of the three constituent agencies, and three others. The first is the Administrator of Veterans' Affairs. The Veterans' Administration today plays a large part in the building program, and we cannot very well take away from the Veterans' Administration the housing functions they exercise for the benefit of veterans; and they are merely required to have a representative sit on the Council, with the regular housing officials.

The second is the Chairman of the Board of Directors of RFC. The functions of the RFC have now been restricted to buying mortgages guaranteed by the Veterans' Administration, and, through the Federal National Mortgage Association, to help buy other mortgages which may be guaranteed by the FHA.

The third is Secretary of Agriculture. There is hardly a housing policy in the rural districts. There should be. There are certain vestiges of a suggested policy, and it was thought desirable that he should also sit on this over-all National Housing Council.

So the various agencies have representation on the Council, and all the active housing agencies, except the Veterans' Administration, are placed under one man, whose job it is to develop the national housing policy and to recommend to the Congress what the national housing policy should be.

I regret that at this session of the Congress we have not, ourselves, developed a definite policy. I think it should be realized that so far as financing is concerned, these agencies have almost unlimited power to finance any houses. We have not undertaken to discuss the question of renewing the public housing policy. That is, we have not discussed it here in the Senate, itself, nor have we dealt with the question of urban development; both of which I think are essential, and which next year should be one of the main considerations of this body. But in order to do that we should have the executive department's recommendations of a single housing policy, not a dozen housing policies; not a dozen requests for money, considered independently, but a single housing policy. I feel perfectly confident that if we do have that we can save money; not only in administration, but I believe very strongly that we can save money in the character of the programs which are finally developed and approved by the Congress of the United States.

So, Mr. President, I trust that Reorganization Plan No. 3 will be approved. I think if it is not approved, the alternative of a dozen scattered housing agencies independent of each other, without any coordination, responsible only to the President, is the very poorest form of organization we could possibly have. I believe very strongly that the concurrent resolution adopted by the House should be disagreed to by the Senate, the result would assure the adoption of Reorganization Plan No. 3, submitted by the President.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, would it be fair to say he believes that while this plan does not necessarily involve a decrease in expenses, or deal with expenses, yet it is a step toward achievement of that purpose, and toward further consolidation, which, itself, is one of the preliminary steps to be taken in order to reach the desired goal?

Mr. TAFT. I think that is true. We now have, of course, a form of consolidation. If we had not had that form, I think we would have had a much more expensive set-up. I think there would have been four or five independent agencies, each engaged in enlarging the scope of its particular activity, with no restraint except by the President himself. I think if we had not had the war consolidation, housing agencies in general would have been much more expensive than they are today.

Mr. FULBRIGHT. What I had in mind is that there is complaint, for example, that the HOLC has not been consolidated or liquidated. There are other agencies about which that complaint is made, but it seems to me that the coordination which is provided in Plan No. 3 is the most efficient way to achieve that end and is a step toward the gradual consolidation of agencies which are still preserved under the plan.

Mr. TAFT. I think the Senator is correct. Of course, there is a provision in the plan for the liquidation of the Defense Homes Corporation, which is being liquidated. The Home Owners' Loan Corporation is being liquidated about as fast as anything can be liquidated, but it has thousands and thousands of homes. They are making substantial progress, but perhaps they could proceed faster.

I may say this plan does something which the building and loan organizations have always wanted done. It restores the Board. Under the War Reorganization, the original Home Loan Bank Board was abolished, and one man was appointed in its place. This restores the Home Loan Bank Board. That Board is, I think, generally more satisfactory to building and loan associations that are financed than the Federal Home Loan Bank Administration, and, furthermore, I think it may be expected to speed up the liquidation of the Home Owners' Loan Corporation and to get rid of the remaining houses. I do not know whether it was the fault of the one man or whether it was the fault of the particular man who happened to occupy that position during the last 10 years, that the liquidation has not proceeded faster, but I think, under this plan, the liquidation will be faster, if we leave it as it is.

Mr. FULBRIGHT. Is not the condition to which the Senator has referred natural, in view of the fact that there has been no single over-all agency? Certainly in the early days each agency was vitally concerned with its own preservation, but if there is consolidation at the top, there will be some way by which liquidation can be effected. It seems to me Plan No. 3 is a vital step in that process. I may say that practically every savings and loan association in my State, at least every one I have heard from, is very strongly in favor of this plan.

Mr. TAFT. I thank the Senator for his statement.

The PRESIDENT pro tempore. The Senator from Vermont.

Mr. TAFT. Mr. President, I suggest the absence of a quorum. There is only 1 minute left of the time allotted.

The PRESIDENT pro tempore. There are 8 minutes left.

Mr. FLANDERS. Mr. President, I had been told the time would be up at 4:20. I should like to have definite information on the point.

The PRESIDENT pro tempore. The computation which put the vote at 4:20 was 8 minutes in error. The Senator has eight additional minutes at his disposal, if he wishes it.

Mr. FLANDERS. I merely desire to introduce into the RECORD two letters, one from the National Housing Agency, the other from the Comptroller General of the United States, relating to the errors and inefficiencies in accounting, to which the Senator from Washington

addressed himself in the course of his remarks. The letters, which I wish to appear in the RECORD immediately after these brief remarks, show, first, that the head of the National Housing Agency discovered the bad conditions in the Federal Public Housing Authority. The letter from the Comptroller General of the United States states that they are now well under control. I ask unanimous consent that the letters may be printed in the RECORD at this point as a part of my remarks.

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

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, July 22, 1947.

Hon. RALPH E. FLANDERS
United States Senate.

MY DEAR SENATOR: I have your letter of July 21, 1947, as follows:

"Reference is made to the Report on the Survey of the Accounting System of the Federal Public Housing Authority, dated April 30, 1947.

"I have noted that your report suggests that in the years 1945–46, the period covered by your survey, the Authority's accounting system was inadequate and in numerous instances inaccurate. I understand that steps have been taken to remedy this situation.

"I would appreciate any information you might give me on the present status of accounting of the Federal Public Housing Authority. I would also appreciate any information you could give me with respect to the steps taken to remedy the situation that existed in 1945. Were these steps initiated before the making of the audit by the General Accounting Office?"

It is believed that the answers to your questions are contained in the testimony of Mr. T. Coleman Andrews, Director, and Mr. S. B. Ives, Assistant Director, Corporation Audits Division of the General Accounting Office, before a subcommittee of the Committee on Appropriations, House of Representatives, on the Government Corporations appropriation bill for 1948. With reference to the steps taken before the making of the audit survey by the General Accounting Office pursuant to section 5 of the act of February 24, 1945 (59 Stat. 6), to remedy the inadequacies in the accounting for the Authority's financial transactions, your attention is invited to the statements appearing on page 344 of part II of the cited hearings, a copy of which it is understood has been furnished to you.

By way of amplification it may be stated that Mr. T. Jack Gary, Jr., referred to in Mr. Andrews' testimony, had been transferred to the Federal Public Housing Authority on September 1, 1944, from the position of Accounting Officer in the Office of the Administrator, National Housing Agency, in which capacity he had made a survey of the accounting system of the Authority in consultation with officials of the Authority, and that Mr. Herbert Wooten had been transferred to the Authority from the Estimates Division of the Bureau of the Budget.

With reference to the present status of the accounting of the Authority, noteworthy improvements have been made in the current accounting system and substantial progress is being made in clearing up the backlog of work covering the period prior to July 1, 1945.

I trust that the foregoing is the information you desire.

Sincerely yours,

FRANK L. YATES,
Acting Comptroller General of the United States.

NATIONAL HOUSING AGENCY,
Washington, D. C., July 21, 1947.

Hon. RALPH E. FLANDERS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR FLANDERS: I am very glad to respond to your request for information with respect to the accounting situation in the Federal Public Housing Authority particularly in connection with the report of the Comptroller General of the United States transmitted to the Senate under date of April 30, 1947.

The report of the Comptroller General indicates that for the fiscal year 1945 (i. e., July 1, 1944, to June 30, 1945), and prior years, the accounting of the Federal Public Housing Authority "was found to be inadequate, inaccurate, and otherwise deficient."

I desire to call your attention to the fact that the inadequacies in the accounting system of the Federal Public Housing Authority were initially disclosed in 1943 in the course of the supervision exercised by the National Housing Administrator over the constituent units. Following consultations with the FPHA, they were discussed in a staff memorandum of November of 1943 from T. Jack Gary, Jr., Agency Accounting Officer for the Office of the Administrator, to Lyman Moore, Assistant Administrator for Administration.

Rather than build up a large supervisory staff in the Office of the Administrator to oversee the correction of these inadequacies it was mutually agreed to transfer Mr. Gary from the Office of the Administrator to the Federal Public Housing Authority for the purpose of installing in the Federal Public Housing Authority the system of accounting recommended by Mr. Gary, after consultation with the FPHA, to overcome the inadequacies originally disclosed. It was likewise determined to strengthen the entire finance and accounts division of the Federal Public Housing Authority by placing it under a comptroller reporting directly to the Commissioner. Mr. Herbert Wooten was selected to fill the position of Comptroller.

In this connection I desire to call your attention to the testimony of Mr. T. Coleman Andrews, Director of the Corporations Audits Division of the General Accounting Office which appears at page 344 of the printed House hearings on the Government Corporations appropriation bill for 1948 (H. R. 3756):

"Mr. ANDREWS. I would like to say further that we found when we went over there that the situation encountered was one which the present management had inherited, and we found this management already hard at work undertaking to get the situation straightened out. They had employed for that purpose a man who is a certified public accountant.

"Mr. SCHWABE. Who is that?

"Mr. ANDREWS. Mr. T. Jack Gary, Jr. Now, I happen to know something about Mr. Gary, because he was for a long time on my firm staff, and I know he is a tremendously fine accountant. I would like, frankly, to have him back.

"Mr. SCHWABE. You mean he is on the General Accounting Office staff?

"Mr. ANDREWS. No; he is on the staff of the Federal Public Housing Authority as assistant comptroller. They also have a man over there who is comptroller, Mr. Herbert Wooten, whom we regard as a very capable person, under whom Mr. Gary is working. * * * We concluded that the steps that they had taken to correct the situation were the logical steps that anyone would take, and that under all of the circumstances they had made good progress with it up to the time that we went in."

I would also like to call to your attention the testimony of Mr. S. B. Ives, Assistant Director of the Corporation's Audit Division of the General Accounting Office, which appears at pages 370 and 371 of the printed hearings on said Government corporation's appropriation bill for 1948.

"Mr. WHITTEN. Actually you had to start from scratch, almost, as far as setting up a proper system of bookkeeping and accounting in the agency is concerned, did you not, Mr. Ives?

"Mr. IVES. I would say that they had made very great steps toward setting up the proper accounts by the time we got in there. They had started from scratch.

"Of course, it took some time for them to survey what was wrong and to decide on the steps that were necessary to correct the situation, and then to educate their whole staff as to how to put those steps into effect.

"I have the feeling now that their current accounting is in very good shape. It is this backlog of old errors and unidentified entries and matters of that nature that is causing trouble.

"They are making great strides in that matter now. They have what they call the backlog section which is engaged in that, and in some cases they have had to go back to the inception of the organization and rewrite the books in order to find out what was going on."

The record is abundantly clear that—

1. The inadequacies in the accounting system for the fiscal year 1945 and prior fiscal years were disclosed in the course of the supervision exercised by this office over the constituent units;

2. Upon such disclosure, this office, in conjunction with the FPHA, promptly took adequate steps to correct these inadequacies;

3. The staff personnel of the FPHA selected for this purpose are extremely capable and are so regarded by the General Accounting Office;

4. The General Accounting Office regards the steps which had been taken to correct the situation as the logical steps that should have been taken;

5. Good progress in correcting the inadequacies had already been made by the FPHA when the General Accounting Office made its initial survey of the accounting system; and

6. The current accounting system of the FPHA is in very good shape, and there remains only the backlog of old errors which can now cause any difficulties.

In connection with the latter item, I also desire to call attention to the fact that the General Accounting Office has indicated that excellent progress is now being made in clearing up this old backlog and bringing it forward on a proper basis, and that for this purpose there has been included in the administrative expense budget for the Federal Public Housing Authority for 1948 a special fund of $175,000.

I realize, of course, that the representatives of some of the groups who have opposed Reorganization Plan No. 3 have sought to confuse this matter by reference to this report of the Comptroller General of the United States. An example of the type of distortion given to this report is found at page 39 of printed Senate hearings on the plan where the representative of the National Association of Real Estate Boards testifies that it shows that a single administrator, as proposed by the plan, "has not on the basis of actual operations provided for efficiency and economy."

I realize also that a great many statements have been made about the so-called "Lee report" of an investigation of the activities of the Federal Public Housing Authority. This is also referred to in the testimony of the representative of the National Association of Real Estate Boards at page 40 of the printed Senate hearings on the plan.

As I indicated in recent testimony before the Committee on Banking and Currency, although both the FPHA Commissioner and I

have on several occasions requested that a copy of this report be made available to us so that we might take any action which might be warranted—depending on the actual facts—no copy has ever been furnished. As indicated by the FPHA Commissioner in recent testimony before the Committee on Banking and Currency, some of the allegations, presumably contained in the so-called Lee Report, were brought up and answered in the course of the House Appropriations Committee hearings on H. R. 3756. Aside from statements contained in a press release of the committee which is answered at pages 110 to 116 of the printed Senate hearings on the plan, this represents the only information available to us as to the substance of the so-called Lee Report.

Sincerely yours,

RAYMOND M. FOLEY,
Administrator.

Mr. FLANDERS. Mr. President, I now surrender my time in the interest of having a vote on the concurrent resolution.

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

The PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. A vote "yea" on the concurrent resolution is a vote against Reorganization Plan No. 3. A vote "nay" is a vote for the plan. Is that a correct statement of the situation?

The PRESIDENT pro tempore. The Senator is correct.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUCK (when his name was called). On this vote I have a pair with the senior Senator from New Hampshire [Mr. TOBEY]. I understand that if the Senator from New Hampshire were present he would vote "nay." If at liberty to vote I would vote "yea."

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the senior Senator from New Hampshire [Mr. BRIDGES] and will vote. I vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from New Hampshire, if present and voting, would vote "yea," and the Senator from New York, if present and voting, would vote "nay."

The Senator from Wyoming [Mr. ROBERTSON], who is necessarily absent, is paired with the Senator from Washington [Mr. MAGNUSON]. The Senator from Wyoming, if present and voting, would vote "yea," and the Senator from Washington, if present and voting, would vote "nay."

The Senator from Iowa [Mr. WILSON] who is absent on official business, is paired with the Senator from Georgia [Mr. RUSSELL]. The Senator from Iowa, if present and voting, would vote "yea," and the Senator from Georgia, if present and voting, would vote "nay."

The Senator from Illinois [Mr. BROOKS] is detained on official committee business. If present and voting, he would vote "nay."

The Senator from Utah [Mr. WATKINS] is unavoidably detained. If present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. TOBEY], who is necessarily absent because of illness in his family, is paired with the Senator from Delaware [Mr. BUCK]. That pair has been previously announced by the Senator from Delaware.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON], who is necessarily absent, is paired on this vote with the Senator from Wyoming [Mr. ROBERTSON]. If present and voting, the Senator from Washington would vote "nay" and the Senator from Wyoming would vote "yea."

The Senator from Georgia [Mr. RUSSELL], who is detained on official committee business, is paired on this vote with the Senator from Iowa [Mr. WILSON]. If present and voting, the Senator from Georgia would vote "nay" and the Senator from Iowa would vote "yea."

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. BRIDGES] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "nay" and the Senator from New Hampshire would vote "yea."

The result was announced—yeas 38, nays 47, as follows:

YEAS—38

Brewster	Butler	Capehart
Bricker	Byrd	Capper
Busbfie'd	Cain	Cordon
Donnell	Kem	O'Daniel
Dworshak	Knowland	Reed
Ecton	McCarran	Revercomb
Ferguson	McCarthy	Robertson, Va.
Gurney	McFarland	Thye
Hawkes	Malone	Wherry
Hickenlooper	Martin	Wiley
Ives	Millikin	Williams
Jenner	Moore	Young
Johnson, Colo.	Morse	

NAYS—47

Aiken	Hill	O'Mahoney
Baldwin	Hoey	Overton
Ball	Holland	Pepper
Barkley	Johnston, S. C.	Saltonstall
Chavez	Kilgore	Smith
Connally	Langer	Sparkman
Cooper	Lodge	Stewart
Downey	Lucas	Taft
Eastland	McClellan	Taylor
Ellender	McGrath	Thomas, Okla.
Flanders	McKellar	Thomas, Utah
Fulbright	McMahon	Tydings
George	Maybank	Umstead
Green	Murray	Vandenberg
Hatch	Myers	White
Hayden	O'Conor	

NOT VOTING—10

Bridges	Robertson, Wyo.	Watkins
Brooks	Russell	Wilson
Buck	Tobey	
Magnuson	Wagner	

So the concurrent resolution (H. Con. Res. 51) was not agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Ferrell, its enrolling clerk, announced that the House had passed without amendment the bill (S. 1519) to amend section 10 of the Federal Reserve Act, as amended, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 981) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the amendment of the House to the amendment of the Senate No. 176 to the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the House had passed a bill (H. R. 1602) to stimulate exploration, development, and production from domestic mines by private enterprise, and for other purposes,

in which it requested the concurrence of the Senate.

CONGRESSIONAL AVIATION POLICY BOARD

The PRESIDENT pro tempore. Under the unanimous-consent agreement of the Senate the calendar is now in order beginning with the first number, for the consideration of measures to which there is no objection.

Pending the call of the calendar, conference reports are in order.

CONGRESSIONAL AVIATION POLICY BOARD—CONFERENCE REPORT

Mr. BREWSTER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That it is the purpose of this Act to provide for the development of a national aviation policy adequate to meet the needs of the national defense, of the commerce of the United States, both interstate and foreign, and of the postal service, and to provide for the formulation and clarification of national policies relating to or affecting aviation, including policies relating to the maintenance of an adequate aeronautical manufacturing industry.

"SEC. 2. There is hereby established a temporary Congressional Aviation Policy Board (hereinafter referred to as the 'Board') which shall be composed of five Members of the Senate, not more than three of whom shall be members of the majority party, to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives, not more than three of whom shall be members of the majority party, to be appointed by the Speaker of the House of Representatives.

"SEC. 3. It shall be the duty of the Board to carry out the purposes of this Act, and, in so doing, to study the current and future needs of American aviation, including commercial air transportation and the utilization of aircraft by the Armed Services; the nature, type and extent of aircraft and air transportation industries that are desirable or essential to our national security and welfare; methods of encouraging needed developments in the aviation and air transportation industry; and the improved organization and procedures of the government that will assist it in handling aviation matters efficiently and in the public interest. The Board shall report to the Congress, together with such recommendations as it deems desirable, on or before March 1, 1948.

"SEC. 4. (a) The Board shall select a chairman and a vice chairman from among its members. A vacancy on the Board shall be filled in the same manner as the original selection.

"(b) The Board is authorized to employ such experts, assistants, and other employees as in its judgment may be necessary for the performance of its duties. The Board is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

"(c) The Board shall have the power to hold hearings and to require by subpena or otherwise the attendance of such witnesses, the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable.

"(d) For the purpose of carrying out the provisions of this Act the Board may seek information from such sources and conduct its studies and investigations at such places and in such manner as it deems advisable in the interest of a correct ascertainment of the facts.

"SEC. 5. There is hereby authorized to be appropriated such sums, not to exceed $50,000, as may be necessary to enable the Board to carry out its functions under this Act.

"SEC. 6. The members of the Board, and employees thereof, shall be allowed all expenses necessary for travel and subsistence incurred while so engaged in the activities of the Board."

And the Senate agree to the same.

Amend the title so as to read: "An Act to provide for the establishment of a temporary Congressional Aviation Policy Board."

OWEN BREWSTER,
A. W. HAWKES,
HOMER E. CAPEHART,
ED C. JOHNSON,
BRIEN MCMAHON,
Managers on the Part of the Senate.

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
A. L. BULWINKLE,
J. PERCY PRIEST,
Managers on the Part of the House.

Mr. JOHNSON of Colorado. Mr. President, on July 18 I gave notice that I would enter a motion for the reconsideration of House bill 3587, which had passed the Senate 2 days previously. I now desire to withdraw that motion.

The PRESIDENT pro tempore. The motion is withdrawn.

Mr. JOHNSON of Colorado. The conferees working out the terms of the bill have agreed among themselves, as I understand, not to make any effort to promote the so-called single instrument or monopoly with respect to foreign aviation. While the bill itself is silent on that question, it was the general understanding—as I understand, at least—that no effort would be made to promote the single instrument, and no time would be wasted on it by the joint control board which is provided for by this legislation.

Mr. BREWSTER. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. BARKLEY. Mr. President, as the bill passed one House or the other, it provided for a joint committee or commission, composed of Members of the two Houses, and also others, to be appointed by the President, I believe.

Mr. BREWSTER. That is correct.

Mr. BARKLEY. What does the conference report contain?

Mr. BREWSTER. In the light of the President's action—and I may say that I discussed this question with him on Monday—he has appointed a board of five members. The bill eliminates the Executive or Presidential appointments and proposes simply a temporary congressional aviation-policy board confined to Members of Congress. That was the unanimous agreement.

Mr. BARKLEY. I gather from the remarks of the Senator from Colorado that there is nothing in the bill which involves the controversial question which has been discussed here so often and so long, and upon which hearings were held, with reference to the so-called chosen instrument of aviation. As I understand, the bill deals largely with the manufacturing end of aviation.

Mr. BREWSTER. The emphasis is on that feature. As the Senator from Colorado pointed out, the language is broad enough to include everything. The language of this measure includes the language used by the President in his commission to his board. So the commission is the same. However, as the Senator from Colorado says, the question was discussed among the conferees, and it was their objective to go forward within this charter, without further agitation of that question.

Mr. BARKLEY. I thank the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

NATIONAL SCIENCE FOUNDATION—CONFERENCE REPORT

Mr. SMITH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'National Science Foundation Act of 1947'.

"ESTABLISHMENT OF NATIONAL SCIENCE FOUNDATION

"SEC. 2. There is hereby established in the executive branch of the Government an independent agency to be known as the National Science Foundation (hereinafter referred to as the "Foundation").

"MEMBERSHIP OF FOUNDATION

"SEC. 3. (a) The Foundation shall have twenty-four members to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members (1) shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations.

"(b) The term of office of each member of the Foundation shall be six years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, eight at the end of two years, eight at the end of four years, eight at the end of six years, after the date of enactment of this Act. Any person who has been twice appointed as a member of the Foundation shall thereafter be ineligible for appointment.

"(c) The President shall call the first meeting of the Foundation, at which the first order of business shall be the election of a chairman and a vice chairman.

"POWERS AND DUTIES OF THE FOUNDATION

"SEC. 4. (a) The Foundation is authorized and directed—

"(1) to formulate, develop, and establish a national policy for the promotion of basic research and education in the sciences;

"(2) to initiate and support basic research in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such basic scientific research;

"(3) to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such scientific research;

"(4) to grant scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences;

"(5) to foster the interchange of scientific information among scientists in the United States and foreign countries;

"(6) to correlate the Foundation's scientific research programs with those undertaken by individuals and by public and private research groups; and

"(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this Act.

"(b) In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education.

"(c) The members of the Foundation shall meet at the call of the Chairman but not less frequently than once each year. A majority of the members of the Foundation shall constitute a quorum. Each member shall be given notice, by registered mail mailed to his last-known address of record not less than fifteen days prior to any meeting, of the call of such meeting.

"(d) The Foundation shall elect its chairman and vice chairman biennially, who shall also serve as chairman and vice chairman of the executive committee. The vice chairman shall perform the duties of the chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Foundation shall eleet a member to fill such vacancy.

"(e) The Foundation shall render an annual report to the President for submission on or before the 15th day of January to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate. Such report shall include in full the report of the Executive Committee to the Foundation provided for in section 5 (e).

"CREATION AND POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE

"SEC. 5. (a) The Foundation shall elect biennially from its own membership an executive committee composed of nine members. The executive committee shall, except as otherwise provided by the Foundation, exercise the powers and duties of the Foundation. It is intended that the membership of the executive committee shall be representative of diverse interests and shall be so chosen as to provide representation, so far as practicable, for all areas of the nation. In case a vacancy occurs on the executive committee, the Foundation shall elect a member to fill such vacancy. The executive committee may delegate or assign to officers, employees, and divisions, within the Foundation, any of its powers, duties, and functions.

"(b) The executive committee shall meet at the call of the chairman or at such times as may be fixed by itself, but not less than six times each year.

"(c) Five members of the executive committee shall constitute a quorum.

"(d) The executive committee may establish such advisory committees as may be necessary for the consideration of programs administered by the Foundation.

"(e) The executive committee shall render an annual report to the Foundation, summarizing the activities of the executive committee, making such recommendations as it may deem appropriate, and setting forth the recommendations of the divisional committees and special commissions. Minority views and recommendations, if any, of members of the executive committee, the divisional committees, and special commissions shall be included in such annual reports.

"DIRECTOR OF FOUNDATION

"SEC. 6. The Foundation shall have a chief executive officer, who shall be known as the Director of the Foundation (hereinafter referred to as the 'Director'). The powers and duties of the Director shall be prescribed by the executive committee and shall be exercised and performed by him under the supervision of such committee. The Director shall be appointed by the Foundation and shall receive compensation at the rate of $12,000 per annum.

"DIVISIONS WITHIN THE FOUNDATION

"SEC. 7. (a) There shall be within the Foundation a Division of National Defense, and such other divisions as the Foundation may, from time to time, deem necessary. Each such division shall exercise such powers and perform such duties as the Foundation may prescribe.

"(b) Until otherwise provided by the Foundation there shall be within the Foundation, in addition to the Division of National Defense, the following divisions:

"(1) a Division of Medical Research;

"(2) a Division of Mathematical, Physical, and Engineering Sciences;

"(3) a Division of Biological Sciences; and

"(4) a Division of Scientific Personnel and Education, which shall be concerned with programs of the Foundation relating to the granting of scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences.

"DIVISIONAL COMMITTEES

"SEC. 8. (a) There shall be a committee for each division of the Foundation.

"(b) Each divisional committee, except the Committee for the Division of National Defense, shall be appointed by the Foundation and shall consist of not less than five persons who may be members or nonmembers of the Foundation.

"(c) The Committee for the Division of National Defense shall consist of members in a number which is a multiple of twelve, to be fixed by the Foundation, but which shall be not less than twelve and not more than thirty-six. One-half of the members of such committee shall be civilians appointed by the Foundation, and the remaining half shall be representatives of the armed services, designated in equal numbers, respectively, by the Secretaries of the principal branches thereof. There shall be within the divisional committee for the Division of National Defense an executive committee of not more than six, consisting of the chairman of the divisional committee, as chairman; two civilian members of such committee elected annually by the civilian members thereof; a member of such committee representing each of the principal branches of the armed services and designated by the Secretary thereof. Such executive committee shall perform such functions as may be prescribed by the Committee for the Division of National Defense with the approval of the Foundation.

"(d) The term of each member of each divisional committee shall be fixed by the appointing or designating authority. Each divisional committee shall annually elect its own chairman from among its own members, and shall prescribe its own rules of procedure, subject to such restrictions as may be prescribed by the executive committee.

"(e) Each divisional committee shall exercise and perform the powers and duties of its division, shall have the power and duty to make recommendations to, and advise and consult with, the executive committee and the Director with respect to matters relating to the program of its division, and shall have such additional powers and duties as the Foundation may delegate or assign to it.

"(f) The executive committee, after receiving the advice of the Committee for the Division of National Defense, shall establish regulations and procedures for the security classification of information or property in connection with scientific research (having military significance) under this Act, and for the proper safeguarding of any information or property so classified.

"SPECIAL COMMISSIONS

"SEC. 9. (a) Each special commission established by the Foundation pursuant to section 4 (a) (7) shall consist of eleven members appointed by the Foundation, six of whom shall be eminent scientists and five of whom shall be from the general public. The members of each special commission shall serve for such time as may be prescribed by the Foundation. Each special commission shall choose its own chairman and vice chairman.

"(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than one year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

"SCHOLARSHIPS AND GRADUATE FELLOWSHIPS; REGISTER OF SCIENTIFIC PERSONNEL

"SEC. 10. (a) The Foundation is authorized to award, within the limits of funds made available pursuant to section 14, scholarships and graduate fellowships for scientific study or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited nonprofit American or foreign institutions of higher education, selected by the recipient of such aid, for such periods as the Foundation may determine. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and such selections shall be made solely on the basis of ability; but in any case in which two or more applicants for scholarships or fellowships, as the case may be, are deemed by the Foundation to be possessed of equal ability and there

are not sufficient scholarships or fellowships, as the case may be, available to grant one to each such applicants, the Foundation shall award the available scholarship or scholarships or fellowship or fellowships to the applicants in such manner as will tend to result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia.

"(b) The Foundation shall maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States and its Territories and possessions. No individual shall be listed in such register without his consent.

"AUTHORITY OF FOUNDATION

"SEC. 11. The Foundation is empowered to do all things necessary to carry out the provisions of this Act, and, without being limited thereby, the Foundation is specifically authorized—

"(a) to prescribe such rules and regulations as it deems necessary governing the manner of its operations and its organization and personnel;

"(b) to make such expenditures as may be necessary for carrying out the provisions of this Act;

"(c) to enter into contracts or other arrangements for the carrying on, by organizations or individuals, including other Government agencies, of such scientific research activities as the Foundation deems necessary to carry out the purposes of this Act;

"(d) to enter into such contracts or other arrangements, or modifications thereof, without legal consideration, without performance of other bonds, and without regard to section 3709 of the Revised Statutes (41 U. S. C., sec. 5);

"(e) to make advance, progress, and other payments which relate to scientific research without regard to the provisions of section 3648 of the Revised Statutes (31 U. S. C., sec. 529);

"(f) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by sale, lease, loan, or otherwise, real and personal property of all kinds necessary for, or resulting from, scientific research;

"(g) to receive and use funds donated by others, if such funds are donated, without restriction, other than that they be used in furtherance of one or more of the general purposes of the Foundation;

"(h) to publish or arrange for the publication of scientific and technical information so as to further the full dissemination of information of scientific value consistent with the national interest, without regard to the provisions of section 87 of the Act of January 12, 1895 (28 Stat. 622), and section 11 of the Act of March 1, 1919 (40 Stat. 1270; 44 U. S. C., sec. 111);

"(i) to accept and utilize the services of voluntary and uncompensated personnel and to pay the actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) of such personnel incurred in the course of such services; and

"(j) to prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific research shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor.

"PATENT RIGHTS

"SEC. 12. (a) Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing in this Act shall be construed to authorize the Foundation by any contractual or other arrangement to alter or modify any provision of law affecting the issuance or use of patents.

"(b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities and which is directly related to the subject matter thereof: *Provided, however,* That this section 12 (b) shall not be construed to prevent any officer or employee of the Foundation from executing any application for patent on any such invention for the purpose of assigning the same to the Government or its nominee in accordance with such rules and regulations as the Foundation may establish.

"INTERNATIONAL COOPERATION

"SEC. 13. (a) The Foundation is hereby authorized, with the approval of the President and through the Department of State, to cooperate in any international scientific research activities consistent with the purposes or provisions of this Act and to expend for such international scientific research activities such sums within the limit of appropriated funds as the Foundation may deem desirable.

"(b) The Foundation may defray the expenses of representatives of Government agencies and other organizations and of individual scientists to accredited international scientific congresses and meetings whenever it deems it necessary in the promotion of the objectives of this Act.

"APPROPRIATIONS

"SEC. 14. (a) To enable the Foundation to carry out its powers and duties, there is hereby authorized to be appropriated annually to the Foundation, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

"(b) The funds hereafter appropriated to the Foundation, as herein authorized, shall, if obligated during the fiscal year for which appropriated, remain available for expenditure for four years following the expiration of the fiscal year for which appropriated. After such four-year period, the unexpended balances of appropriations shall be carried to the surplus fund and covered into the Treasury.

"INTERDEPARTMENTAL COMMITTEE ON SCIENCE

"SEC. 15. (a) There is hereby established an Interdepartmental Committee on Science, to consist of the Director of the Foundation, as chairman, and the heads (or their designees) of such Government agencies engaged in or concerned with the support of scientific activity to a substantial degree as the President may from time to time determine. The interdepartmental committee shall meet whenever the chairman so determines, but not less than once a month.

"(b) The Interdepartmental Committee on Science shall gather and correlate data relating to the scientific research and scientific development activities of the Federal Government; and shall make such recommendations to the President, the Foundation, and other governmental agencies as in the opinion of the committee will serve to aid in effectuating the objectives of this Act and of other legislation providing for Federal support of scientific research and scientific development, and in preventing and eliminating unnecessary duplication of such activities by departments and agencies of the Federal Government.

"(c) The Interdepartmental Committee on Science shall submit to the President, for transmission to the Congress, an annual over-all report with respect to scientific research and development activities of the Federal Government and the activities of the Interdepartmental Committee in relation thereto, together with such recommendations as it may deem advisable; and the Interdepartmental Committee may submit to the President, for transmission to the Congress, such special reports and recommendations as it may deem advisable. Minority views and recommendations, if any, of members of the Interdepartmental Committee shall be included in such annual reports and in such special reports and recommendations.

"GENERAL PROVISIONS

"SEC. 16. (a) The Director shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed desirable by the Director, technical and professional personnel may be employed without regard to the civil-service laws or regulations, and their compensation may be fixed without regard to the provisions of the Classification Act of 1923, as amended. The Director, the Deputy Director hereinafter provided for, and the members of the divisional committees and advisory committees, shall be appointed without regard to the civil-service laws or regulations. Neither the Director nor the Deputy Director shall engage in any other business, vocation, or employment than that of serving as such Director or Deputy Director as the case may be; nor shall the Director or Deputy Director, except with the approval of the Foundation, hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this Act.

"(b) The Director may appoint with the approval of the executive committee a Deputy Director who shall receive compensation at a rate of not to exceed $10,000 per annum.

"(c) The Foundation shall not, itself, operate any laboratories or pilot plants.

"(d) The members of the Foundation, and the members of each divisional committee, special commission, or advisory committee, shall receive compensation at the rate of $25 for each day engaged in the business of the Foundation pursuant to authorization of the Foundation, and shall be allowed actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) when engaged, away from home, in the duties of their offices.

"(e) Persons holding other offices in the executive branch of the Federal Government may serve as members of the divisional committees, special commissions, and advisory committees, but they shall not receive remuneration for their services as such members during any period for which they receive compensation for their services in such other offices.

"(f) Service of an individual as a member of the Foundation, of a divisional committee, of a special commission, or of an advisory committee shall not be considered as service bringing him within the provisions of section 109 or section 113 of the Criminal Code (U. S. C., 1940 edition, title 18, secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves the Foundation or in which the Foundation is directly interested.

"(g) The Office of Scientific Research and Development is abolished and its affairs shall be liquidated by the Foundation, which shall be its successor agency. The property, records, funds (including all unexpended balances of appropriations or other funds now available), and contracts (and rights and

obligations thereunder) of the Office of Scientific Research and Development are transferred to the Foundation. Such abolition and transfer shall take effect thirty days after the Director has taken office.

"(h) In making contracts or other arrangements for scientific research, the Foundation shall utilize appropriations available therefor in such manner as will in its discretion best realize the objectives of (1) having the work performed by organizations, agencies and institutions, or individuals, including Government agencies, qualified by training and experience to achieve the results desired, (2) strengthening the research staffs of organizations, particularly nonprofit organizations, in the States, Territories, possessions, and the District of Columbia, (3) aiding institutions, agencies, or organizations which if aided will advance basic research, and (4) encouraging independent research by individuals.

"(i) The activities of the Foundation shall be construed as supplementing and not superseding, curtailing, or limiting any of the functions or activities of other Government agencies (except the Office of Scientific Research and Development) authorized to engage in scientific research or scientific development.

"(j) Funds available to any department or agency of the Government for scientific or technical research, or the provision of facilities therefor, shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part to the Foundation for such use as is consistent with the purposes for which such funds were provided, and funds so transferred shall be expendable by the Foundation for the purposes for which the transfer was made.

"(k) The National Roster of Scientific and Specialized Personnel shall be transferred from the Department of Labor to the Foundation, together with such of the personnel, records, property, and balances of appropriations as have been utilized or are available for use in the administration of such roster as may be determined by the President. The transfer provided for in this subsection shall take effect at such time or times as the President shall direct.

"(l) The Foundation shall not support any research or development activity in the field of atomic energy, nor shall it exercise any authority pursuant to section 11 (f) in respect to that field, without first having obtained the concurrence of the Atomic Energy Commission that such activity will not adversely affect the common defense and security. Nothing in this act shall supersede or modify any provision of the Atomic Energy Act of 1946."

And the House agree to the same.

ROBERT A. TAFT,
GEORGE D. AIKEN,
H. ALEXANDER SMITH,
ELBERT D. THOMAS,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
J. PERCY FRIEST,
OREN HARRIS,
Managers on the Part of the House.

Mr. SMITH. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. MORSE. Mr. President, would a motion to postpone consideration at the present time be in order?

The PRESIDENT pro tempore. A motion to postpone either indefinitely or to a date certain is in order.

Mr. MORSE. Mr. President, I move to postpone the consideration of the conference report until next Friday at 1 o'clock p. m.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon to postpone consideration of the conference report until next Friday at 1 o'clock p. m.

Mr. MORSE. The reason for my motion, Mr. President, is that I think it calls for a considerable amount of discussion. We have scheduled this afternoon the calling of the calendar. I think we ought to proceed with the calendar, and I think that this conference report ought to be thoroughly discussed by the Senate before it is agreed to.

Mr. TAFT. Mr. President, approximately 12 conference reports must be adopted before Congress adjourns. I think we must give them priority over everything else if we are to be able to get through next Saturday night. I feel very strongly that that is the contemplation of the Rules. If the Rules give conference reports priority in every respect, and I believe, Mr. President, that we ought to act on them, regardless of any other consideration. I think that is necessary. If we begin to postpone conference reports we will get into a position in which we might on Saturday be tied up indefinitely.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

The motion was rejected.

The PRESIDENT pro tempore. The question recurs on agreeing to the conference report.

Mr. MORSE. Mr. President, is the question subject to debate?

The PRESIDENT pro tempore. It is.

Mr. MORSE. I had not expected to debate it this afternoon, but I think I can, even though I do not have the material here which I would like to use in the debate.

As I understand—and I ask the Senator from New Jersey [Mr. SMITH] if I am correct—the National Science Foundation bill comes back from conference without a provision in it for a geographical distribution of any of the funds, although the Senate, by a vote of 42 to 40, after prolonged debate on the matter, voted that 25 percent of the funds should be made available to State-supported institutions for individual research projects offered by such institutions meeting the criteria of the National Science Foundation.

Am I correct in that statement?

Mr. SMITH. Mr. President, I regret to say that I could not hear the question, because of the noise in the Chamber.

The PRESIDENT pro tempore. The Senators will please take their seats, and the Senate will be in order.

Mr. SMITH. Will the Senator from Oregon be good enough to repeat his question?

Mr. MORSE. The question is whether the conference report has eliminated the provisions adopted by the Senate involving the geographical distribution of 25 percent of the funds to State institutions proposing a scientific research project which meets the criteria of the National Science Foundation?

Mr. SMITH. The report does reject the so-called Morse amendment, but in lieu of that, other provisions endeavor to recognize the land-grant colleges, which was the issue raised by the Senator.

Mr. MORSE. Does the Senator mean that there are provisions now in the bill which were not in the bill when it passed the Senate?

Mr. SMITH. The bill as it passed the Senate had provisions put in it by the House to which I called the Senator's attention yesterday when he appeared before the conferees.

Mr. MORSE. Will the Senator from New Jersey explain to the Senate what additional provisions have been placed in the report?

Mr. SMITH. There is provision in the bill for recommendations to the President of the United States in connection with the appointing of members of the Foundation.

The PRESIDENT pro tempore. The Chair has been asked whether there are copies of the report available. Are there printed copies available?

Mr. SMITH. I had sent to me a copy of the conference report of the House. It appears on page 9745 of the CONGRESSIONAL RECORD.

Mr. MORSE. Mr. President, I am particularly interested in having the Senator from New Jersey explain to the Senate what provisions have been added to the bill which, in the opinion of the conferees, protect the State institutions and give them a fair opportunity to secure funds for research.

Mr. SMITH. I read the one to which I particularly refer:

> The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations.

There are no mandatory provisions in the bill for the distribution of funds. That was discussed very fully with the Senator from Oregon yesterday at the conference; and the reason was that the Members of the House did not approve of the provision for mandatory distribution of the funds.

Mr. MORSE. Mr. President, now that we have the issue drawn, the language read by the Senator from New Jersey, so far as giving any protection is concerned, is purely empty language. Let us not fool ourselves. The issue is very clear, namely, Shall we authorize an appropriation of vast sums of money for Federal research under the National Science Foundation and permit a bill to be passed which, in my judgment, will allow monopolistic control of scientific research so that those institutions will be benefited which, over years past, have demonstrated that even in connection with private foundations, they get the lion's share of the funds? What we are doing, in my judgment, is to hasten

through the Congress a bill which ought to receive much more consideration than we can possibly give it under the pressure of the closing days of the session.

That is well pointed out in an excellent editorial in the Washington Post this morning. I ask unanimous consent to have the editorial printed in the RECORD at this point in my remarks.

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

SCIENCE FOUNDATION

Both the House and the Senate have so vitiated the Science Foundation concept urged by the President long ago that we think their respective bills, now in conference, could best be consigned to oblivion. This newspaper championed the Science Foundation bill passed by the Senate last year. That measure, very wisely in our judgment, vested control in a full-time single administrator to be nominated by the President, with a national science board of distinguished scientists to serve in an advisory capacity. This year, however, the Senate passed a bill which would have placed control in a board of 24 scientists serving the Government only part time and empowered to prescribe the duties of an executive director to be named by the President. The House went this one worse by providing that the part-time board should actually choose the executive director.

This seems to us in either case administratively altogether unsound. It is an essential of good administration that an administrator be directly responsible to the President. A Government agency, moreover, ought to be administered only by men whose interests are identified exclusively with the Government. Scientists, however distinguished and patriotic, whose principal identification is with some private foundation or university, cannot be counted upon to exhibit the absolute impartiality or to possess the breadth of outlook demanded for the dispersal of great Federal grants. Their advice and assistance are important; but so long as they have outside allegiances they should not be cloaked with official authority. The appointing power is a Presidential prerogative which should not be lightly waived. In this situation we think the President should not consent to the nullification of it as the House proposes or even to the impairment of it proposed in the Senate version. Greatly as we desire to see a national science foundation established, we believe the present bills should be allowed to lapse in the hope that, with a more sober second thought, Congress will produce something more satisfactory in its next session.

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

Mr. MORSE. I am glad to yield.

Mr. SMITH. I may suggest to the Senator that in the session of Congress last year the Senate debated this bill 3 days; and in the present session, as the Senator will recall, we debated it 5 days. So it is difficult for me to understand how additional debate at this time on the issues involved would help to clarify the situation in the slightest. Either we want a National Science Foundation or we do not want one. I think we should vote on that question, inasmuch as there has previously been all this consideration and study and compromising in regard to meeting the different views.

Now the conference report is presented for action by the Senate, and I think we should act on it promptly.

Mr. MORSE. Mr. President, the reply to that argument is very clear, I think, namely, that if the Members of the Senate will take the time to go into this issue and check again with the presidents of the land-grant colleges in their States and the presidents of the State universities, they will find ample reason not to agree with the position of the Senator from New Jersey.

Let us consider the position of the Senator from New Jersey. On the conference committee there were two Members of the Senate—and I mean them no disrespect when I differ from their views—who were opposed to the Morse amendment. They said that if they could convince the House conferees of the merits of the Morse amendment, they would support it.

I think the Washington Post editorial to which I have referred has stated the correct position, namely, that it would be better not to pass this bill now, but to let it go over until January, during which time we can check with educators in our respective States.

Of course, there has been debate in the Senate, but I am sure that the majority of the Senate will agree with me that most Senators have not gone into the merits of the point I am raising. I am suggesting that we should let this matter go over until January, and that we check with educators in our respective States during the fall, and come back here in January and do what I think we should do, namely, rewrite this National Science Foundation bill so that it will emerge as a science bill that will truly support scientific research in our respective States. I think this bill is very dangerous, if what we really wish to do is to encourage scientific research in the college laboratories of America.

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

Mr. MORSE. I yield.

Mr. FULBRIGHT. I wish to ask the Senator if it is not true that the provision known as the Morse amendment, which has been referred to in the debate, will be especially significant after the administrative changes have been adopted, under which the Director of the Foundation will be completely cut off from any responsibility to any branch of the Government. Under the Morse amendment, as I pointed out in the previous debate, he would be beyond control by any branch of the Government.

Last year, in connection with the amendment of the Senator from West Virginia [Mr. KILGORE], who, I remember, was chairman of the committee, the same question was settled in the opposite way from that in which the conference report provides, insofar as the administrative arrangements are concerned.

Mr. MORSE. I quite agree with the Senator from Arkansas. I think his position is unanswerable, and I think it is obvious that we should let this matter go over until January.

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

Mr. MORSE. I yield.

Mr. HILL. Will the Senator restate the Morse amendment?

Mr. MORSE. I will, but first let me say that it was adopted by this body by a vote of 42 to 40. It was adopted on a Monday, whereas on the preceding Friday the Senate had voted down the Kilgore amendment, which in principal, at least, sought to accomplish the same objective. But the Senate voted it down at that time, before there had been adequate consideration of it and before the Members of the Senate had had an opportunity to hear from the college presidents in their home States.

The Senator from Alabama will recall that when Senators did hear from the presidents of those tax-supported institutions, they found that a very large majority of them are in favor of the Morse amendment, and are against the type of bill which the Senator from New Jersey has brought back in behalf of the conferees.

The Morse amendment provides that 25 percent of these funds shall be apportioned among the States and shall be available to the States for the tax-supported institutions, if—and only if—a given institution can propose a particular research project that meets the research criteria laid down by the National Science Foundation itself. In other words, not one dollar will go to any State, under my amendment, unless an institution in such State comes forward with a project which meets the criteria of the Foundation.

Mr. President, when we are dealing with Federal tax money belonging to all the people of the United States, I think we should put in the act protections against having the funds go to a few selected and preferred institutions in the United States. If Senators really wish to have scientific research spread out across the country, as they should, instead of developing a centralized, single administration program of the type that exists in Communist Russia, they should be in favor of the Morse amendment.

No great harm will be done by postponing this matter for a few more months until we can have an opportunity to check with our respective States with regard to the advisability of the Morse amendment.

I am satisfied that if we do, when we come back in January we shall amend the bill in order to meet the objections which are raised in the excellent editorial appearing in the Washington Post of this morning, and in keeping with the Morse amendment.

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

Mr. MORSE. I yield.

Mr. TAFT. The question of what should be provided in this bill is a debatable subject, certainly, and the Senator from Oregon will remember that we debated it at length. In regard to the particular amendment of the Senator from Oregon, we decided that we did not want it, and it was voted down. Then the Senator from Oregon sent telegrams to all the presidents of State universities and land-grant colleges, over the week-end, and in response a flood of telegrams came in. Then the Senate reversed its former decision, by a vote of 42 to 40.

But that is not the question today. I venture to say that if every one of those college presidents were asked the ques-

tion, "Do you want a National Science Foundation bill this year or not?" he would say, "Well, I should like to have it this way, but I would be willing to take my chances with a new board which has full power to give money to these institutions." I believe the board will do so in every case which is entitled to consideration, and I think the Senator from Oregon cannot cite the opinions of many university presidents in favor of his present position that we should entirely reject the conference report and turn down the whole idea of a National Science Foundation.

I have talked to college presidents, and they are in favor of this or that, but above everything else, every one of them to whom I have talked thinks the Government should establish a National Science Foundation.

I think differences which have been exaggerated in the Senate do not affect the opinions of the college presidents. I think they would say today, "If this is the final result of the conference, and if it is a question of taking either this or nothing, we want this National Science Foundation." I think that is what they would say.

Mr. MORSE. Mr. President, I think the Senator from Ohio is quite in error in regard to the position he has taken. He is in error, first, in regard to the statement he made that I sent telegrams to all college presidents in regard to the amendment. As the RECORD shows, I sent telegrams—and I put them in the RECORD—to the president of the Associations of Land Grant Colleges and Universities, and to Mr. Day, of Cornell; and to Mr. Gustafson, of Nebraska; and to Frank Graham, of the University of North Carolina; and to the president of the University of Oregon, and to the president of the Oregon State College; and I put in the RECORD the telegrams I sent and the answers I received. But what do not appear in the RECORD are some of the long-distance telephone calls which were made to some presidents of universities by some Members of the Senate and by those who acted for Members of the Senate, in regard to certain representations which I am supposed to have made, but which I never did make.

In the second place, I wish to say that the Senator from Ohio will be very much surprised if he will check with the college presidents of the United States on the proposition as to whether they would object to a postponement of this matter until January. Of course they want a science bill, and I want a science bill; but I want the best science bill we can get, and so do they. So I do not think the Senator from Ohio will find many college presidents who will strenuously object to a postponement of this matter until January, if they can have some reasonable assurance that in January, February, or March, we shall get a good National Science Foundation bill, and if they can get the Morse amendment in that bill. I am perfectly willing to take my chances on a poll of the college presidents today or tomorrow as to what their position would be on the question of postponement until January.

What I think we should be working for here is a science bill that will make possible the most effective expenditure of Federal tax dollars in the interest of promoting a Nation-wide scientific research program. That is why I argue for the postponement.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oregon yield; and if so, to whom?

Mr. MORSE. I yield first to the Senator from Nebraska [Mr. BUTLER] and then to the Senator from West Virginia [Mr. KILGORE].

Mr. BUTLER. I merely wish to ask the Senator a question. I supported the science foundation bill, and I expect to support the conference report. I presume there are others besides the junior Senator from Oregon who have not gotten everything in the bill they may want. But as a friend of the proposal, I wish to ask the Senator if he does not think it would be advisable to take what we can get today, and amend the act, if we care to amend it, at the beginning of the next session? I am sure I can speak for the chancellor of the University of Nebraska, whose name has been mentioned here, Chancellor Gustafson, to this extent, that he would rather have the bill now, and any amendment the Congress may believe should go on the bill at a later date.

Mr. MORSE. My specific answer to the Senator from Nebraska is that in my judgment we should not pass the bill, because I think it has in it some very unsound principles, as was brought out in the Washington Post editorial this morning. I think we should give some individual study to this subject through the fall, come back in January, and pass a national-science foundation bill which will have the hearty endorsement of a great majority of the university and college presidents of the country.

Mr. KILGORE. Mr. President——

Mr. MORSE. I yield to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I ask the Senator from Oregon if it is not true that there are now in none of the appropriation bills funds provided for the operation of the Foundation and for the distribution of money at this session. Does the Senator know of any such appropriations?

Mr. MORSE. I do not know of any; but am not informed on that point.

Mr. KILGORE. I myself know of none. If that is the case, the Foundation could not operate until next session, until funds were appropriated.

Mr. MORSE. There is no real rush or immediate haste in regard to the bill. We can act on it in January, and can accomplish all the good that could possibly be accomplished by passing it now, and avoid all the bad which in my opinion will be involved if we should pass the bill now.

Mr. KILGORE. One other question. I was present at most of the hearings on the question of the need for a science foundation. The main need expressed was for the development of research workers. I ask the Senator whether or not that is his idea.

Mr. MORSE. That is correct.

Mr. KILGORE. The distribution of funds as provided in the amendment of the Senator from Oregon went to that very point, the development of research workers and the Nation-wide spread of research, which has been so seriously curtailed, particularly in respect to the development of research workers, during the war, and, with the concentration and the possible favoritism which might develop, the very purpose for which the initial idea was proposed would be defeated by the adoption of the conference report, and delay to next year would hurt no one.

Mr. MORSE. I agree with the Senator from West Virginia.

Mr. SMITH. Mr. President——

Mr. MORSE. I yield to the Senator from New Jersey.

Mr. SMITH. Mr. President, this discussion simply brings out the 2-year-old debate which has taken place about this matter. Shall we establish a Foundation which will undertake to subsidize all the universities or colleges of the country, or shall we establish a foundation which will endeavor to determine research projects which should be pursued?

The bill provides for scholarships and fellowships in any college to which a scholar or a fellow who may be selected wants to go. It provides for them in an adequate way. The only issue here is between what the Senator from Oregon [Mr. MORSE] calls the tax-supported institutions, and the private institutions which are not tax-supported, but which raise funds to take care of themselves.

As I stated before, this matter was weighed and debated last year and this year, and now, after all this time, what the Senator is proposing is not what those who are studying this matter feel is the right approach.

I was told by the House conferees that on the floor of the House there was a 3 to 1 vote against the Senator's amendment. There was no way by which they could be persuaded to change their view. They realize that what we are aiming at is to develop projects of science and to help research in fields wherever it might be found necessary, whether in Oshkosh, or Oklahoma, or wherever it might be. The object is also to find budding young scientists, younger men and older men, in a land-grant college, an eastern college, a southern college, a northern college, or a western college. The suggestion that this would lead to monopoly has no foundation in fact whatever.

When the Senator suggested that some Senators used the long-distance telephone, I reply that I did not call a single person on long-distance phone while the debate was in progress. Yet the Senator knows that he told the presidents of land-grant colleges to telegraph Senators to defeat the bill. I have seen the telegram. I am trying to locate it in the RECORD.

Mr. MORSE. It is in the RECORD.

Mr. SMITH. It was sent out for that purpose. I suggest that if any college president receives a telegram saying, "There is a bill pending that is going to distribute money for scientific research. Don't you want your share of it? Support my amendment." The

natural answer is "Yes." Then they finally discover what the real issue is.

There is no attempt whatever in the bill in any way to shut out any college or any group of colleges or any classification of colleges. We want to encourage research wherever possible. But we feel it should be the Foundation that determines what kind of project should be pursued, what kind of things need investigation, where the best results in research can be obtained, and where the best young men to go into these fields can be found.

Mr. President, this is an old question, I say it is an old question because it has been under consideration for 2 or 3 years. To bring the matter up again now, after it was debated for 2 or 3 days, seems to me to be a strange way to deal with the matter, after there has been a conference with the House.

The members of the conference on the part of the House invited the Senator from Oregon [Mr. MORSE] to come before them. They heard him completely, they questioned him, exchanged views with him, and after he left the conference I asked them what their feelings was after hearing him, and they said their feeling had not been changed at all, that they thought the Senator from Oregon was working on one type of thing and the committee was working on another type, and they felt they should stand by their position.

I cannot agree with the Senator's thought about postponing the matter. If we want to set up a foundation, we should do so now. The Senator spoke of the editorial in the Washington Post this morning. I did not see any reference to the Senator's amendment in that editorial.

Answering the question of the Senator from West Virginia [Mr. KILGORE] with regard to appropriations, how can there be appropriations for an institution which has not even yet been brought into existence by legislation? How can we ask for an appropriation for a science foundation when the science foundation has not been established or even authorized?

I call attention to the further fact that if we pass the bill now it will take the President of the United States some time to find the scientists. Twenty-four have to be discovered. The Senate will have to confirm them. We must lay the groundwork before we can be prepared to ask for an appropriation. It is because we anticipated that time would be needed that we wanted the bill passed now, so that the matter could be gotten under way this summer.

Mr. KILGORE. Mr. President, will the Senator from Oregon yield to me further?

Mr. MORSE. I yield to the Senator from West Virginia.

Mr. KILGORE. I think I now understand the situation. In spite of the fact that the United States Senate has twice passed the bill with other phraseology, apparently the managers of the conference did not consider it in conference, but the committee report writes a new bill for the Senate, as is very apparent from what has been said on the floor of the Senate.

Mr. SMITH. Mr. President, If I may answer the Senator from West Virginia, I refer to the report of the House committee in reply to what he said about our writing a new bill. I shall read their statement as to exactly what we did, so far as the bill was concerned. This is found on page 9748 of the RECORD and reads as follows:

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all after the enacting clause of the Senate bill and inserted an amendment in the nature of a substitute. The substitute agreed to in conference is substantially the same as the House amendment. Except for minor clarifying and clerical changes the differences are as follows:

In section 3 of the conference substitute there has been included a sentence from the Senate bill, as follows: "The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations."

In section 5 (a) the following sentence has been included: "It is intended that the membership of the executive committee shall be representative of diverse interests and shall be so chosen as to provide representation, so far as practicable, for all areas of the Nation."

In section 9 (a), a sentence has been included authorizing the Foundation to prescribe the period of time for which members of special commissions, appointed by the Foundation, shall serve.

Section 12 (a), relating to the inclusion in contracts or other arrangements of provisions governing the disposition of inventions produced thereunder, has been made to conform, so far as language is concerned, with the provision as it passed the Senate. In substantive effect, however, it does not differ from the corresponding provision in the House amendment.

In section 16 (a) a sentence has been included, as follows: "Neither the Director nor the Deputy Director shall engage in any other business, vocation, or employment than that of serving as such Director or Deputy Director as the case may be; nor shall the Director or Deputy Director, except with the approval of the Foundation, hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this act."

Section 16 (h) provides that in making contracts and other arrangements for scientific research the Foundation shall utilize appropriations available therefor in such manner as will best realize certain specified objectives. There has been added to these specified objectives the following, taken from the Senate bill with a clarifying change: "(3) aiding institutions, agencies, or organizations which if aided will advance basic research,".

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
J. PERCY PRIEST,
OREN HARRIS,
Managers on the Part of the House.

I may say that the last provision was one offered in the Senate before the bill was sent to the House by the Senator from Utah [Mr. THOMAS], who was just as zealous to protect the principle the Senator from Oregon [Mr. MORSE] is advocating as are other Senators. It is merely a question of the method to be used to accomplish the purpose. We did not feel that the 25-percent allocation to certain institutions was affected by the other provisions we placed in the bill.

I read the statement of the managers on the part of the House in full, because of the suggestion that we had rewritten the bill in conference. Obviously it refutes any such statement.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield to the Senator from Florida.

Mr. PEPPER. I want to ask the Senator from New Jersey what is in the conference report—I want to be clear about this—with respect to research commissions in the fields of heart disease and cancer. In the Senate bill, those commissions were to be distinct, with personnel to be appointed by the President. I think that is what has been done by the conference, but I wanted to be sure.

Mr. SMITH. I am glad the distinguished Senator from Florida asked that question, because, among the powers of the Foundation, appointed by the President, the Foundation is authorized and directed——

Mr. PEPPER. No; if the Senator will yield, I am asking about the commissions provided in the Senate bill for cancer and heart disease.

Mr. SMITH. I am about to read that.

The Foundation is authorized and directed—

(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this act.

In section 9 there is a reference to the commissions. This is a little bit beyond that place. The following section was inserted:

SPECIAL COMMISSIONS

SEC. 9. (a) Each special commission established by the Foundation pursuant to section 4 (a) (7)—

That is the section I just read—

shall consist of 11 members appointed by the Foundation, six of whom shall be eminent scientists and five of whom shall be from the general public. The members of each special commission shall serve for such time as may be prescribed by the Foundation. Each special commission shall choose its own chairman and vice chairman.

(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than 1 year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

Mr. PEPPER. Mr. President, if the Senator will yield once more, evidently then, the conferees have not preserved the Senate provisions, because in the Senate bill there was a separate commission on heart disease and a separate commission on cancer. The personnel of those two commissions was to be appointed by the President and confirmed by the Senate. From what I have understood the able Senator from New Jersey, to read, the Presidential appointment has been abandoned, and the separate commissions are now to be appointed by the Foundation, not by the President of the United States.

Mr. SMITH. I do not recall the original draft of the Senate bill, but I thought this was the same language exactly as that which was contained in the Senate bill.

Mr. PEPPER. No; that must be the House provision or a compromise, because I am sure the Senator, upon reflection, will recall—no doubt the Senator from Ohio will recall—that the Senate provided the heart commission and the cancer commission should be separate commissions, the personnel to be appointed by the President and confirmed by the Senate. I think that is very important, and I am exceedingly sorry it is no longer in the bill.

Mr. SMITH. I do not recall that that was in the original bill. The Senator may be correct. I do not think the House made any changes in the provision. I think we provided in the beginning that the Foundation should take the responsibility for setting up the commissions.

Mr. MORSE. Mr. President, I want to say I thank the Senator from Florida for his contribution, because it illustrates very clearly that Members of the Senate, if they vote in favor of the conference report this afternoon, will be voting in favor of a report which they have not taken the time to study, to note the differences between the conference report and the Senate bill. We are dealing with a very important piece of legislation, and I think we ought to pass it only when we know it is the right type of legislation to pass. Individual Senators cannot be sure of that if they proceed this afternoon hastily to a vote on the conference report, when they have not had an opportunity really to study it.

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

Mr. MORSE. I yield.

Mr. TAFT. The Senator suggests it is merely a question of postponing this matter until January. I may say I was perfectly convinced that, unless these two changes were made, the House would turn it down, and there would be no report in the present Congress. The committee turned down the Morse amendment. It was offered on the floor of the House, and it was defeated by a vote of 180 to 90. It is my sincere opinion, that if we should not agree to the report, there will be no Science Foundation bill in the Eightieth Congress. It is not a question, I submit to the Senator from Oregon, of postponing it for a year. It is a question of postponing it for 2 years, at the least.

Mr. MORSE. Mr. President, I think the Senator from Ohio is completely in error in his observation. I am willing to let time determine that. I have read the House debate, too, Mr. President, and I am satisfied that when the Members of the House take the time to really study the Morse amendment, and when they return to their respective States and check up with the heads of their educational institutions, a remarkable difference in the House attitude will be seen, just as we saw a remarkable change in the Senate attitude even over a weekend, when we got an opportunity to ascertain the opinion of many of the leading educators of the country.

Now, let us go back to the telegrams, because a point has been made in regard to them by the Senator from New Jersey. Let me make it perfectly clear, Mr. President, that the so-called Morse amendment was not mine, except in name only. The Morse amendment is the amendment proposed by the Association of Land-Grant Colleges and by the Association of State Universities. It is not an amendment that is simply supported by individual college presidents, but it is an amendment which, so far as the delegates to the annual conventions of those two associations are concerned, represents the formal action of those associations. So I sent telegrams to the presidents of the two associations, notifying them of the fact that the Smith proposal was contrary to the action taken by the associations, and that if they wanted to bring any weight to bear upon the Congress they should make known to the members of their associations the action which was contemplated by the Senate of the United States. That is exactly what happened. I spread the material into the CONGRESSIONAL RECORD, and the RECORD is perfectly clear. College president after college president of State-supported institutions made clear to the Members of the Senate that they did not want the Smith bill without the Morse amendment in it.

I tell you, Mr. President, that if we will only take the time, the few months necessary to double check on this matter, I am satisfied that the Congress will come back in January and vote for a National Science Foundation bill which will meet the criteria requested by the Association of State Universities and Land-Grant Colleges.

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

Mr. MORSE. I yield.

Mr. LUCAS. Was there any evidence adduced before the committee by the different colleges demonstrating an interest in the amendment the Senator offered, or did the expressions referred to come at the last moment when the Senate was debating the bill?

Mr. MORSE. I think the representations of the two associations were before the committee. But in the closing days of the debate on the bill, when they woke up to the fact that the Smith bill did not include the Morse amendment, or did not contemplate including the Morse amendment, I think they made very clear to the Senate of the United States how important they think my amendment is to the development of a sound research program in State-supported institutions. One of the things they feared—rightly so, and I stressed it in the debate on the bill—is that they are not going to be able to keep their best and most competent professors of science in the laboratories on their campuses, because if a National Science Foundation bill such as this one is passed, it will make it possible for a few institutions which will become the principal beneficiaries under the bill, as they fear, to hire away from the campuses of Illinois, of Oregon, of Nebraska, and elsewhere their best scientists, because after all a teacher of science wants to have adequate support for educational research. What we are proposing to do is to act upon a bill which does not provide the necessary safeguards in protecting the teacher personnel in State-supported institutions.

Mr. LUCAS. The only reason I raised the question, I will say to my friend from Oregon, was that I thought, in the event the bill should go over until next year, perhaps those who have a vital stake in this kind of a bill would have a further opportunity, or possibly a more ample opportunity, to appear before the committees and express themselves in a way which perhaps they have not heretofore.

Mr. MORSE. I think that is exactly what will happen once the fight becomes clearly known throughout the States.

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

Mr. MORSE. I yield.

Mr. SMITH. I may say to the distinguished Senator from Illinois that last year 150 witnesses testified on the subject. The question was thoroughly debated. This year the House committee held hearings and the question was again thoroughly debated. The Senate committee did not hold hearings because we had so much evidence from last year, and so much evidence adduced before the House committee this year. There is no doubt that the question has been thoroughly debated. Every college president in the country has thought it over. Some college presidents are for it, some are against it. It is a matter of honest difference of opinion which is the best way to effectuate the program. There is no intention to do wrong on either side. I give my distinguished colleague from Oregon the credit for absolute sincerity, and I want him to give me credit for sincerity. It is a matter of judgment as to what is the best way to carry on research in basic science for the benefit of the United States. That is the fundamental consideration.

We carried on the research successfully in wartime. We had to concentrate then, but we know that is not the best way to do. Dr. Bush himself admitted that that is not the best way to carry on research in basic science. He said the reason he wants such a Foundation as that provided for in the bill is so that research may be scattered all over the country. But we do not scatter it by saying that 25 percent of the funds shall be allocated to the States. The matter of research cannot be determined on the basis of population. It

must be determined on the basis of projects. I think it would be unfortunate to continue the discussion further after these nearly 3 years of earnest debate, after the thousands of pages of testimony which have been taken, and after practically every scientific man in the United States has been called before committees of Congress before the hearings were concluded.

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

Mr. MORSE. I yield.

Mr. LUCAS. I thank the Senator from New Jersey. He has given me information which to some extent I was not aware. I understand the able Senator to say that those who represent the land-grant colleges of the country have had ample opportunity to discuss the question which was submitted by way of the Morse amendment, before the Senator's committee or before some other committee at some time in the past, or during the present session of the Congress?

Mr. SMITH. I will say, not the Morse amendment, but the equivalent of the Morse amendment was under discussion last year in all the hearings. The subject was discussed fully last year. The big difference of opinion was over the issue of the division of funds on the 25-percent basis. I will say that the amendment of the Senator from Oregon is very much of an improvement over the original amendment, and that the defects contained in the original amendment were considered by the Senator in drafting his amendment. But even with that improvement, the Members of the House, who, believe me, have been overwhelmed with telegrams on this subject, and they are in many ways nearer to the people than we in the Senate are because they are elected every 2 years, rejected the amendment. As the Senator from Ohio [Mr. TAFT] pointed out, the vote in the House against the Morse amendment was 100 to 90. They have had every opportunity to have the opinions and expressions from the people back home. A telegram was sent to every college president again when it was rumored that the House was against the Morse amendment. I do not know how long continued the debate was in the House, but there was a very long debate on the point we are now discussing.

Mr. President, we are not going to be given any more light on the subject. The time now has come to act. If we want a National Science Foundation let us act now. I do not think we can raise this dead dog again if we postpone action on the question now.

Mr. LUCAS. Mr. President, I thank the Senator from New Jersey.

Mr. MORSE. Mr. President, I wish to say to the Senator from Illinois that the Morse amendment was the product of educational conventions which were held last winter, and as to the particular amendment the individuals who attended the conventions have not appeared before the committee, but they would appear if we went into the subject again after the recess.

Further, I desire to point out that the Morse amendment is in keeping with the principle involved in the apportionment of Federal funds which has been applied many times under the National Government. It allays a fear and suspicion. That is a fact concerning which my good friend, the Senator from New Jersey, whose sincerity I can assure him I never have questioned, and I am sure I never will, for some reason simply does not seem to agree with me, but it is a fact. All that has to be done is to talk to the college presidents, and they will say it is a fact, and because it refers to their state of mind it cannot be denied as a fact. They will say that the adoption of the National Science Foundation bill, as reported by the conference committee, fills them with great fear and suspicion, because they have had unhappy experiences, may I say, with science foundations that have apportioned or appropriated private scientific funds in the past. I say that we should not inaugurate a national science foundation when a large body of educators are suspicious and fearful of its provisions.

When the Senator from New Jersey tells the Senate that there are some college presidents for and some college presidents against it, let me state how that roll lines up. Place over here on one side certain private institutions, and there will be found most of the presidents of the private institutions who are perfectly willing to go along with the bill, but when we go to the other side, to the State tax-supported institutions, it will be found that an overwhelming majority of those college presidents will say that the principle of the Morse amendment should be incorporated in the bill. I say that, after all, we are here apportioning money which belongs to the Federal taxpayers. I do not think we ought to run the risk of letting down our State tax-supported institutions, and play upon the fear and the suspicion of many that certin powerful private institutions will receive the lion's share of the funds. The amendment provides a check which ought to go into the bill.

Mr. President, I am about to close by simply saying that as individual Senators I think we ought to have more facts on this subject than I am satisfied most Members of this body will have if they vote in favor of the conference report this afternoon. After all, really nothing effective can be done until we reconvene and money is appropriated. In view of that fact, I certainly see no harm in postponing consideration of this subject until we can double check and triple check in regard to it.

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

Mr. MORSE. I yield.

Mr. O'MAHONEY. I am glad the Senator from Oregon has raised this question. There is no doubt whatever that there is no check in the bill except the check which was contained in the amendment offered by the Senator from Oregon, which the Senate adopted. Otherwise the bill grants to a small group complete authority over scientific development in the United States.

I agree with the Senator from Oregon that the sincerity of the Senator from New Jersey should not be questioned. I do not question it. This is not an issue involving the sincerity of anyone. It is an issue concerning the grant of power which we are making in the bill.

It is no wonder that the heads of land-grant colleges and tax-supported colleges—the people's colleges—throughout the United States are disturbed. The provisions of the bill—I refer to section 11 (c) of the conference report—make it clear that the Science Foundation will be above the Government itself. Section 11 (c), with respect to the authority which the new Foundation shall have, provides that it shall have the authority "to enter into contracts or other arrangements for the carrying on, by organizations or individuals, including other Government agencies, of such scientific research activities as the Foundation deems necessary to carry out the purposes of this act."

Section 4, dealing with the powers and duties of the Foundation, provides, in subclause (3), that the Foundation is authorized "to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements—including grants, loans, and other forms of assistance—for the conduct of such scientific research."

It becomes apparent that we are now asked to pass a bill which will give to the Foundation, through its executive committee, complete power to make loans and grants as they choose. The purpose of the amendment of the Senator from Oregon was merely that, in making loans and grants, and in utilizing the appropriations to be made, 25 percent should go to a certain type of institution. That amendment was the only provision in the bill which guaranteed that the benefits of the Foundation should be enjoyed by all the schools of the United States. Otherwise no person could tell what the course of the Foundation might be in a year, 2 years, or 5 years.

We are delegating away a power of the Congress to what will turn out to be a private institution. There can be no doubt of that, because section 4 (a) provides that—

> The Foundation is authorized and directed—
>
> (1) to formulate, develop, and establish a national policy for the promotion of basic research and education in the sciences.

It becomes clear, therefore, that the Congress is now conveying away to the Foundation the power which belongs to the Congress to establish a policy with respect to research. If the Senate abandons this single controlling provision, the only one in the bill which would guarantee a wide distribution of the benefits of the law, it will in my opinion be giving away an essential right of the people of the United States. I am glad that the Senator from Oregon has raised the question.

We should not hesitate on this issue. It will be remembered that there was a long debate about whether or not the Executive Director should be appointed by the President, with the advice and consent of the Senate. Finally, we were persuaded to give away the right of confirmation and give the President the right to appoint.

Mr. MORSE. It was a great mistake to give that power away.

Mr. O'MAHONEY. It was a terrible mistake. If on top of that mistake we shall now make the other one of removing the only security we have to guarantee distribution of these funds among the public institutions of the United States, I think we shall be sacrificing the public interest.

Mr. MORSE. Mr. President, I thank the Senator from Wyoming for his comments. I am in complete agreement with him.

Because I shall ask a yea-and-nay vote, I suggest the absence of a quorum.

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

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

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

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

The Senator from Oregon [Mr. MORSE] has the floor.

Mr. MORSE. Mr. President, I wish to make the following motion: I move to postpone further consideration of the conference report on the National Science Foundation bill until 2 o'clock p. m. on the second Thursday of January 1948.

May I say in explanation of my motion that it makes it the order of business on that day? Members of this body can be sure that the National Science Foundation bill will be before them for consideration at that time. There is no attempt on my part to prevent a final vote on the bill, but I think the debate this afternoon has shown very clearly that the bill needs and deserves further consideration. We ought to talk about it in our respective States this coming fall. I think dangers are involved, so far as a future research program is concerned, if we pass upon it this afternoon without further study and deliberation.

The PRESIDENT pro tempore. The Senator from Oregon moves that further consideration of the conference report be postponed until the second Thursday in January 1948, at 2 o'clock p. m.

Mr. FULBRIGHT. Mr. President, I want to say something by way of history, because I sat in the original hearings on this bill a year ago last February, as I recall with the Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. MAGNUSON]. I want to call the attention of the Senate very briefly to the fact that the bill which we then passed and I think it passed unanimously, or practically so—carried the equivalent of the Morse amendment, but, in addition to that, and in some respects even more important than that, it carried an entirely different administrative set-up. I think that is one thing which has been overlooked.

I do not desire to belittle the importance of the Morse amendment. Taken in connection with the administrative procedure and the set-up provided by the original bill, I think it is very significant. I stated during the debate on the Morse amendment, and told the Senator from New Jersey [Mr. SMITH], that my principal objection originally ran to the administration of the bill. It cuts off practically all the influence of the Government in connection with the Science Foundation. The original bill did not do that. The original bill provided for a board of nine eminent scholars and scientists who would lay down a policy, and so forth, for the Foundation, but the Administrator was to be appointed by the President and confirmed by the Senate, which would keep us in touch with the Board and with the Foundation itself.

It has just been pointed out by the Senator from Wyoming [Mr. O'MAHONEY] that great power is lodged in this Foundation. I am for it. I do not criticize that, provided there is a proper check on the responsibility to the Government which has to supply the funds and to the people who are interested in it.

I dislike very much being in the attitude of opposition to this bill, because last year I did everything I could to promote it. I lost some of my own amendments. I think it is a great mistake to eliminate from the bill many provisions affecting the Foundation which have been eliminated. I was for the bill, but I have been forced, in a sense, to be in opposition to it, not because I am not in favor of the Foundation, but primarily because of the administrative set-up. In a sense I have had to take that position because the so-called Morse amendment, which was in the bill which passed the Senate last year, has been eliminated.

I have one other observation regarding the approach to this problem. It seems to me that we are attempting to do what we did in wartime. We are looking for results which leaves the implication that we are looking for another atomic bomb or a proximity fuze. I do not think that is the proper approach. We are trying to build a scientific foundation, a broad interest in science, and a broad base in many of our schools from which, in case of necessity, we can draw upon our most intelligent young men.

The original hearings were held shortly after the dropping of the atomic bomb in Japan, and there appeared before the committee such scientists as Oppenheimer, Urey, and others, who made the point that what had been done during the war was to shake the tree for the fruits which had been accumulating for many decades. That is not what we are trying to do through this bill. We are trying to build a Foundation which will create conditions through which we can secure such things as atomic bombs in case of emergency. I think the idea that it must be operated just as Dr. Bush operated his organization in the war is the wrong approach to the problem.

I hope the Senate will support the motion of the Senator from Oregon.

Mr. RUSSELL. Mr. President, the last hours of the first session are always a very dangerous period. Under the whip and spur of emergency and the desire to leave, Senators are not always as careful in the examination of legislation as they are when there is ample and adequate time. There is no real emergency in connection with this particular piece of legislation. I hope that the Senate, merely because a date has been fixed for adjournment toward which we are all striving, will not be driven to abandoning the principles for which we stood after a long fight on this legislation previously. We have twice gone on record as favoring the philosophy of this measure. It has now been submitted to us by the conferees. There is no real reason for us in haste to abandon the position we took after due deliberation. If we do I am certain that the measure will be ineffectual and will be unfairly administered, to the detriment of a great many States which will never be permitted to participate if the conference report be adopted.

Mr. President, it cannot do any harm to postpone this measure until next January. We can do great harm to many land-grant colleges if we take precipitate action. In my judgment, the motion of the Senator from Oregon should prevail. Let us take the matter up in January, when Senators do not have other conference reports on their minds, when we can study it, discuss it, and deal fairly with all the elements involved; because I can assure the Senate that if we pass the bill in this form we shall never be able to enact a piece of legislation amending it which will do justice to all sections of the country.

The PRESIDENT pro tempore. The question is on the motion submitted by the Senator from Oregon [Mr. MORSE] to postpone consideration of the conference report on the National Science bill until the second Thursday in January 1948, at 2 o'clock p. m.

Mr. BARKLEY. Mr. President, at this juncture I should like to ask the Senator from New Jersey [Mr. SMITH] a question with respect to the conference report.

Since the conference report was agreed to by the conferees, some of those interested in the Warm Springs Foundation for the treatment of infantile paralysis have expressed some fear that under the terms of the bill embodied in the conference report they would in some way or other come under the jurisdiction or control of the Board or the provisions of the bill. I should like to ask the Senator from New Jersey if there is anything in the bill that in any way relates to that, or which would bring that Foundation under the control or jurisdiction

of the Board, or in any way would affect the Foundation.

Mr. SMITH. Mr. President, I am very glad to have the question presented. The matter was discussed in the conference, because it had been raised with other members of the conference committee.

I should like to read into the RECORD for the benefit of the Senator from Kentucky the provision having to do with this matter, to show why I feel the danger he anticipates is not in the bill at all. I read:

SEC. 4. (a) The Foundation is authorized and directed—

* * * * *

(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases.

Section 9 (a) and section 9 (b) are provisions with regard to special commissions. Section 9 (a) merely provides for the appointment of the commissions. Subdivision (b), which I think is the important one, reads as follows:

(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than 1 year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

The Senator will note that that is simply the provision for the program and the recommendation of the program by the Commission.

The point which the Senator has made was raised and there were others who felt that it was desirable to insert this provision, because there were various groups working in the field of polio who felt it would be wise to have a commission set up like the Cancer Commission to make recommendations for the carrying on of a research program which would be helpful and complementary, but not controlling.

Mr. BARKLEY. The Senator knows, as we all know, that the Warm Springs Foundation has inspired the interest and enthusiasm of a great many people in this country. It is doing very fine work. Of course I would not suggest that it can cover the entire field of research or treatment with regard to polio. But if I understand the Senator, there is nothing in the bill which would handicap or hamper the Foundation, which is going forward with this work in its own research, or in carrying out any policy it might see fit to pursue as a result of its research with the funds which may be available to the Foundation in the future. Is that the Senator's view?

Mr. SMITH. If I had thought for a moment that there could be any interference with the Warm Springs Foundation or the American Cancer Foundation by the provisions of the bill, I would not have been in favor of inserting the provisions, because I agree with the implications of the Senator's remarks. We want to do all we can to encourage those organizations to proceed with the magnificent work they are doing today.

Mr. BARKLEY. I appreciate the Senator's reply.

Mr. TAFT. Mr. President, I had hoped that the creation of a National Science Foundation would be one of the accomplishments of this session of Congress. The conference report comes to us, because it is the best and the only possible method of obtaining a Science Foundation. It was signed by both Republicans and Democrats. It seems to me we have exaggerated in our discussion the importance of certain matters. The bill does not exclude the State universities. When money is to be distributed for proper research purposes, presumably it will be distributed to all those who are equipped and entitled to be considered as being able to conduct the kind of research that may be in question. I feel perfectly confident that the college presidents, themselves, might prefer to have their money absolutely insured, but as I talk with them, they say, "We will take our chance with a group of scientists, a group of educators; we will take our chance in getting our share, just as every other university in the United States must take its chance."

It seems to me, Mr. President, perfectly clear that if we postpone this matter, we shall not have a National Science Foundation bill passed by this Congress. As I say, the House rejected this particular amendment by an overwhelming vote. I think we have exaggerated the importance of the differences; perhaps they have. At any event, the Senate itself voted once against the Morse amendment. At another time it was carried by the changing of one vote. It is a question which has been in dispute. The question has been argued back and forth for 2 years. Surely, now, there is but one question: Do we want a National Science Foundation, or do we not? I think it would be a tremendous advance, and I think every educator in the country, every research worker, every scientist, every college man, if he were here today, would say, "All right; I may not agree with everything in it, but meanwhile we ought to go ahead and establish it. We can consider its faults later, if faults develop."

Mr. President, I hope the motion will be voted down, and that the conference report will be agreed to.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

Mr. MAGNUSON. Mr. President, will the Senator from New Jersey yield to me? As the Senator well knows, I have a very great interest in this bill. I think I was the author of the original Science Foundation bill.

Mr. SMITH. If the Senator will permit me, I should like to say at this point that the Senator from Washington has been of the greatest help in building up the material and getting a bill together, and in its present position.

Mr. MAGNUSON. I regret I could not be here earlier in the day when the conference report was being discussed. I ask the Senator whether or not the conferees agreed to every part of the House bill which was different from the Senate bill?

Mr. SMITH. No; there were certain changes made. We agreed to certain provisions of the House bill and they agreed to certain provisions of the Senate bill, in working out an agreement. We have not compared it to determine exactly what the changes were.

Mr. MAGNUSON. The principal differences related to the organization of the Science Foundation and the Morse suggestion as to the distribution of funds?

Mr. SMITH. It was the organization of the Science Foundation, the method of appointing the director, that constituted the chief difference. That and the Morse amendment comprised the principal differences.

Mr. MAGNUSON. Those were the two principal differences?

Mr. SMITH. There were other provisions which were added in conference, to emphasize the desire to make the program nationwide, to include all areas of the country, and to be sure that every opportunity would be given to any institution to have its share of the funds.

Mr. MAGNUSON. I may say to the Senator that, reluctant as I am to agree with what the House did, and as enthusiastic as I have been for the so-called Morse amendment, I think I shall have to say, regardless of that, the importance of having a National Science Foundation is far greater in my mind probably than the settling of certain differences. I am sorry the Senate conferees agreed to certain provisions, but neverthless we need the National Science Foundation. The cause of basic science in this country is pressing. I hope the basic act may be amended, as it may be found necessary in the future.

Mr. MORSE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Would the Senator from Washington agree that all the points he has raised, and all the points which have been raised by the Senator from New Jersey and the Senator from Ohio, can be considered on the second Thursday of January 1948, after Senators have had a chance to check into the matter in their States this fall? I raise the question especially in view of the fact that before the National Science Foundation can be launched, appropriations will have to be voted, and appropriations cannot be forthcoming until the next session of the Congress.

Mr. MAGNUSON. I think there is a great deal in what the Senator says.

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

Mr. MAGNUSON. I yield.

Mr. TAFT. I want to point out that there are appropriations. The Army and Navy have very large appropriations for research, which can be distributed. It is intended that they shall be distributed by the Science Foundation.

Mr. PEPPER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PEPPER. Mr. President, I want to say a word or two in support of the motion of the Senator from Oregon. On

a certain occasion, when Christ was reported to be a resident of Galilee, the question was asked, "Can any good thing come out of Nazareth?" There are many people who think nothing good in the way of research will come out of the smaller schools and public universities. I think that is contrary to the history of the Nation. Unless we have a guarantee that will compel the Science Foundation to give proper consideration to a quota to be allocated to the public schools and universities and other public-supported institutions, there will be a natural gravitation of the research program into large universities and colleges. I think Harvard University has followed the salutary principle for a good many years of trying voluntarily to impose a sort of quota system upon its student body, and, I am proud to say, to permit a certain number of students from my section to have access to that great institution. What many schools have voluntarily assumed, Mr. President, we, in the expenditure of public money, have tried to impose in the Senate bill; which has been impaired by the conference report.

Mr. President, I was personally interested in another aspect of the bill. That was the provision that there should be two separate commissions, one for heart research, the other for cancer research. Heart disease, of one kind or another, kills one out of three of the people of America; cancer strikes down one out of seven. Surely, Mr. President, no research could be more important to the lives of our people than research in the fields of heart disease and cancer. There, again, in order to assure that the public interest would be best served, the Senate provided that the personnel of those two special commissions should be appointed by the President of the United States and confirmed by the Senate. Now, Mr. President, what do we find in the conference report? The Senate provision providing that the executive director should be appointed by the President and confirmed by the Senate, has been impaired. We find instead an executive director, appointed by the Foundation. It is not a full-time Foundation, but a group of 24 men delegated to give only partial time to the grand function of the organization. So we do not have even an executive director appointed by the President and confirmed by the Senate to be the executive head of the Foundation. Mr. President, not even the Foundation itself has full authority for the performance of its functions, but an executive committee of the Foundation, consisting of 24 persons. The special commissions, instead of being appointed by the President, as provided in the Senate bill will be appointed by the Foundation in form, but actually by the executive committee, a subordinate part even of the Foundation itself.

When we add those deficiencies, Mr. President, contained in the conference report to the failure to assure something like an adequate opportunity to all sections of this great country, we find that we have not given to the people the kind of a research plan to which they are entitled.

Genius, Mr. President, comes from the remote places. It comes from the humble places, as it came out of a log cabin once in the West to the great leadership of the Republic.

Mr. President, I do not believe this is a democratic science bill. I favor research. I would vote for 10 times the amount provided in the bill, and I believe it would be among the best purposes for which money could be spent. But the program must be a democratic one, it must be an American program, for all parts of America in the great war upon ignorance and for progress. All parts of America must have a chance to play a fair part.

Mr. President, I hope the motion of the Senator from Oregon will prevail.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon [Mr. MORSE] to postpone further consideration of the conference report until the second Thursday in January 1948, at 2 o'clock p. m. On this motion the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the senior Senator from New Hampshire [Mr. BRIDGES] and will vote. I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from New Hampshire, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], the Senator from Wyoming [Mr. ROBERTSON], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Oklahoma [Mr. MOORE] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. HAYDEN] are detained on official business.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. BRIDGES] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "yea," and the Senator from New Hampshire would vote "nay."

The result was announced—yeas 38, nays 46, as follows:

YEAS—38

Barkley	Downey	George
Chavez	Dworshak	Green
Connally	Ecton	Hatch
Cordon	Fulbright	Hill
Hoey	McKellar	Overton
Johnston, S. C.	McMahon	Pepper
Kilgore	Maybank	Russell
Langer	Morse	Sparkman
Lucas	Murray	Stewart
McCarran	Myers	Taylor
McClellan	O'Conor	Tydings
McFarland	O'Daniel	Umstead
McGrath	O'Mahoney	

NAYS—46

Aiken	Hawkes	Robertson, Va.
Baldwin	Hickenlooper	Saltonstall
Ball	Holland	Smith
Bricker	Ives	Taft
Brooks	Jenner	Thomas, Okla.
Buck	Johnson, Colo.	Thomas, Utah
Butler	Kem	Thye
Cain	Knowland	Vandenberg
Capehart	Lodge	Watkins
Capper	McCarthy	Wherry
Cooper	Magnuson	White
Donnell	Malone	Wiley
Ellender	Martin	Williams
Ferguson	Millikin	Young
Flanders	Reed	
Gurney	Revercomb	

NOT VOTING—11

Brewster	Eastland	Tobey
Bridges	Hayden	Wagner
Bushfield	Moore	Wilson
Byrd	Robertson, Wyo.	

So the motion to postpone was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUD IN MISSOURI

Mr. LANGER. Mr. President, as one of the three Senators on the Judiciary Subcommittee that has had charge of the hearings on the resolution to investigate Tom Clark, the Attorney General, in connection with the Missouri primary election of last year, I want every Member of this Senate, I want every man, woman, and child in America to know just exactly what this resolution relative to the action of the Department of Justice in connection with the Missouri elections will do if adopted. Here are the facts:

First. There was a corrupt, rotten, un-American, crooked primary election last year in Missouri.

Second. In that election there were both Federal and State candidates.

Third. Decent citizens and the Kansas City Star have investigated that election, interrogating roughly 8,000 witnesses.

Fourth. The State of Missouri has a governor, an attorney general, and various county prosecuting officials the same as any other State, and they are functioning.

Fifth. The board of elections passed a resolution demanding an investigation by the Federal Department of Justice.

Sixth. The Federal Government has no right to, and should not, supplant local authorities unless a violation of Federal law is involved. State officials, and not the Attorney General of the United States, should enforce State laws. If a Federal gestapo from Washington ever runs the elections—either primary or general—in every State in this Union, there will be the same Federal control over elections that there is in some foreign countries.

Seventh. In 1936—and, Mr. President, I ask every Senator upon this floor to

mark this well—United States District Attorney Maurice Milligan sent about 250 men to the penitentiaries and jails of Missouri for violating Federal election laws, and he thereby became the leading advocate of clean, honest elections. I challenge any Senator upon this floor to say that Mr. Milligan is not honest, that he is not capable, and that he did not do a good job in Missouri.

Eighth. In order to have clean, honest elections, Mr. Milligan came to Washington and made definite recommendations to the Department of Justice. The present Supreme Court Justice, Robert Jackson, was then Attorney General and Mr. Milligan's recommendations were adopted in full by the then Attorney General, Mr. Jackson.

Ninth. These recommendations, which were instituted by Attorney General Jackson in 1941, were followed by his successor, Attorney General Frank Murphy, now also an Associate Supreme Court Justice.

Tenth. When Frank Murphy went on the Supreme Court, the new Attorney General, Francis Biddle, also followed the practice instituted by Mr. Jackson.

Eleventh. When Francis Biddle resigned to be one of the judges at Nuremberg, Tom C. Clark became Attorney General, and he also followed exactly and precisely—exactly and precisely, Mr. President—what his three immediate predecessors had done in following Mr. Milligan's original recommendation.

Twelfth. Therefore, when complaints came in from the election board in Missouri, Attorney General Clark issued the identical orders for a preliminary investigation as had been issued in every election case, whether under Attorney Generals Jackson, Murphy, or Biddle.

Thirteenth. J. Edgar Hoover, the head of the Federal Bureau of Investigation, who is directly responsible to Congress, has made painstakingly clear the fact that Attorney General Clark has done nothing in this Missouri case which was different in any way from what was done in any other case. In other words, the Missouri election was treated just the same as any other election case by the Attorney General and his three predecessors.

Fourteenth. Six members of the Judiciary Committee are now criticizing Attorney General Clark for not doing enough. Mr. President, had he deviated from Mr. Milligan's recommendations, these men could perhaps successfully ask him "Why?" Had he, for example, impounded the ballots, as suggested at one of the hearings before our committee, could it not have been charged by his opponents that he had done so to gain possession of them, and take them out of their possession—and possibly the jurisdiction of the grand jury of the State of Missouri, who had possession of them? Also, would there not have been the sinister implication that the ballots might have been changed while in the possession of the Federal Department of Justice?

Fifteenth. With startling clarity, Mr. President, these three facts stand out:

(a) The Attorney General had just convicted and sent to prison men holding high office.

(b) He had, only a few weeks previously, announced that his newly appointed assistant, John Sonnett, appointed in place of Wendell Berge, had been placed in charge of the Antitrust Division and would investigate the Clayton and the Sherman antitrust statutes, and he had announced that for the first time in the history of the United States he would send to jail anyone who violated the Clayton or the Sherman Antitrust Acts.

(c) He had dared to—faithful to his duties as Attorney General—antagonize Ed Pauley, the former treasurer of the National Democratic Party, in the Tidelands case, and in the Supreme Court he had just won the lawsuit which will ultimately result in securing many billions of dollars to the common people of America. He had had the courage to go counter to the opinions of 44 State attorneys general, in 44 States, to win for the American people as a whole the oil that the greedy, large oil companies had long thought was their own.

Mr. President, the people of America are entitled to know the truth; they are entitled to have that truth told upon the Senate floor. Although I am a Republican and I yield to no other Republican Senator on this floor in my fidelity to the Republican Party, I propose to tell the truth as I see it.

Very obliquely, my republicanism has been challenged by the author of the resolution. He said the other day, "There are six good Republicans on the committee." Inasmuch as I was the only Republican who voted against this resolution and inasmuch as there are seven Republicans on the committee, the inference was obvious. I ask this simple question: Did the States represented by any of the Republican Senators on the Judiciary Committee give a majority to the Republican Party for Mr. Willkie in 1940, and for Mr. Dewey in 1944, except North Dakota, the State which I have the honor of representing? The answer is "No." Inasmuch as I was, only a short time ago, described as the "political boss of North Dakota," it is evident that I must have had at least a small part in the carrying of North Dakota for both these Presidential candidates, inasmuch as I openly campaigned for both Mr. Willkie and Mr. Dewey in the years mentioned. My republicanism, therefore, is not open to successful challenge.

Now, Mr. President, let us tear away the veil, the curtain, that has been created by newspapers and radio propaganda. Let us examine this charge so eloquently expressed against me by the cartoon published in the Buffalo Express. Let us find out—let us get at the meat in the coconut—and let us ascertain whether the real battle here is not a fight to get rid of Mr. Clark, to get another Attorney General appointed; to scare the President of the United States; to get the President to remove him and to get an Attorney General appointed in his place whom the large, unscrupulous oil companies will like better; an Attorney General who will do what every Republican and Democratic Attorney General has done since 1890, namely, not enforce the antitrust laws of this Government.

I declare, Mr. President, that this is the issue, and I want every Senator on this floor to realize that it is the issue.

Mr. President, I have here with me, and I ask unanimous consent to place it in the RECORD, the testimony of Wendell Berge when he appeared before the Committee on Civil Service, and there admitted that since 1890, when the Sherman antitrust law was passed, not one single person has been sent to jail or to the penitentiary in the entire United States for violating the antitrust statutes of this country.

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

DEPARTMENT OF JUSTICE—OFFICE OF THE ATTORNEY GENERAL—ANTITRUST DIVISION

STATEMENT OF WENDELL BERGE, ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF JUSTICE

The CHAIRMAN. We have with us Mr. Berge, Assistant Attorney General, in charge of the Antitrust Division of the Department of Justice.

Will you proceed, Mr. Berge, first giving your name, position, and address?

Mr. BERGE. My name is Wendell Berge. I am Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, Washington, D. C.

The CHAIRMAN. What we are interested in above everything else is the personnel and the compensation of that personnel, Mr. Berge.

Mr. BERGE. Yes.

The CHAIRMAN. Will you state how many employees you have in your office over there in the Antitrust Division?

Mr. BERGE. Yes, Mr. Chairman. As of the 1st of February we had 175 lawyers on our staff, 21 experts and economists, 97 stenographers, 41 typists, and 10 messengers, or a total of 344.

Incidentally, that amounts to a reduction since January 1. That is, within 3 months we had a reduction of 21. We had 365 on our rolls as of January 1.

The CHAIRMAN. How many did you have a year ago?

Mr. BERGE. Well, I would have to figure it for you. It was approximately the same. If you want the precise figure, I will have to supply it.

The CHAIRMAN. Approximately.

Mr. BERGE. Approximately the same.

The CHAIRMAN. How about 2 years ago?

Mr. BERGE. A few less. I have, if I can lay my hands right on it, but I cannot seem to be able to do so. However, the personnel roughly fluctuates with the appropriations by Congress. We have the kind of law where you can do as much or as little as policy considerations dictate and the appropriations over a period of half a dozen years would give the trend of that.

Well, I will just have to state it roughly from memory, as I cannot lay my hands on it, but I can supply the precise figure later.

Going back as far as 1938 the Antitrust Division had an appropriation of $450,000, and I will have to give it in terms of legal personnel which would be a comparable figure to the 154 now; roughly legal personnel of about 45 and the appropriation was doubled the next year, I think, which gave a legal personnel of approximately 75 to 100. It was gradually stepped up to the

fiscal year 1942, at which time the appropriation was $2,325,000 and the legal personnel around 260, and then with the war there was a substantial reduction because, of course, ours was an agency which, contrary to the general trend, its activities were restricted during the war, and the antitrust laws were to a considerable extent superseded by controls and also the arrangements which were made with the War and Navy Departments that during the war certain cases would be postponed because the active prosecution might interfere with the war effort.

As a consequence, the appropriation was reduced to $1,400,000 and the legal personnel cut down to approximately 110, and it has been gradually increased since 1943.

The appropriation was about $1,600,000, I believe, when I took charge of the Division, during the fiscal year of 1944 with a personnel of 110 to 120, which has been increased to $1,900,000, exclusive of the congressional pay increases, which were effective last year.

Now, I have called those figures from memory. They are approximately correct.

The CHAIRMAN. Who appointed you?

Mr. BERGE. I am personally the President's appointee. I am the only one in the Division who is. The rest of the staff are appointed by the Attorney General, usually on my recommendation.

The CHAIRMAN. How long have you been in the Department?

Mr. BERGE. I have been there a long time, Senator. I have been there 17 years.

The CHAIRMAN. Who appointed you originally?

Mr. BERGE. Attorney General Mitchell. John Lord O'Brien was head of the Antitrust Division. I served on the staff for nearly 10 years, first as just a memorandum writer, later as trial attorney, and later as Chief of the Appellate Section, and Chief of the Trial Section, and then as first assistant to the head of the Division, and early in 1941 I was appointed Assistant Attorney General.

At that time Justice Jackson was Attorney General. I was appointed by President Roosevelt on Attorney General Jackson's recommendation, assigned to head the Criminal Division, which I headed for a little more than 2½ years.

In August of 1943 the present Attorney General, Tom Clark, was then head of the Antitrust Division, and he and I exchanged posts. I became head of the Antitrust Division.

The CHAIRMAN. Did you appoint the 175 lawyers yourself?

Mr. BERGE. No, sir.

The CHAIRMAN. Who appoints them?

Mr. BERGE. I would say that of our present staff, approximately 25 or 30 have been there for periods of 10 years or more; we term them career men.

That is, they are men who are happy and content to stay in the Federal service.

Mr. Western, chief of our appellate section, has been in the Department since 1928. He is one of the best brief writers in the Government.

Mr. Snyder, expert on petroleum matters, has been there since 1917, and the remaining number have been appointed at different intervals since 1938, when we commenced this period of expansion due to a policy change in the Government in which the policy became one of more vigorous enforcement of the antitrust laws.

So, except for 25 or 30 men, the balance have been appointed since 1938. They have been appointed by the Attorney General at the recommendation of whoever was head of the Antitrust Division.

I believe that of the present staff approximately half of them were appointed during the period when Mr. Thurman Arnold was head of the Antitrust Division, and a few were appointed during the relatively short period when Mr. Clark was head of the Division, and probably 30 or 40 of the present staff were appointed on my recommendation.

The CHAIRMAN. What is the average pay of these 175 lawyers?

Mr. BERGE. The average would be—parenthetically in terms of the old schedules before the increases were made—I would say the average would be between $5,000 and $6,000 on the professional staff. Thinking in terms of the old schedule, the top would be $8,100, but of course with the several pay increases the top actually is $9,975.

Our section chiefs receive that, and a few of our lawyers; not very many. Probably half a dozen of our top trial men receive that.

Our great shortage is in the very lowest-paid brackets. You can get in an organization like ours a great deal of work out of able young men just a few years out of school, and 5 or 6 years ago, perhaps 20 to 25 percent of our staff was composed of young lawyers receiving from $2,500 to $3,000.

I may state the lowest-paid lawyer on our staff is now receiving $3,200. The war closed the law schools and there were not many men turned out in the recent period.

That does suggest this, which it is always well to bear in mind as to all agencies, especially ours, that the same amount of money does not begin to purchase the same amount of legal service it did a few years ago.

I have been going before the Appropriations Committees; for example, I always have to point out, as compared with the prewar position at the time we received $2,325,000 in our present appropriation, the figures are not comparable because at that time we had a much lower average salary and substantially more men in the lower-pay brackets than we have now, and probably if one were to equate the present purchasing power of the dollar to 1941, our appropriation would be the equivalent then of close to $3,000,000 in present terms.

It is reflected in the fact we have approximately 100 lawyers less than we had in 1941.

The CHAIRMAN. How long have you been head of the Antitrust Division?

Mr. BERGE. Since August 1943.

The CHAIRMAN. How many cases did you institute in 1943?

Mr. BERGE. I can get that in just a second. I have the figures here of cases pending.

The CHAIRMAN. We want them by years.

Mr. BERGE. All right, cases instituted, how far back?

The CHAIRMAN. 1943, when you went in, when you became boss.

Mr. BERGE. I became boss in the fiscal year 1944.

During that year we instituted 22 cases. That was a war year.

The CHAIRMAN. All right, the next year?

Mr. BERGE. Twenty-four cases. The next year 26 cases. The present year to date, that is since last July 1, 34 cases.

Now, if we were to take last year on a calendar basis, we instituted 43 cases during the calendar year 1946.

The CHAIRMAN. You enforce the Clayton Act and the Sherman Antitrust Act?

Mr. BERGE. The Sherman Act, definitely. We have exclusive jurisdiction over that.

Many Sherman Act cases also involve questions of violations of the Clayton Act in the same case and we will allege violation of the two acts, but I think we have not brought any cases under the Clayton Act, exclusively.

The Federal Trade Commission has brought several cases under the same clauses of the Clayton Act and more or less by comity, we have left the major part of the enforcement of the Clayton Act to the Federal Trade Commission.

For example, the section under which the Robinson-Patman Act, which is an amendment; that is being administered by the Federal Trade Commission.

The CHAIRMAN. The Sherman Antitrust Act provides both for criminal and civil actions.

Mr. BERGE. Correct.

The CHAIRMAN. I am interested in knowing, in 1944, how many criminal actions you had and how many convictions you had.

Mr. BERGE. During 1944?

The CHAIRMAN. Yes; your first year.

Mr. BERGE. We instituted 11 criminal cases that year; during 1945 we instituted 8 criminal cases—no; I am sorry—during 1945, 5 criminal cases, and during 1946, 8 criminal cases.

The CHAIRMAN. How many are pending now in 1947?

Mr. BERGE. We have pending——

The CHAIRMAN. You started this year, 1947.

Senator JOHNSTON. Instituted.

Mr. BERGE. I am sorry, I cannot give you that figure.

Senator CHAVEZ. I think you said you filed 34 or 36.

Mr. BERGE. Yes; but of the cases we filed in the last year, 34, I do not have the breakdown here as between criminal and civil, but I will supply that to the committee.

I would say, roughly, 10.

The CHAIRMAN. How many men did you put in the penitentiary that you prosecuted under the Sherman Act?

Mr. BERGE. Under the Sherman Act, in the penitentiary?

The CHAIRMAN. Yes; how many men did you put in the penitentiary as a result of prosecutions under the Sherman Antitrust Act?

Mr. BERGE. None for a generation.

The CHAIRMAN. I want to know why, if you are prosecuting the antitrust statute, why nobody has been put in the penitentiary.

Mr. BERGE. I have no trouble answering that question myself. I think, frankly, we have to recognize that the community does not regard the antitrust violation as a moral violation in the same sense that they would regard embezzlement.

The CHAIRMAN. Who says that?

Mr. BERGE. The courts and juries. I mean there have not been convictions. Our problem, sir, in criminal cases, is to get convictions of businessmen who in the mores and traditions of the community are not regarded as criminals.

The CHAIRMAN. If a man stole a loaf of bread in Minneapolis, he would go to jail, but if a combination get together and fix the price of that wheat, you do not send them to jail.

Mr. BERGE. No.

The CHAIRMAN. No one before you did?

Mr. BERGE. No.

The CHAIRMAN. No one, and that has continued under the Republicans and Democrats, and yet the law provides the man shall be sent to jail.

Mr. BERGE. The law provides for a fine or prison sentence, it being optional with the court.

The CHAIRMAN. I do not want to get away from it. I am coming back to your courts.

Mr. BERGE. Yes, sir.

The CHAIRMAN. And because your Department has been operating that way when you convict the man the judge will not send him to jail. Is that right or is it not right?

Mr. BERGE. I suppose it is right. There has come to be an acceptance of the fact that in the usual Sherman Act case a prison sentence has not been considered the appropriate punishment. I would say in a case where the activities are of a racketeering nature, where there has been force and violence employed in connection with the Sherman Act violation, that there are instances in the past where prison sentences have been imposed, but we think that in the usual case our most effective relief comes from a civil remedy in

which the parties are compelled affirmatively to change their practice.

The CHAIRMAN. Let us take a few examples.

The farmers in the Northwest bought trucks and automobiles from those big automobile people. As you know, there was a conspiracy formed among them whereby the purchaser had to pay the same amount of interest.

That was before your time, but your Department brought an action and they pleaded nolo contendere and the result was in effect the Department said, "Don't do it any more."

Mr. BERGE. Yes, sir.

The CHAIRMAN. Has that not been the practice in the country for years and years, "Just don't do it any more"?

Mr. BERGE. As far as the criminal remedy goes, of course when you impose a fine, it is, I am willing to agree, a slap on the wrist as far as large corporations go, and the fine can really be deemed in the books of the corporation almost as a license fee to continue an illegal practice, and I would have to say candidly that I do not think the criminal remedies of the Sherman Act have been a very effective deterrent to the repetition of Sherman Act violations.

Take our tobacco cases. We obtained very substantial fines, amounting to a quarter of a million dollars against the major tobacco companies, on an indictment which charged the price fixing of cigarettes in a concentrated drive to put the 10-cent cigarette out of the market.

The CHAIRMAN. What good does that do? They will raise the price 1 cent per package to make up for that.

Mr. BERGE. The maximum fine is $5,000.

Senator THYE. And that fine has been imposed, and they paid the fine; is that subject to deduction from income tax as part of the general overhead?

Mr. BERGE. I should think not. However, I am not a tax expert.

Senator JOHNSTON. I can answer that in the negative. No.

Senator THYE. If that is the case the United States Treasury paid the fine, and they went on doing business.

Mr. BERGE. There are cases where I think we have got to seek criminal remedies, roughly two classes of cases, price-fixing cases.

Where you have a price fixing, we have to bring criminal action, and the courts have held that price-fixing agreements are illegal per se.

Senator CHAVEZ. But from your past experience in trying those criminal cases where you find out you cannot get a conviction, what is the use of trying them?

Mr. BERGE. We can get convictions in price-fixing cases and we generally get them, and I would point out the amount of fines we collect annually in the criminal cases is very substantial, but my point, Senator, is this, if your defendant is a large corporation, and they generally are, the financial penalty is not a very big item to them and they will spend hundreds of thousands of dollars—I know of a case where they spent $2,000,000 in attorneys' fees—to fight a fine liability at most of a few hundreds of thousands of dollars.

The real deterrent as far as criminal penalty goes is the onus of an indictment.

Businessmen, most of them, do not like to be indicted and they do not like to be charged criminally.

The CHAIRMAN. We do not like it any more than the small fellow does. Nobody likes to be indicted. That is true.

Mr. BERGE. Quite true.

The CHAIRMAN. Why should the big fellow not be sent to jail and the little fellow sent to jail?

Mr. BERGE. I am not arguing against it.

The CHAIRMAN. Is it not your job to put them in jail? Did not the Congress say that the Sherman Act for the violation of it, they can be sent to jail?

Now, I want to know why they have not been sent to jail.

Mr. BERGE. If you want me to tell you why, I think——

The CHAIRMAN. Yes.

Mr. BERGE. I think the prosecutors of the Sherman Act long before I came into office—and I accepted it because I think it is true—concluded that except in a case where there are very heinous circumstances, you cannot get a jail conviction. The disposition of juries would be against conviction.

Senator CHAVEZ. That being the case, your coming to that conclusion, and for the purposes that the committee has in mind, which is only personnel, why should you have those criminal lawyers in the Division when you cannot get a conviction?

Mr. BERGE. Do not misunderstand. I have not said I do not think the criminal penalties do not have their place. I say they have. I think if you take them out of the act, businessmen will be very much more likely to violate the act.

I would like to see the penalties increased. But if we had a maximum fine of $50,000 instead of $5,000, we could not get it very often.

The fear of the criminal penalties is the in-terrorem effect of their being there and the businessman will go to any length to avoid a Sherman Act indictment.

I do not want to name cases, but it is almost daily that parties who know there is a grand jury investigation in progress come in and plead for us to transfer it to the civil side.

They do not want to be indicted. We have many, many instances where the indictments have been returned.

Our doors are always open. We are not there to persecute people. We will listen to them.

The instances are rare—in fact, I cannot think of any at the moment—where we have dismissed a criminal suit and brought civil suit.

Businessmen do not like the onus of an indictment. It is a social stigma, and the interrorem effect of those penalties and the criminal prosecution of those practices is a deterrent, but where there are violations deliberately, willingly, and knowingly done, and where there are no mitigating circumstances, it should be brought on the criminal side.

Senator CHAVEZ. But you would not bring any other cases on the criminal side, except where you think the testimony would warrant conviction, that notwithstanding where you brought that you had sufficient evidence to bring a criminal case.

I know it is pretty hard to bring a criminal case against a corporation. You might be mistaken, but nevertheless you come to the conclusion that a criminal case is necessary, and then you come before this committee and tell them that notwithstanding that, we cannot get a conviction.

Mr. BERGE. Notwithstanding that, we do not get a conviction.

Senator CHAVEZ. You stated you did not have a single conviction in 1944.

Mr. BERGE. No; I was certainly misunderstood if I said we did not have a conviction. I certainly did not mean that.

Senator CHAVEZ. I am sorry.

Mr. BERGE. We have won most of our cases.

The CHAIRMAN. Nobody went to jail?

Mr. BERGE. The only question I was answering was whether or not we had jail sentences. I can show you—I am not too good at picking out the right figure just when I want it.

The CHAIRMAN. Take your time.

Mr. BERGE. If I can go over the transcript later, I say I can supply the figure, and I will do so.

Senator CHAVEZ. Does the department under your direction do any prosecuting?

Mr. BERGE. Yes, sir.

Senator CHAVEZ. Or is it turned over to the local United States attorney?

Mr. BERGE. No; we usually handle the actual indictment and trial of criminal cases. We have cooperation from the local district attorneys, but these cases are worked up by the antitrust staff.

Often we do not know until the final institution of the case where we will institute it, because it involves Nation-wide activity.

Senator CHAVEZ. No; we only want to discuss them only if they can be of any help to the committee in deciding whether or not you have too much personnel or not too much personnel.

Mr. BERGE. Yes.

Senator O'CONOR. I gathered, before you were about to say as to the amount of the fine, that the fines given here, if I anticipated it correctly, exceeded the amount of the appropriation.

Mr. BERGE. I did not mean to say "exceeded." They were very substantial.

Senator O'CONOR. In connection with the imposition of those fines, did your division recommend jail sentences?

Mr. BERGE. No. I think we have only recommended jail sentences in a few cases where the practices were accompanied by violence or conduct which, according to the usual standards, is highly immoral as well as technically illegal, but there has been no jail sentence imposed since 1930 when some candy racketeers out in Chicago went to jail in connection with the Sherman Act violation, but it was in a broad sense a racketeering case. It was an effort to put out of business the candy merchants who sell those nickel bars of candy three for a dime, the so-called tobacco merchant who has that price on candy, and they had an association in an endeavor to fix the price at 5 cents a bar, and they tried to get everybody into it.

Those that would not join, they would surround with tear gas and break windows and go to all limits and conduct of that sort.

We jailed them. I think that is the last jail sentence.

It would be quite a futile gesture, and I do not want to provoke an argument, but it would be quite a futile gesture in the automobile finance case, for example, to put Henry Ford, Walter Chrysler, and Knudsen in jail.

The CHAIRMAN. Your section has a suit pending against the tungsten manufacturers.

Mr. BERGE. That case is being tried right now.

The CHAIRMAN. These people are buying that at $24 a pound, and they got together and raised that to $480 a pound.

Mr. BERGE. $453, I believe.

The CHAIRMAN. And it cost $24, and not a single living soul went to jail.

Mr. BERGE. The case is being tried now. I know they probably will not go to jail.

Senator ECTON. Supposing a jail sentence were imposed, who would go to jail, the president, secretary, or the entire board of directors?

Mr. BERGE. Under the law of criminal liability, those responsible criminally are those who have personal knowledge of the activities.

In civil cases we join the officials where the theory is that the injunction is to operate in the future and control the policies of the company, but in a criminal case you could only hold responsible those who actually conceived the policy and guided the criminal act or conduct.

You might be president of the corporation, but you might be the kind of president who spends most of the time on the golf course and only comes to the office occasionally.

The fact that you are president of the company would not be any basis for criminal conviction.

On the other hand, if you were actively engaged, you would be subject to fine; and if anyone was going to jail, undoubtedly it would be those fellows who had personally been responsible for the illegal act.

The CHAIRMAN. Let us take it down in common, ordinary horse sense. We will say a fellow has 10 liquor stores in a prohibition State like Kansas. He is the president of the company, and he hires 10 fellows and 3 or 4 of them get together and raise the price.

Do you mean to say the fellow that sells the liquor ought to go to jail and not the president of the outfit?

Mr. BERGE. If the president directed the conduct.

The CHAIRMAN. Senator Ecton is very much interested in that. A man goes to play golf and charges $453 a pound for tungsten.

Mr. BERGE. There are all kinds of presidents. Some are active and some do not have anything to do with what is going on. We have evidence in a criminal case indicating an individual is without knowledge. No court in the land would allow a case to go to the jury as against an individual where we did not have some evidence against him personally; and if they did and there was a conviction, on appeal it would no doubt be reversed.

The CHAIRMAN. Would not the president know?

Mr. BERGE. I think usually they do.

The CHAIRMAN. Yes. Usually they do. If they charge $453 for tungsten that cost them $24, they would know.

Mr. BERGE. As a usual thing, presidents are included in criminal cases; but one of the Senators asked what the test was, and I said the test was not the office you held, but the knowledge you had.

Occasionally a case is received—and I think it is only fair to point this out—where there is a large conspiracy involving some loose practices, and some combination, the only responsible official in the company who knew what was going on was the sales manager. We do not like to indict the sales manager and let his superiors go, but there have been instances where we either indicted him or could not indict anybody.

But I do not like to be in the position of arguing for a soft policy, because that is not what I believe in.

The CHAIRMAN. As I understand it, you took an oath of office to enforce the Sherman Antitrust Act, and part of that is criminal. Why come before us and say you are not sending a man to the penitentiary?

Why not get rid of that penalty? You are not using it now.

Mr. BERGE. We have tried to explain it. The belief we have had, based on years of experience, was that the real effective deterrent of the criminal violation was the onus that goes with a criminal trial and conviction, and that, as a practical matter, jurors would not convict and judges would not sentence if the penalties were too steep.

That is not due to any personal whim of mine, but if it is clear we have misconstrued what Congress wants in connection with criminal penalties, I am quite confident the Attorney General would change the policy.

Most of the complaints we get, going the other way around, are complaints that we applied criminal penalties to honest fellows who really did not intend to violate the law, and since they are innocent men, they only ought to receive civil proceedings.

Senator CHAVEZ. The law imposes penalties after a conviction.

Mr. BERGE. It is in the disjunctive. The prosecutor has an option as to what penalty he will seek or he may recommend none to the judge, and it is up to the judge.

It is just as in minor traffic cases, there is discretion in the prosecuting official to ask a jail sentence, but if it is a first offender, he probably gets a small fine.

Senator CHAVEZ. I am speaking about the law itself, not the policy by which the law is administered.

The law itself, if it says a man convicted of a certain offense can be fined or sent to jail, then there is a penalty attached to the law.

Mr. BERGE. There certainly is a penalty attached to the law.

Senator CHAVEZ. But as I understood you from your experience, and due to the fact that as a general rule it might be hard to get a conviction, generally, it is better to recommend a fine.

Senator JOHNSTON. Are any penalties in the conjunctive?

Mr. BERGE. Disjunctive. If it is clear that the statute said there shall be a prison sentence and a fine we would be under the legal obligation of asking it.

Senator CHAVEZ. Or to pay a fine and go to jail, too, but in this law it is discretionary for the court to impose either a fine or imprisonment?

Mr. BERGE. Yes; and discretionary with the prosecuting officials what they will recommend. I do not know of any criminal statute, barring high crimes and misdemeanors where it is otherwise.

The penalty is only a misdemeanor and the maximum is 1 year.

The CHAIRMAN. One year in jail.

Senator CHAVEZ. Except when you bring it about by conspiracy.

Mr. BERGE. All your cases under section 1 of the Sherman Act are conspiracy cases, and agreement to violate the Sherman Act, but the maximum penalty is a year or a fine, so it is a misdemeanor. I am quite confident there is not a misdemeanor statute that does not at least give an option between a jail sentence or fine in a misdemeanor case.

Senator CHAVEZ. I am not criticizing the law itself.

Mr. BERGE. You just asked what it was. I just want to get it clear. It is optional.

Senator CHAVEZ. It is optional and in the instances you have been discussing, it has always been a fine and not a jail sentence.

Mr. BERGE. Yes, with very few exceptions.

Senator ECTON. How are proposed violations of the law called to your attention? Through complaints?

Mr. BERGE. Mostly through complaints. And something I would like to emphasize whenever I have the opportunity, is that usually Sherman Act cases are not basically a row as between Government and business, but a row between two different groups of businessmen.

Senator ECTON. I wonder if these complaints did not often originate by what—by one competitor.

Mr. BERGE. Usually. They may originate from a present competitor or a potential competitor. Very often by someone who tries to enter the business.

A brief shorthand test of monopoly is whether a man can get into a business. Or if he finds he cannot get a source of supply, then they gang up and he cannot get patents and licenses, and there are so many fields of business in this country you cannot get into. The only way you can get in is to go to the big boys and join the club.

Senator ECTON. Is that not one reason why you have to be a little hesitant to send everybody to jail?

Mr. BERGE. Possibly.

Senator ECTON. Most competitors would like to see all of their competitors in jail.

Mr. BERGE. There is a tendency to feel that way, but most complaints arise from some business source. They may be consumers who feel that they are being mulcted.

Senator THYE. How did it come to your attention in the first case you are now prosecuting that it was necessary for you to enter the case?

Mr. BERGE. Which case?

Senator THYE. The tungsten case you referred to.

Mr. BERGE. I would have to look that up. It was instituted before the war. The indictment was returned in 1940 or 1941 and I inherited it. It was one of the cases that had been postponed at the request of the Army and Navy and after VJ-day, all this happened, all those bans were lifted, and we got busy.

Senator THYE. You mean the Army and Navy requested that no action be instituted against this firm?

Mr. BERGE. No; they permitted it to be instituted, but asked that the trial be postponed.

Senator THYE. Why would they make such a request?

Mr. BERGE. Well, there were roughly between 30 and 35 cases where indictments were returned, or civil proceedings instituted shortly before Pearl Harbor. It came up even before Pearl Harbor, that in connection with the defense program many of the defendants felt they could not fairly be asked to give the time to prepare their defense and supply their officials and experts to appear as witnesses in the proceedings and they went to the War Department about it.

I was not head of the Division, but it was explained to me what happened; it was during the period I was in the Criminal Division.

There were a few cases where an informal arrangement was made to postpone trials, but the Department of Justice did not like to be in the position of just taking the defendant's word for it that it would upset their operations if they were put to trial during the war, so we reached an arrangement with the War and Navy Departments which was approved by the President that if the War or Navy Department would request it in writing, request us to defer the institution or trial of the case, we would do it on their statement that the prosecution of the trial during the war would interfere with the war effort, and there are about 30 or 35 cases in which that was done.

There were not any since I have been head of the Division where the request was to postpone the institution of the case, but there were these thirty-odd cases in which the trial was delayed.

That gave us quite a backlog of cases to be tried, which is one of the causes of the personnel shortage.

You asked the reasons. They did not have to assign reasons. That was the determination the Army and Navy reached. I know what kind of reason it was. For example, it was a cartel case, and the defendant would have to put on the stand the heads of the operating department and some of their business officials who negotiated contracts.

It was not only a matter of time taken up to testify, but in a big case they would have to spend weeks or months reviewing old contracts and go through old files in order to adequately testify.

After I became head of the Department in 1944, we instituted a suit against du Pont and the Imperial Chemical Industries of Great Britain, and there were some 2,000 patents involved in that case.

Under an agreement originally made between du Pont and Imperial Chemical Industries to divide the entire world into noncompetitive departments so there was no competition in the international field between du Pont and Imperial.

They claimed, and I am not in position to dispute it, that the trial of that case during the war would upset their whole production and operating organization.

We all know du Pont was giving a great deal of its effort to the war work.

In fact, I believe it was stated to us in that case that some of the vital contracts and papers that the defendant Imperial Chemical Industries would need were buried in caves in England to keep them from being destroyed.

This carbide case on trial now—during the war their effort was all concentrated on winning the war and the military authorities felt that an attempt to try the case would be an unnecessary distraction.

Senator THYE. Your men never made an attempt to find out why an automobile of the same horsepower and same weight is in the same price bracket as others, as well as tractors and plows.

Mr. BERGE. Senator——

Senator THYE. Your men never make an investigation to ascertain why these manufacturers could find themselves within almost the same identical price range.

Mr. BERGE. Are you not changing the subject? We were talking about the postponement of the trial.

Senator THYE. I am asking you the question, sir.

Mr. BERGE. I am sorry.

Senator THYE. All you have to do is make the answer.

Mr. BERGE. I did not understand the question.

Senator THYE. My question was simply this: Do your men go out in the field and attempt to ascertain the price of an automobile and the weight and horsepower is relatively the same and the machinery, the plow or tractor happens to be near the price insofar as the weight, size, and type of equipment happens to be?

All you have to tell me is what you do.

Mr. BERGE. We would if there were reason to believe the similarity of price was fixed by agreement.

Senator THYE. How do you happen to arrive at the conclusion that the similarity seems to indicate it requires an investigation on your part?

Mr. BERGE. The fact of similarity in price of itself would not be sufficient reason for us to investigate because, in some instances, competitive activities will result in similar prices.

Senator THYE. The thing is to ascertain whether or not—the question I am trying to find out, is there any justification for the existence of your Department under the present management and policies of the administration.

Mr. BERGE. Senator, we do not have the personnel or facilities to investigate every industry in which there is a similarity of price to determine whether that similarity is accomplished with competition or whether as the result of restraining competition, but we do investigate such similarities when a complainant submits evidence, or when we otherwise get hold of evidence other than mere similarity in price which would suggest the violation.

Senator THYE. When you say a claimant, that would mean, we will say, a buyer, a man seeking to make a purchase, found the price was just this, no matter which company or which merchant he may go to, and seek to make this purchase, and unless that man has the courage to say what I think you have entered into an agreement to fix the price, he proceeds to bring that information in to you, and only in that manner would there be any action instituted.

Mr. BERGE. No.

Senator THYE. The point was how does this happen, Mr. X and Mr. Y manufacture that merchandise, can manufacture it in every conceivable way and arrive at the same identical expense on their product. And with all of your experts and your 170 attorneys you never try to ascertain how they arrived at that identical price?

Mr. BERGE. Yes; we have taken certain industries and made economic studies for the very purpose of arriving at that kind of understanding, and it has always been done.

We have experts, and we have taken certain industries and made economic studies for the very purpose of arriving at that kind of an understanding.

We have made such studies in cement. We have made such studies in steel. We have made studies of industries in which the basing-point system operates where there is apparently a lack of price competition. But the defendants in industries where you have a basing-point system have explanations and theories not easy to counteract always.

We are testing the basing-point system now in one important case, and I think there may be others.

Now those cases were instituted by studies of our own economists, and it is a very complicated matter to understand price structures, and you have to go through all the relevant data in it and try to apprise whether or not there is similarity of price due to lack of competition or not.

On the other hand there are many industries where the similarity of price has come to our attention initially from a complainant.

I would like to make this suggestion, if I may. I hope it will help you to understand our problem.

You state it quite correctly that we have a staff of economists and a staff of lawyers, and one might from that just immediately reach the conclusion that we ought to be able to ferret out every situation of importance in the country where there is lack of competition.

I would like to suggest that in the preparation of this basing point case I mentioned, it probably took the time of six men approximately a year to analyze that data and work it up.

As I said here, we have 21 economists. We have 1 man of those 21 who is an expert on steel. We had one who was an expert on aluminum. He recently left us.

But to take up one of those industries——

The CHAIRMAN. Wait a minute. Be fair to the Senator.

Mr. BERGE. I am trying to be.

The CHAIRMAN. You have got nearly 8,000 FBI men right in your Department over there; is that not right?

Mr. BERGE. Yes.

The CHAIRMAN. You can use them anytime you ask for them from Mr. Hoover.

Mr. BERGE. We are using the FBI.

The CHAIRMAN. Then you have not got 120; you have got 8,000 men.

Mr. BERGE. To do our field investigation and secure the factual data necessary in these cases. All our field work is done by the FBI. I was talking about the analysis at headquarters where we have to apprise the significance of this data and make determinations as to whether or not there is a suit. It is one thing to compile a mass of factual data through investigation and another thing, and a much more difficult thing to decide——

The CHAIRMAN. You are answering Senator THYE's question. Just go right ahead.

Mr. BERGE. I am trying to the best of my ability to answer the questions.

The CHAIRMAN. I want to make it clear to the Senator you have got these 8,000 men.

Mr. BERGE. I do not think the FBI could allocate 8,000 men for an antitrust investigation. They have other duties.

Senator THYE. It is conceivable that your men out in the field observe these things—at least they should, or otherwise I do not know why they are there—in the event there was a question in your mind that it just could not be possible that two manufacturers or two processors could arrive at the identical figure of this commodity or of this manufactured merchandise, you might say, "Would your department, the FBI, give us a rough report of the situation?" as you either have it rumored up in this area or as you happen to pick it up. After you got that type of report it would then be possible to proceed, if you thought it was justifiable, to put your experts in there, too, to analyze the entire question.

I can readily see that would be the procedure. At least, common sense would tell me that is how I would try to arrive at some of the information.

Mr. BERGE. Senator, let me just say, we do that very often, and that there are many of our price-fixing cases which have originated after just that kind of inquiry, where we were led to be suspicious that there was something wrong, some exclusive arrangement about prices, because of the identity of price.

A fair percentage of the investigations we have made and of the cases we have brought have been cases that originated just about that way, where the appearance of the industry indicated some understanding about prices, and we made our investigation and found that there was.

I, perhaps, overemphasize it, but I merely want to suggest that identity of price does not in, and of, itself suggest a case. It does require further investigation, and we make many price investigations that do establish to our satisfaction that there is an illegal agreement, and we go ahead.

The CHAIRMAN. Are you through, Senator Thye?

Senator THYE. Yes; thank you.

The CHAIRMAN. The Federal Trade Commission conducts investigations also?

Mr. BERGE. Yes.

The CHAIRMAN. What does your department do that they do not do?

Mr. BERGE. We enforce the Sherman Act, and the Federal Trade Commission does not take any cases under the Sherman Act. We have a close working arrangement.

The CHAIRMAN. Mr. Riley, find out how many employees the Federal Trade Commission has.

Mr. RILEY. Yes, sir.

Mr. BERGE. When they develop cases that they think properly fall under our activity they refer them to us, and we refer cases to them.

I am in no position, certainly, to explain what the Federal Trade Commission does.

The CHAIRMAN. Wait a minute, Mr. Berge; you do not want this committee to understand you are so ignorant you do not know what the Federal Trade Commission does.

Mr. BERGE. What I mean to say is, I am not authorized to testify for the Federal Trade Commission.

The CHAIRMAN. We are not asking that.

Mr. BERGE. I do not want to be unfair to the Federal Trade Commission, but I want to give you my best judgment.

I think the Federal Trade Commission spends a substantial part of its efforts on two efforts that have nothing to do with our work. One is the enforcement of section 5 of the Federal Trade Commission Act which prohibits unfair methods of competition. And as a result of that the committee knows many cease-and-desist orders have been issued. Second is misbranding of products and misrepresentation of products.

We have nothing to do with that, and I think the Commission would agree that a substantial part of its effort is devoted to that.

The Commission also has a function of working out trade-practice agreements with industry. It is not my business to know how much of their personnel is devoted to that, and I do not know; but a substantial part is.

When it comes to investigations, the principal overlapping, I would say, is in Clayton Act cases. But there, if we find that they are in a particular investigation first and that the remedies under their act are sufficient, they go ahead and we devote our attention to something else.

Occasionally they pass something to us with the recommendation that it is more appropriate for us to proceed with it.

There is really not a great deal of overlapping even in our statutory duties except for the Clayton Act.

The CHAIRMAN. They have 637 employees with the Federal Trade Commission.

Mr. BERGE. May I volunteer a little statement at this point?

The CHAIRMAN. Go ahead, say anything you want.

Mr. BERGE. I just want to suggest this: That I think the history of the Sherman

Act shows you that until about 10 years ago—I do not say this in criticism of anybody. I was in the Division during part of that time. But I think up until about 10 years ago there was not any attempt by any administration to apply the Sherman Act in a broad base of industry. I think it is a fair statement to make.

The CHAIRMAN. Oh, Mr. Berge, you remember the great, beautiful headlines about Frank B. Kellogg, known as the trust buster.

Mr. BERGE. I think there is a great deal of credit to be given to the pioneers for certain outstanding cases, and I do not for a moment intend to belittle it, but I say this: That for a period of 30 or 40 years—and statistics will show this—there would be two, or three, or four large cases brought during a particular administration.

Now, I think that the Standard Oil case, and the Tobacco case, and the Northern Securities case, which were brought in the Theodore Roosevelt administration, were great cases, and they accomplished a substantial divestiture of the concentrated economic power in those industries. They also made some good law on the interpretation of the Sherman Act, but we must bear in mind that was over a period of about 7 years, and that is, after all, only three or four large cases.

Now, I found out recently, in connection with the looking over of the history of prosecutions, from 1896 until 1901 there were only three suits instituted under the act. That was the very early days of the act.

Now, as you go on from the period of Theodore Roosevelt to, say 1938, the numbers of suits that were brought did increase per administration, but a candid appraisal of the suits would indicate that many of them were not of broad national significance, just as some of our cases are not.

I am not saying it critically at all. I am giving only my personal opinion. But I think that the Sherman Act philosophy presents most Americans with a sort of emotional or psychological conflict.

We all believe in free competition. We all believe, as a matter of principle, in a free and open market. And yet there is a certain reluctance to see an all-out attempt to really make the Sherman Act effective, and I think that for 35 or 40 years we paid lip service to the ideals of the Sherman Act, and we, in practice, brought a few suits as a token to those ideals.

I think, Senator, we cannot escape that conclusion if we look at the statistics of the concentration of economic power during that period. I mean it increased. In other words, we wanted our cake and we wanted to eat it too.

Now, without trying to explain what happened, I think there were various reasons for it—and I am still giving my personal opinion—but in the latter part of the 1930's we determined to try an experiment in broader enforcement. My own explanation of it may not be any good. I will give it for whatever it is worth.

When our economy collapsed in the late 1920's and early 1930's, we were faced with a national emergency, and we turned, as one does in an emergency, to methods that were not wholly consistent with our history and tradition and our notions.

We turned to a period of control, NRA, and various other measures which went directly contrary to the Sherman Act philosophy. Whether or not that was a wise thing to do, there is no point now to debate. When a house is on fire you do not stop to adopt the most scientific methods.

The CHAIRMAN. Let us take up this "house on fire" business. On July 2, 1890, 57 years ago next July, the Congress passed the Sherman Act. Just read the first paragraph of the act, the very first paragraph of the act, gentlemen. [Reading:]

"Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal: * * * Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

So, the house has not been burning for 57 years. This was long before World War I, when they got together food combinations, as you know.

Mr. BERGE. All I am trying to say, I think we have to agree during that period, let us say, before the last depression, we did not make the section you just read very effective in American life.

The CHAIRMAN. That is why we are here. Your predecessor or his predecessor did not do it, and you are not doing it.

Mr. BERGE. I admit we are not doing it as well as it ought to be done, and it is my personal belief, and I have said so on many occasions, that we ought to give a lot more emphasis to it and bring a lot more suits—and have a lot more men and money with which to do it.

That gets down to cases, but I point out that in the Socony-Vacuum case—the Madison, Wis., oil case—back there in 1939, there were 50 lawyers on the other side and we had 6.

The CHAIRMAN. I can tell you about that. Go ahead. I did not tell you about it—you brought it up. You remember what happened when these big oil companies were indicted and right here in the city of Washington. You know what happened. They went over here after they were indicted—and this Government had roughly over a billion dollars coming—and your Department of Justice walked down here to Judge Laws 2 days before Christmas——

Mr. BERGE. You are talking about——

The CHAIRMAN. About your oil cases.

Mr. BERGE. I was talking about the one up in Wisconsin.

The CHAIRMAN. That was insignificant compared to the one you had right here in Washington. And your Justice Department signed an agreement with those companies whereby you serve 21 more. You serve them at 10 o'clock in the morning and at 2 o'clock in the afternoon they had in there their answer, the same day, about the 21st of December.

It came before the judge and the judge said, "Do you gentlemen mean you have agreed to take a plea of nolo contendere?" and two Assistant Attorneys General resigned because they would not sign it. Two of your Assistant Attorneys General would not sign that agreement, and the judge said, "Well, it is Christmas time, and it must be Christmas time when you are giving away a billion dollars."

General Gillette, of Iowa, tried to get an investigation, and I tried to get an investigation, and we could not get anywhere.

Here the other day, only about 5 or 6 weeks ago, you dismissed an oil case.

Mr. BERGE. We have not dismissed it, Senator; that was an erroneous report in the papers; we have not dismissed it.

The CHAIRMAN. Still pending, are they?

Mr. BERGE. Yes, sir.

The CHAIRMAN. But those 21 are dismissed.

Mr. BERGE. You were referring to the Elkins Act cases which involved——

The CHAIRMAN. Pipe line.

Mr. BERGE. Pipe line; yes, sir. The report the other day that was incorrect was that we were going to dismiss the American Petroleum Institute case.

The CHAIRMAN. I am referring back to 1941.

Mr. BERGE. I know it by hearsay. That was during the period I was head of the Criminal Division, and I do not know the full story.

The CHAIRMAN. They paid a fine, the Government lost a billion dollars.

Mr. BERGE. Yes.

The CHAIRMAN. What shape are the present oil cases in? Are you prosecuting them or who is prosecuting them,

Mr. BERGE. Yes. We are bringing some more cases, too. We have pending this case against the American Petroleum Institute and several hundred defendants. That is pending here in the District.

We filed within the month two major oil cases on the west coast against two of the large companies operating out there, involving their system of exclusive arrangements with service stations. I think it involves some 7,000 exclusive dealer contracts that we charged tied up and, in effect, monopolized the distribution outlets on the west coast, and we have some further cases coming up.

The only trouble, there are so many practical problems presented in this large American Petroleum Institute case, because of the vast number of defendants and the fact the suit was brought prior to the war and involves only prewar facts. There is going to be a tremendous investigatory job involved to bring that up to date. You realize that case was filed late in 1940, but we have not dismissed it.

The CHAIRMAN. It has been pending 6 years?

Mr. BERGE. Yes, sir.

The CHAIRMAN. I want to give you an example of what the common people think of your Department of Justice. Senator THYE, Senator ECTON, and I all live in the Northwest.

A farmer up there made a loan from one of your Federal agencies, a miserable loan of a few hundred dollars. He was poor and rather ignorant. And when the Government took this mortgage they said they also had a mortgage on the increase of cattle. That poor farmer sold a little during the drought in order to feed his family. They arrested him. He pleaded guilty because he had no money to hire a lawyer, and he was put in the penitentiary because he sold a calf or two. That was the Hammond case, Senator, where I think they sold two or three calves, butchered them, to feed the family.

In the second paragraph of this Antitrust Act it says:

"Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States or with foreign nations, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

In 57 years, you said a little while ago, you had not sent one man to the penitentiary.

Mr. BERGE. I did not say that. We have sent some. In reply, I believe, to Senator O'CONOR's question a little while ago, I mentioned this candy manufacturers' case back in 1930. There are several others.

I agree with you that, as a general practice, we have not, and only in a few instances were there prison sentences imposed, but I do not want to be misunderstood as to prison sentences.

The CHAIRMAN. As a matter of fact, there have not been any imposed. Why should we have this Department at all? In 57 years you have not sent anybody to jail?

Mr. BERGE. I do not think for a minute, and I doubt that you do, that the only purpose of the Sherman Act is to put people in jail.

The CHAIRMAN. Certainly it is. The Congress said if they violate that law.

I will leave it to Senator THYE; he was a governor. You had that experience, Senator, when you were Governor. You put in an ad for tires—do you remember that experience? You put in an ad for tires for the highway department, and six bids came in—$17.11, all

alike from every tire company right down to the very last penny. And when you applied to the Federal Government for help you could not get it.

Mr. BERGE. I wish that I could some way adequately tell you how many, many instances we have had of small business organizations coming in and telling us, and writing us, and thanking us for keeping them in business by suits that we have brought. I think that you cannot overlook the vast importance of our civil remedies. There has been hardly any discussion of that.

Take in the motion-picture field, all over the country there is a problem of the independent exhibitor staying in business.

The CHAIRMAN. Now we will stop right there. Take your picture business.

In Devils Lake, N. Dak., there is a fellow who had a picture business. The trust walked in, your monopoly walked in, and said: "If you do not sell out, we are going to put in a bigger picture house than you have, and we will not give you any pictures."

And in Grand Forks, a fellow, Benny Berg, now in Minneapolis, who had three theaters. The trust came in and said: "We will put you out of business." He came to our legislature and our legislature passed a law divorcing the owner of the theater business, the owner of the building, from the fellow producing and showing the film.

They took us into Federal court. We notified your Department of Justice. That trial lasted 3 weeks. The motion-picture industry came in with lawyers headed by Factor of New York, and hired a whole floor of the Gardner Hotel. We could not get one penny from the Federal Government. We had to hire our own attorneys and we did. We hired good ones.

What happened? Three judges came down and at the end of 3 weeks they convicted them. They said they could not have an injunction against our State enforcing that law.

The first thing we knew the moving-picture fellows had a case in the Supreme Court of the United States. And we had Judge Devaney—one of the lawyers from your State, Senator—and over his protest they repealed that statute.

Senator Neely promptly put in a bill in Judiciary Committee, and when we came in 1941 to pass that bill in Judiciary Committee one of your men from the Attorney General's office came in there and said, "Please, please, do not pass this statute in time of war."

And they held it up for 1 year, 2 years, 3 years—held it up 4 years.

I would like to have you tell me what difference that made to the winning of the war.

Mr. BERGE. I do not know.

The CHAIRMAN. And yet your Attorney General's office stopped us from passing that statute. And then Senator CAPPER tried it, and the Attorney General's office came in and said, "Do not pass this statute."

Mr. BERGE. Is that the divorcement bill?

The CHAIRMAN. Yes.

Mr. BERGE. I am not aware we opposed it.

Senator JOHNSTON. When you are bringing a suit, does not a corporation come to the Congress sometimes and propose legislation to take it out from under you?

Mr. BERGE. We have had that happen in the railroad field, in the newspaper field. We have had that threatened in other situations whenever we win a suit or think we are going to win one; they come in and try to deprive the court of jurisdiction by special legislation.

I do not know, Mr. Chairman, and you do know—I am not questioning your accuracy—but I do not know of any effort by our Department—and I was not involved in it—to defeat any action on that bill.

What you said about the North Dakota situation: I am sorry we could not give effective relief up there, and we have got that situation all over the country. If we were to proceed by separate legal actions in each jurisdiction where there are those practices you have mentioned in your statement, it would take more than the staff of the whole Antitrust Division devoted to movie matters alone.

The CHAIRMAN. Do you not think if you put three or four of those fellows in the penitentiary that would do more to stop it than all of the rest of the things you are talking about?

Mr. BERGE. I do not know that it would.

Senator CHAVEZ. Would that not be a real deterrent?

Mr. BERGE. Well, I think you have got to go further than just punishment.

I think you have got in this movie situation, and many other situations, a fundamental wrong in the structure of the industry that has to be remedied. I think there is where we can be most effective in antitrust actions. We have got this suit pending in New York where we are trying to tackle the problem on the whole national scale and get divestiture of the motion-picture houses from the control of the big fellows, so that every motion picture will be independent. And that is going to the Supreme Court.

The CHAIRMAN. The Attorney General's office did a marvelous job when they convicted Brown and Bioff, the labor racketeers, and did a lot of good and helped keep union labor racketeers from taking advantage of union members.

It is just as logical if you put two or three big movie fellows in the penitentiary for putting little fellows out of business in places like Devils Lake and Grand Forks; that would also be a deterrent.

Mr. BERGE. I do not like to be in a position of defending the motion-picture fellows who are defendants in these cases, because I think their practices ought to be reformed. But in all fairness, I think we have got to say this: That the control of the motion-picture theaters, the integration of the movie industry, just like the integration of many other industries, has been accomplished over the years by many, many people over a process of gradual growth and development of the business organizations.

And there is not any rational way I know of that you can assess moral guilt on a few fellows and put them in jail to atone for the economic wrong of the whole industry.

What you have got to do is by a fundamental and drastic reorganization of the industry free these fellows from control, and I would not know and I do not think we could find——

This integration of the movie industry, for example, has been going on for 20 to 25 years, and there was no attempt during that period to enforce the antitrust laws against the basic wrong. There were little suits against block booking and particular practices.

We have tried in this New York suit to tackle what we believe is the basic wrong in the industry, and if we succeed in it finally, it will take several years and a good many men and a great deal of labor to disentangle these corporate structures and get these theaters sold. Suppose you do put someone in jail. You still have got the basic wrong that the independent has to compete with his source of supply. He has got to go to one of the big five for his film or he cannot operate effectively; and it is not so simple a solution, I think, as to merely punish someone.

The CHAIRMAN. If some of the big five were in that penitentiary, do you not think it would have a salutary effect?

Mr. BERGE. Well——

The CHAIRMAN. I do not know whether you have a son or not.

Mr. BERGE. I have two.

The CHAIRMAN. Suppose he wants to go into business. He goes to the drug business. You will find two or three concerns owning three or four thousand stores, and if you try to compete they will put you out of business. The grocery business is the same way, with the A & P; and clothing the same, with Grant.

I maintain that is due to the fact that the men in your position who have the job of enforcing this law for 57 years have not done your job. That is the reason you have these great big combinations.

Mr. BERGE. Senator, I agree with your basic philosophy, that that is a job that should be done. I have no quarrel with that. You said much more eloquently than I could what I would like to say about the tendency of concentration of control to keep the little fellows and sons who are coming along out of these businesses.

You and I are agreed on that.

I want to say this: So far as the enforcement of antitrust laws goes—and I am not offering any alibi—I think it will stand a lot of scrutiny if you want to go into detail. It takes a good deal more of a legal staff—with all due credit to the great capacity of the FBI for investigating, I am not thinking about that—it takes a great deal more of a legal staff than we have or ever had.

The CHAIRMAN. You have got 175 lawyers. How many more hundred do you need in order to keep down the price of bread?

Mr. BERGE. Well, you have taken bread——

The CHAIRMAN. Yes; bread.

Mr. BERGE. You have taken a case where you have got, maybe, a separate problem in dozens or hundreds of different communities. I do not think we could bring local suits in all those communities.

One of the things we have been criticized for, unjustly, I think, is that we bring little suits. If we go after some of the big baking combines perhaps, you mean——

The CHAIRMAN. Yes.

Mr. BERGE. It would take—I am taking this hypothetical case because you suggested it. I do not mean to say, I do not know whether we have a case in that industry or not.

But suppose we have to go after some big baking combines on the notion there is a Nation-wide conspiracy to fix bread prices. An investigation of that sort of a case on a Nation-wide scale would involve—after the investigative effort has been made and reports have piled in from all over—it would involve a substantial staff of analysts for the data involved perhaps every community and would take a substantial number of lawyers to do.

Now, maybe we could do it with six or eight men, but the trouble is that you have suggested just one situation, and I assure you there are hundreds that are acute and critical, and that we simply are not able to go into. We are in that position right now, all the time. I wish you could sit in the office a few days with me and see the precise problems of this sort coming across my desk, of having to rob Peter, figuratively speaking, in order to pay Paul in the assignment of the staff.

A matter comes up, a critical new complaint which looks like we must immediately direct an investigation. Before the FBI can do the field work, we want to find out the facts; we want to analyze the complaint and direct it on an intelligent basis. Then the same men doing that have some background for a case coming for trial in New York, and we have to switch them to that. We are having to postpone cases because personnel is not available to try them.

The CHAIRMAN. In every State you have got a United States district attorney with a lot of help. Take Victor Anderson in Minneapolis. He will help you prosecute those cases down there. They are all personnel.

Mr. BERGE. We will use them whenever we can, Senator. but experience has been that United States attorneys' offices, I do not think would agree that they are overstaffed, and right now—that is in Mr. MacGregor's field rather than mine—he was telling me

he has had to reduce personnel in United States attorneys' offices for financial reasons.

One United States attorney told me—because he knew me well—was telling me of the situation where he had an order from Washington to cut off one of the two assistants—he is from a Western State and only had two—and he contended that the work of his office was such that he could not spare one assistant.

The CHAIRMAN. Your United States attorneys and your assistants can all take private lawsuits, even those engaged in the pay of the Government. Is that not right?

Mr. BERGE. I guess it is.

The CHAIRMAN. That is what the Attorney General said the other day.

Mr. BERGE. Whatever the Attorney General testified is, of course, correct.

The CHAIRMAN. That is what he said. If you kept him busy and said you needed them in this work, they could not take private cases in the meantime.

Mr. BERGE. Here is the thing, Mr. Chairman, and I respectfully call it to your attention:

In most of these cases the work of preparation of the case and listing the evidence proceeds simultaneously with the investigation, and it ties up men for periods varying from several months to several years. The United States attorneys, as their offices are presently set up, and with the staff they have, do not have men available to assign to work with us in Washington in the preparation of these cases.

Now, you may ask why cannot that work be done in the field? Well, sometimes it can, if it is purely a local situation, but the usual antitrust case involves facts garnered from all over the country.

The CHAIRMAN. Wait a minute. I am interested in what Senator THYE said about automobiles and farm machinery. Have you ever called a meeting of United States attorneys and got them together and said, "Now, you boys get together and make an investigation and we will help you"?

Mr. BERGE. I do not think we have done that specific thing. Of course we do not usually use the United States attorneys for making investigations. We usually use the FBI on that.

The CHAIRMAN. Do you know why the price of mowers and binders and drills has gone up to where the farmer cannot buy unless he has a great big crop and gets a big price for it? The price of a binder has tripled in the last 13 or 14 years.

Mr. BERGE. I can say that farm machinery is one of the things that we are going into.

The CHAIRMAN. You have had 57 years to go into it.

Mr. BERGE. You look at the personnel that we have had over the period of 57 years, and I say it is only since 1938 or 1939 there has been any sizable group. The case statistics show the number of cases instituted fluctuates in almost direct proportion to the amount of funds that we have.

Senator THYE. It would be very interesting if we might have information as of the personel that was in the Department at the times of the prosecutions which were carried out under Theodore Roosevelt's administration, and at the time Kellogg was busting up the monopolies, and what personnel you have now, because you have referred back to this specific era as the era when they busted the monopolies. It would be interesting to see that.

Mr. BERGE. Let me qualify that, sir. I referred to the oil and tobacco cases as being very significant cases. They were brought in an administration that was in office for 7 years, and they were decided about 1912, 4 years after that administration went out of office.

I am not belittling those cases, they were important. But they were two cases spread over a 10-year period, and I do not think that that is sufficient to prevent monopolies, monopolistic control of our national economy.

Now, the case statistics in that period, numbers of cases instituted, and numbers of cases instituted today, there has been almost as many—I can get the precise figures—almost as many, I think—there have been as many cases and a few more instituted since 1938 as were instituted in the whole prior history of the Sherman Act.

That is statistically correct and I can give the exact figures. In other words, in the number of filings, more were instituted in the last 10 years than the whole prior period.

Senator CHAVEZ. The fact also remains there were more trusts busted prior to that time than since.

Senator THYE. That is the question I would like to have answered where you are making that comparison; and that would be the number instituted and the number of convictions. That is the thing I would be concerned about.

Mr. BERGE. I call to your attention that the three big cases of the Roosevelt period to which you are referring as being important antitrust cases were all civil and not criminal. In those cases they sought to break them up by a decree of dissolution. The first Roosevelt trust-busting reputation was not based on criminal prosecutions, but based on civil suits. I do not know of any major criminal case in that administration.

Senator CHAVEZ. The point is, they brought relief, whether by civil or criminal action.

Mr. BERGE. I quite agree that those cases brought a sound measure of relief for a period. We are right back again prosecuting the tobacco companies for price fixing and we have numerous cases against the oil companies. It would not be fair to say that those cases produced a millennium. They did do a lot of good. I mean, they divested the single-company control of the oil industry and made it possible for numerous competing companies to come into the field.

This is a field where there has to be constant vigilance, and you will never accomplish a lasting competitive system unless you are on the job. You may in 1912 break up the oil companies and in 1935 you again have an oil monopoly.

Antitrust enforcement must be continuous, and I think those cases have accomplished substantial good, but I do not think we want to say they have broken up monopolistic practices in those industries so you do not have to worry about them any more.

Senator CHAVEZ. That is it.

Mr. BERGE. If the Government prevails on the present oil case, I will not be satisfied that will break up the monopoly as a whole. You will have to get busy on others.

Senator JOHNSTON. As the world's wealth drifts into the hands of the few, you are going to have it more and more. Is not that true?

Mr. BERGE. It is my own feeling that the period ahead is a very critical one, and that the vigorous enforcement of the antitrust laws is essential if we are going to preserve a private competitive economy. I think this economy logically continued will in time destroy any opportunity for the small or independent or competitive business, and when you get that situation your political liberties also are in danger.

My own view is that the efforts that we are able to put into these today is not adequate for what is needed to reverse the trend toward concentration, and to really keep a free competitive market in this country.

But I would like to get in, if I may, since we are talking about what has been accomplished and can be accomplished. I think a lot has been accomplished, but I do not think nearly enough, and since we have given due recognition to old suits, I would like to mention one or two recent ones I think we can claim justly have freed particular industries for competition.

I think our aluminum case has accomplished a lot. It was a long hard-fought case. We lost it in the district court. The court made factual findings that were favorable to us in some respects and unfavorable in others, but concluded as a matter of law it did not constitute monopoly under the Sherman Act because it was a natural normal growth and was not based on predatory practices or illegal acquisitions; sort of a case of getting control of the industry by lawful and normal means.

We disagreed with that finding. We felt there were some predatory practices, and not entirely lawful practices, but over and above that we felt the extent of domination and control of Alcoa over the industry was in and of itself illegal.

When that finally was decided by the appellate court, the Circuit Court of Appeals of the Second Circuit, they reversed and held in our favor. They did not reverse the findings, and that makes it a stronger case. They held, even though the acquisition of the power was not in itself illegal, that the power was; that the control over the industry was a violation of section 2 of the monopoly section of the act, and as a normal result of that a dissolution of Alcoa should be brought about.

The case had been closed in 1940. The record had been closed; it had been tried. And it was 1945 when it was finally decided by the appellate court.

They took notice during that interim period a lot of plants had been built by the Government. In other words, the record was "stale," as we lawyers say.

They said, in effect: "We will postpone final judgment on whether dissolution of Alcoa is necessary or not until we see whether competition is effectively created out of the war plants disposal program."

Now that gave the Government a club, so to speak, which has been wielded pretty effectively. The war plants did not go to Alcoa, and there are at least two integrated competing companies in the field and many more fabricating companies. I think that we can say, as a result of the Alcoa case, that a competitive condition has been established in the industry.

Now, the final fate of Alcoa is still undetermined. The case is still pending in the lower court, and at some reasonable time in the future Alcoa will try to make a showing that sufficient competition has been reestablished in the industry, and whether or not the Government can agree on that will be determined on the facts then. We are not willing yet to agree to it. But the case is still pending and will pend, I am sure, until such time as sufficient competition has been established; or, if it is not established, or the competitors collapse, we still have that weapon of dissolution over Alcoa.

One other instance, the Hartford-Empire case. That was a big patent-abuse case. All of the patents, or substantially all, covering the processes and methods for making bottles were held by a single patent-holding company. They held the patents on the manufacture of the machinery and on the processes for using it, and everything, and they licensed those patents to certain manufacturing companies and had a policy of licensing so as to avoid competition, and, of course, they collected royalties from the patents.

The record in that case had many instances in it where independent business wanted to go into the business of making bottles and could not get a license to operate under the patents, all of which this company held, because they did not want any more competition. They did not want to have more competition with their present licensees.

We alleged a conspiracy between the licensees and the patent-holding company to monopolize the manufacture of bottles, and it was a tight monopoly, and that is a big business. There are a lot of bottles made

and used in this country, and these fellows had the whole control of it.

Well, we had a trial on that out in Toledo, and we got a judgment that breaks up that control and provides that the patents must be licensed to applicants for reasonable royalties. There is now a position where new business can get into that industry.

I could go on with others.

We have got cases pending against 61 of the 100 largest corporations in this country, I think the figure is.

Within the last 10 years we have brought action against 61 of the 100 largest.

The CHAIRMAN. All civil actions?

Mr. BERGE. No; both criminal and civil. It is both, Senator. I have not that breakdown.

Well, General Electric is being tried on a criminal indictment today.

The trial is in process in New York—the Carboloy case.

We indicted Standard Oil of New Jersey, and Bausch & Lomb, and numerous others.

The CHAIRMAN. When did you change your policy to bring criminal instead of civil actions?

Mr. BERGE. We have not changed the policy.

The CHAIRMAN. Well, you have not put anybody in jail. You have a similar policy today as when you started.

Mr. BERGE. The test, of course, of whether or not the action should be civil or criminal is not, in our minds, whether or not we should put the people in jail.

The CHAIRMAN. Is it not up to Congress? When they passed this statute they said these fellows should be put in jail. Why should you or anybody else say, "We are not going to enforce the criminal end of it"? Congress has talked about these criminal cases since 1890.

Mr. BERGE. In order to make that the clear mandate of Congress, that language, as I would interpret it, would say "shall impose both fines and imprisonment on conviction."

The CHAIRMAN. You know better than that.

Mr. BERGE. No.

The CHAIRMAN. You cannot name a single statute, aside from treason, that says you shall do that.

Mr. BERGE. No; but in all these criminal statutes——

The CHAIRMAN. It says "fine or jail" in all of them.

Mr. BERGE. Precisely; and when Congress says that, it does not mean jail and no fines. It means, I take it, what it says—that the courts have the option of jail sentences or fines and that prosecutors have also.

Senator CHAVEZ. That is right; it is up to the court.

Senator JOHNSTON. Will you read that first section? Does it say "or both"?

The CHAIRMAN. Yes; "or both."

Senator CHAVEZ. But whenever Congress or a legislature passes a law and defines an offense, and sets out what shall be the offense, and then sets out penalties, it is not up to the prosecution to impose that penalty.

Mr. BERGE. Let me make one thing clear. Perhaps—I am afraid I have not. I would say in the majority of cases we do not make any recommendations as to the penalty. Where a criminal trial——

Senator CHAVEZ. I know it is a practice of the courts to inquire of the prosecution.

Mr. BERGE. Often they do, and often they do not.

Now, it is not our mandatory duty to make any recommendation at all. And some courts want recommendations, and some courts do not. Now, surely, there is nothing in the statute that requires us to recommend a jail sentence or any sentence.

Senator CHAVEZ. I am trying to differentiate between the recommendation of the prosecutors of the Government and the law itself. Of course, I know the practices of the average court. Even for murder they will ask—unless it is mandatory—they will ask the prosecutor what they think and "have you had this fellow investigated?"

Mr. BERGE. That is right.

Senator CHAVEZ. You seem to be confused with the idea of the duty of the court in passing judgment and the duty of the prosecution in enforcing a law. The Sherman antitrust law was a creation of Congress; created by Congress. It happens to be the duty of the Department of Justice to enforce that law if it has been violated.

The law says that for such an offense, if a conviction takes place, the court, not the prosecutor—not the prosecutor—can fine him or send him to jail. There is nothing wrong with that. Nearly every statute has that same thing. But the question of the law is, itself, the duty of the Department of Justice.

Mr. BERGE. Yes; but, Senator, I do not mean to be asking you a question. I am trying to make sure I understand in order to make my own response.

I would not take it from what you said, that it means it thereby becomes the duty of the prosecutor to ask for a jail sentence.

Senator CHAVEZ. Not necessarily; no.

The CHAIRMAN. Is it not peculiar that law has been in existence 57 years and apparently nobody has been put in jail. The price of everything is up out of sight; gone hog wild.

Mr. VOGEL. In the 57 years you have operated this department, the fact remains, today your problem is very much larger than it has ever been before?

Mr. BERGE. Right.

Mr. VOGEL. Then one or two things is wrong: Either your Sherman Act is not stopping this practice, or else your Department is undermanned to such an extent you have too big a problem for your Department to handle; or the convictions you have made in the past have been no deterrent in stopping the practice.

Mr. BERGE. I will tell you what I think. I do not think basically there is anything wrong with the Sherman Act. I think if it is vigorously enforced on a broad front it could be more effective than it has been in deterring this concentration of control, and that we are all concerned about.

Mr. VOGEL. It has not been effective.

Mr. BERGE. It has not been; and the reason, in my judgment, we have never had a sufficient staff with which to do it.

Mr. VOGEL. That is what this committee is interested in.

Mr. BERGE. I can give plenty of footnotes on that if we want them.

I recited again, in shorthand fashion, this law which concerns all of American industry, with a few exceptions—I mean particular industries that are regulated—but it covers a larger scope than, say, the Federal Communications Act, or Securities and Exchange Act, or the Interstate Commerce Act. And, yet, notwithstanding that wide scope, up until the time I came into the Antitrust Division, there were only about 24 or 25 lawyers on the staff, and then when that force commenced to be increased in 1934 and 1935, for several years a substantial number of the manpower were used in other duties than enforcing the Sherman Act.

We had on our laps then the enforcement of NRA and the enforcement and prosecution part of the AAA and other regulatory statutes of the emergency period.

So that I think it is safe to say that up until about 1938 there were not more than 35 to 40 lawyers engaged in this policing job for the whole United States.

Now, as I have indicated earlier, we commenced increasing the staff in 1938, built it up to a high point in 1942, and it slipped back during the war, and we are trying to build it up again.

Senator THYE. You said you had the enforcement and prosecution under the AAA?

Mr. BERGE. We did not have all of it.

Senator THYE. What would be the prosecutions under that particular act?

Mr. BERGE. Well, for example, I remember that lawyers from the staff of the Antitrust Division on occasions—I never handled any of it—lawyers from the staff handled some of these cases in the lower courts that involved the constitutionality of the NRA and AAA. The Schechter case was handled by a member of our staff in the lower courts.

Senator THYE. The prosecutions under the AAA would be a question of where someone had filed inaccurate figures on acreage or something of that kind.

Mr. BERGE. There were all kinds of forms that the legal actions took, and I have not firsthand knowledge or recollection of it. For example, the tax case that finally went to the Supreme Court, the Butler case, we did not handle that.

I recall this—that members of our staff, quite a few of them, at one time were engaged in enforcing the milk orders, the orders under the AAA program for the control of milk. There was a big case up at Boston that involved the constitutionality of the milk order that four or five men were on. That was back about 1937 and, of course, that was after the original AAA was held unconstitutional. I think that was under the Agricultural Marketing Act.

I merely point out, until about 1937 or 1938 we had, first, a small staff; and second, a substantial part of that staff was on other duties than antitrust enforcement.

Beginning with 1938 we were able to subordinate those other duties. We still have a few, such as routine defense of orders of the Interstate Commerce Commission and the Secretary of Agriculture's orders under the Packers Act. We do not spend much of our time on that, only having two or three men on that kind of activity.

Mr. VOGEL. You admitted you are unable to handle the situation as it is now?

Mr. BERGE. Yes.

Mr. VOGEL. There may be a difference of opinion as to the reason for that. But as head of that department, could you present to this committee your ideas of what is necessary to make this department effective? Can you do that? That is what this committee is interested in.

Mr. BERGE. Yes; I am glad to, and glad you asked me to do it. In doing it, I fear I will sound like a bureaucrat asking for a larger staff, a role I do not relish.

I am not anxious to administer, for the sake of administration, a larger staff than we have. We have enough headaches with the present staff.

Mr. VOGEL. I think the committee would give you several days to get that written proposal to them.

Mr. BERGE. I think that, simply stated, it comes down to this: Of course, there has got to be efficient administration. If we are not doing the best we can with the funds we have, that is one thing, and I will come to that later.

We have taken various steps to tighten and strengthen our administrative organization. No organization is ever perfect, but we are doing the best we can. We are making very careful studies to eliminate duplication, waste, and inefficiency in the assignment of the men in the administration of our field offices. We are reducing, and bringing some of our field men into Washington because we think it will save money.

You have got a problem there. For example, if you have a lot of litigation in Chicago, there is a certain amount of expense involved in maintaining a field office there. On the other hand, it saves certain expenses through elimination of travel and per diems of men who have to be sent out there. It is a question of administrative expert judgment on getting the maximum of efficiency out of the assignment of the men, and questions like saving travel and per diem and all of that.

It is a question of wise administrative judgment.

We are doing the best we can to tighten those inevitable problems that sometimes arise in administering a large office.

Mr. VOGEL. Did you ever think of the question that possibly your penalties have not been sufficient to do the job? That is, the penalty of $5,000 was not a deterrent, and possibly a jail sentence might produce something that had not been produced in 57 years.

Mr. BERGE. Of course, we have considered it. But, as I told you and whatever my judgment is worth—I may be wrong—but I am sure if we are given a mandate that Congress wants jail sentences we will go out and try to get them. We have not understood that was what was wanted. It had been our judgment that was not.

Mr. VOGEL. It has not been successful.

Mr. BERGE. I do not think so. This is a matter on which judgment can differ. I do not think the basic trouble is that we have not put people in jail. I think the basic trouble is we have not instituted proceedings against many large industries where practices ought to be corrected, like in Alcoa and the Hartford Empire cases, more like several we now have pending. Farm machinery. There are so many industries we know we ought to go into. And, without mentioning names of complainants or industries, we had a group in this week that have a very trying situation that needs correction.

The adequate investigation of this case will take a substantial force of the FBI, which I assume can be supplied, but before that is done we have got to analyze a lot of complicated data that they have put down on our desks to determine whether the general charges they make warrant investigation.

The reaction of the committee here is very interesting to me, because we are so often charged with harassing business and persecuting, and all of that. We expect the brickbats, and we are prepared to take them, but this is the situation:

We do not want to just put a crew in the field on something that may be patently flimsy, or something that just amounts to waste of Government funds, in investigative efforts just because a fellow comes in the office and say he has got a case that should be investigated. In other words, we cannot order 10 FBI men into the field because some fellow with a private grudge wants this thing investigated. We have got to exercise our judgment intelligently.

We have got to analyze this stuff and prepare carefully FBI instructions and send people into the field. If this makes a case it is something my guess would be would take 10 lawyers to prepare and try. That came in within the last 2 weeks, and I am trying to get men off these other things for that. That is one instance.

The CHAIRMAN. Except you said the Federal Trade Commission worked with you. They have 637 men; your Department 334; FBI 8,000. You have got 48 district attorneys and assistants; that is 500 more. In the whole Department of Justice you have got 23,668. That makes a total of 32,805. How many more do you need to regulate the price of farm machinery?

Mr. BERGE. The only thing of all those figures you gave me we have is the Antitrust Division.

The CHAIRMAN. All you have to do is ask Clark or Hoover and they will give you more lawyers or investigators.

Mr. BERGE. The FBI will give us investigators, that is true; but not 8,000. Is that not the total?

The CHAIRMAN. Yes; but they will give you 500 or 300.

Mr. BERGE. I have no complaint as to the number of investigators they will make available to us.

The CHAIRMAN. Tell this committee how much more personnel you need to see the farmers can get farm machinery at decent prices.

Senator JOHNSTON. What happened to the fertilizer case some years ago?

Mr. BERGE. That was tried in North Carolina, was it not?

Senator JOHNSTON. Richmond, Va., I believe.

Mr. BERGE. I thought it was at Asheville. That has been so long ago. I think that is the case in which we got convictions and fines, but we have some investigations in the fertilizer industry going on now. I would have to check back on the records to give you it exactly.

Senator JOHNSTON. That is close enough.

Mr. RILEY. Have you got a copy of next year's budget with you that we could put in the record at this point? Would it reflect the number of persons by break-down?

Mr. BERGE. I have the marked copy I was going to use in my testimony tomorrow before the subcommittee but I can supply you a copy.

Mr. RILEY. Maybe you could read out a few high spots.

Senator CHAVEZ. Only as far as your section is concerned.

Mr. BERGE. That is just antitrust. We had $1,900,000 last year, and the request that went to Congress is $2,500,000. That is an increase of $600,000 for the coming year.

Senator CHAVEZ. Would that reflect on personnel? How much additional help could you get?

Mr. BERGE. It would depend, of course, on the salaries at which we hired them, and there is a certain flexibility in that.

Senator CHAVEZ. Incidentally, what are the mechanics that you use in order to hire a real good man for the Department? Do you go through Civil Service?

Mr. BERGE. Yes; except that the civil-service registers have been so depleted in recent years the temporary arrangement has existed where we found qualified men outside civil-service registers, Civil Service would examine their qualifications and certify them for temporary appointment. That is how we got along during the war.

Senator CHAVEZ. Would you classify your position first or would you get the person first?

Mr. BERGE. If we had the money to hire additional personnel and did not have a vacancy we would have a new position set up for him. If we had a vacancy at a salary level in which he would appropriately fall we would just put him into the vacant position. We have a lump-sum appropriation for the Antitrust Division, and we can make our own allocation on it, as between travel and other things.

If, for example, our estimate to Congress was so much for salaries and so much for travel and so much for court reporting, and so forth, and if we found midway in the fiscal year that we could get along with less travel, we could put more on salaries.

Senator CHAVEZ. Do you pass on the salaries yourself? I mean the Antitrust Division.

Mr. BERGE. Yes; that is, we pass on whether or not the particular applicant is qualified for a position at a certain salary, but that is subject to review by the group in the Department who administer civil service. If, for example, I should have the bad judgment to recommend a boy just out of law school for $5,000, that would not go through.

There is a scale of salaries as related to experience that applies in the lower brackets. That is, a fellow so much out could not be made more than so much, and with 2 years' experience, so much. And when you give a boy a few years of experience it does become a matter of judgment.

Of course a very good man of unusual capacity might, after 5 or 10 years, warrant your highest salary, and another with 30 years might not warrant more than four or five thousand dollars.

It is subject to review in the Department and by the Civil Service Commission as to the qualifications of the men.

Now, at the present time we can only make war-service appointments, and, as a practical matter now, that means we cannot make any. We had to take back about 138 antitrust men we had in the armed services. That was about half of our total personnel.

Senator CHAVEZ. Have they been returned?

Mr. BERGE. I would say close to 100 of them are back. I think 85 is the correct figure. There will be a few more come back, not very many. Most of the balance went into other fields when they returned from the services. You see, those men are entitled to their jobs back.

Now, if we were able to take additional men now—which we are not because we are just within balance on our budget and have not funds between now and July 1 for additional men—but if we were, my understanding is that we would have to give the position to men with veteran priorities. Maybe we could make a temporary war-service appointment for some special job, but, as I understand it, we would not be free to give a permanent appointment to someone from outside, even though a good man.

Senator CHAVEZ. Provided the servicemen had the qualifications?

Mr. BERGE. Yes; but if one has not another one has, and I suspect that the situation at the present—it will no doubt iron out in a year or so—but I think the way things are at the present time, we could not put on for permanent appointment an outside civilian, maybe war service, but only for a few months.

Senator JOHNSTON. You have a lump-sum appropriation. Can you carry over from one month to another, or does it stop if you do not use it during the month?

Mr. BERGE. I think it is allocated on a quarterly basis, Senator. I think we can spend our whole appropriation any time within the fiscal year. I may make some technical inaccuracies, but I am trying to state it the best I can. Just so we come out at the end of the year in balance, we are all right as far as the law goes.

I think they have imposed from the Budget Bureau some regulations that so much of our funds are allocated to us on a quarterly basis, in order to prevent irresponsible spending of all your funds in the first part of the fiscal year. They check on us constantly to see we are not out of balance. We were a few months ago as a result of letting people go.

Mr. RILEY. Do you get any fund allotments from any other agencies?

Mr. BERGE. Not as a regular thing, but there is one exception I should mention right now. We recently took on the responsibility of preparing a reparation case before the Interstate Commerce Commission. You may recall that some Members of the Senate, I believe Senator TAYLOR, and I think others, requested that, or consideration be given. This was taking action against the railroads to recover overpayments made on wartime transportation for the Government.

Without going into detail, the procedure on that is: We instituted our reparations suits before the Interstate Commerce Commission which determines whether or not the rates paid through those emergency negotiations were reasonable rates, and then the extent to which overpayments were made, and there is a procedure for a judicial review of the Commission's findings.

Now, the amounts overpaid are variously estimated and the total is from $1,000,000,000 to $2,500,000,000. We do not know how much is involved in that. A tremendous amount of effort has gone into it and we have borrowed a lot of men from other agencies.

Mr. RILEY. On a reimbursable basis?

Mr. BERGE. Mostly on that basis.

Since that had to be undertaken promptly—there is a question whether the statute of limitations may not bar some of these claims if we do not get them in in a hurry, and we had to move promptly and did not have the staff for it. We got some men on a reimbursable basis which temporarily helped put the budget out of balance.

Then we got an allocation, I think $50,000, for the present quarter—that would be the third quarter of the fiscal year from January 1 to April 1—to take on some men especially for this reparations work, and I believe we are asking a deficiency appropriation for the fourth quarter to carry that through. That work will have to be paid for next year, as I am told, out of the $2,500,000.

Senator JOHNSTON. I think that case should be completed as quickly as possible.

Mr. BERGE. Yes.

Senator JOHNSTON. Not only because of the statute of limitations, but because billions of dollars are tied up for the railroads and they cannot pay out dividends, and some are in receivership.

Mr. BERGE. I understand that. The legal importance is to get it in before the statute runs out, but it is highly desirable all around, both from the railroads' and our standpoint to get it determined.

Senator CHAVEZ. When you say you get your funds in a lump sum, are you talking now about the Antitrust Division?

Mr. BERGE. That is all I am talking about.

Senator CHAVEZ. Do you get it directly or go to the Department of Justice, who in turn allots it to the Division quarterly, or in whatever form they do?

Mr. BERGE. Personally our staff does not administer the custody of any funds or the keeping of books. We have a central accounting office in the Department which keeps the books and tells us if we are in balance or out of balance, and handles the payment of checks and contracts for the court reporting and the like. But they have no discretion by law, it is our money. They have no discretion to allocate it to another division of the Department.

Senator CHAVEZ. That is the point I wanted to make. Do the other divisions work under the same system, for instance, the Lands Division?

Mr. BERGE. I do not think so. I think there is a difference.

Senator THYE. Mr. Berge and Mr. Chairman, I think this is a question wholly concerned with the audit division of his division, or audit director, and I think you could get a much quicker reply to that question if he was permitted to ask his auditor.

Senator CHAVEZ. The point I was trying to make was this: Whether or not other divisions were lump sum and could transfer some of their funds to your division.

Mr. BERGE. I understand not, but I think on this I am subject to correction. I think the other legal divisions of the Department are covered in a general Department appropriation with a congressional allotment in the general appropriation to the different divisions, and that there is some option, at least there used to be when I was head of the Criminal Division. We had a 10-percent latitude, and could transfer up to 10 percent to another division.

I understand that does not apply to the Antitrust Division. I tried it and could not do it.

Senator CHAVEZ. What I had in mind was the Lands Division. During the war they were very busy, condemning lands and acquiring lands for the War Department, clearing titles, and so forth.

Mr. BERGE. They were.

Senator CHAVEZ. They are not so busy now, and I wondered if some of those funds could go to your division.

Mr. BERGE. Senator, I explored that possibility, because we wanted to keep from having to let any more people go, and we could not get it.

So far as this coming year, while I am not familiar with the detail, I am sure with this pressure for economy and cutting out any unnecessary people, that the Bureau of the Budget in its estimates—and if they have slipped anywhere the House committees will see to it that any division, like the Lands Division, or any other, they will cut that down if possible. In other words we cannot assume that in the coming year there will be funds available in another division for transfer to us. I am quite confident in that.

Mr. RILEY. It has been approximately 15 percent tolerance in the past, Mr. Chairman, between bureaus.

Mr. BERGE. Here is the thing, if you will indulge me this. We all must agree, and I certainly do, that it is highly necessary to economize whenever it can be done, and we all want it for our own welfare and the country's to balance the budget as soon as possible. I do not like to be in the position of a bureaucrat who says, "I am an exception," but I think this policy of antitrust enforcement is one that the country wants and needs during this period.

I think it is an exception, and with the views I hold, I think that is a period not only when antitrust should not be cut but when the activities should be expanded, and I hope that the enforcement is not prejudiced by insufficient staff and funds because of the keen necessity to balance the budget and cut expenditures, an object with which I am in sympathy, and am firmly for it.

The CHAIRMAN. Senator Johnston, you did not get an answer to your question about that suit you inquired about?

Senator JOHNSTON. The fertilizer case?

The CHAIRMAN. Yes.

Mr. BERGE. I would have to dig up the exact facts. That was about 1938 or 1939. My recollection is it was prosecuted in Asheville, N. C., and we won it and got some fines, but I cannot give you any more detail than that from memory.

The CHAIRMAN. What proportion would you say were consent decrees in the cases that you brought?

Mr. BERGE. I would guess that, in our civil cases, about 1 out of 3 results in a negotiated settlement. Some of the best relief we have got sometimes has been in consent decrees.

Senator JOHNSTON. How close do you get to the suit generally before you get a compromise?

Mr. BERGE. There is no generalized answer to that, Senator. I can give you this. There are instances where the decree proposal is made before we file the suit. They know we have been investigating them and they come in.

The CHAIRMAN. They say, "We have stolen, robbed the people out of $5,000,000,000, and now we will pay you $5,000".

Mr. BERGE. Of course the consent decree is a question of what sort of affirmative relief will be given.

The way that would arise would be, for example, if we claimed that they were restricting their patents, that they had some restrictive provisions in licenses that were illegal and they will come and say, "We thought it was legal," but if we do not think so they want to bring themselves within the law and will give us any decree we want, and they do not want to fight the case and do not want the expense, and we just write our own ticket.

There have been instances when we enter the decree the same day we file the suit. That is not very often.

Other times immediately the suit is filed they come down and want to settle. Other instances are settled on the threshold of the courthouse.

Senator THYE. Then it is a $5,000 fine?

Mr. BERGE. There is no fine.

Senator THYE. Where is the penalty?

Mr. BERGE. In court, an injunction, but——

Senator THYE. I mean in the case settled right on the courthouse doorsteps.

Mr. BERGE. A consent decree is entered. The only difference between a consent decree and a decree after judgment is, in the one case the parties agree in advance to the relief we want, and sign a judgment and say, "We consent to the entry of this judgment."

In the other case, the case is tried and then the court orders that judgment.

Senator THYE. What are the penalties?

Mr. BERGE. Senator, only half of the Sherman Act is concerned with penalties. In equity suits it is not a question of penalty at all, injunctive relief only.

Senator THYE. You get the injunctive relief, but you could almost go back and say Senator Langer was entirely right. The public has been fleeced of $5,000,000,000. I use that word because I know no other expression to cover it quite so well. And maybe they are told, "You shall not and cannot do this any more." And the individual or individuals guilty will say, "We will not ever do this again," and they go their way. Is that the situation, or are there means in which the Federal Government proceeds to impose a penalty because they were found to be in violation and this is what they have done to the public in general?

That is the question I am concerned about. Where is the punishment?

Mr. BERGE. If you just have a civil case, there is not punishment. I suppose I may be quite wrong. I suppose that the purpose of this whole act was not necessarily to inflict punishment; yes, where necessary for an effective deterrent, but the purpose of the whole antitrust business was to preserve and create conditions of free competition in an industry.

The CHAIRMAN. What does that say in the first two paragraphs? [Handing Sherman Act to witness.]

Mr. BERGE. The first two paragraphs are the criminal paragraphs and section 4 says——

Senator THYE. Which paragraphs have you the responsibility for?

Mr. BERGE. The whole act.

Senator THYE. Now, you have found him guilty, and he gets up on the courthouse steps and knows that he is soon going to be inside, and he says, "I am sorry. I am guilty." What do you do then?

Mr. BERGE. Senator, there are civil remedies in the act as well as criminal remedies. It is my own judgment in many instances civil action is more effective in continuous policing of an industry than criminal, because civil means injunctions continuously over their heads.

Senator THYE. If that gentleman knows he may be able to plead he is sorry when he gets on the courthouse steps, he always knows if he gets into trouble and you get him there, he will say, "I am sorry," and you let him go; and the next fellow will know that is the practice.

Mr. BERGE. No; no.

Senator THYE. That is what you have primarily said here.

Mr. BERGE. No.

Senator THYE. I am trying to get this thing straight.

Mr. BERGE. Senator JOHNSTON asked me about negotiations for a consent decree, and I said sometimes the decree was tendered immediately before suit was filed and other times just when about to go to trial. Consent is only in relation to civil injunction cases.

The fact that the parties do not assume as a matter of course they can get a settlement on the courthouse steps is proved by the fact in most cases they do not. In most cases they do go to trial.

I take it we could agree the Government brings an injunction suit to secure civil relief. Just take for example, certain illegal provisions in a patent license agreement, and we want to have those stricken from the agreement and have the court say they will have none similar in the future.

Now, they finally decide the week for the arraignment or the week before the trial they are willing to give us that relief. Then there is nothing to fight about. We get without trial what we get if we went through with it. I contend it is much sounder administration and economy to take those settlements when you can get them than to put the Government and the parties to long trial maybe to secure the relief you can get by settlement.

Mr. VOGEL. When you have a case you decide in your own department whether it will be a criminal or civil case?

Mr. BERGE. Right.

Mr. VOGEL. If you decide on a criminal case, you try it, and the penalty is not to exceed $5,000.

Mr. BERGE. Right.

Mr. VOGEL. Or a prison term which you have asked for?

Mr. BERGE. Yes.

Mr. VOGEL. Secondly, in a civil case you bring, you think they are violating certain things under the antitrust laws, and you state what those violations are. They come in then before the case is tried, and they admit those things, or if they go into court the court gives an injunction saying they must change that method of business, and they change that method of business, or they agree with you before you go to court and they sign with you that they will cut out that practice. What is there after that to see that they do that?

Mr. BERGE. Yes——

Mr. VOGEL. There is no penalty involved at all in that civil action?

Mr. BERGE. We must all be clear, and there can be no dispute about it. The purpose of a civil action is not punishment. The purpose is to reform the practice. The legal effect of a consent decree is precisely the same as the legal effect of judgment after trial. Once we sign this agreement and go into court and it is entered in the court of judgment, and thereafter it has the same effect as the decree after trial.

Mr. VOGEL. Then if they violate that, it is a matter for the court to decide.

Mr. BERGE. It is subject to contempt proceedings.

Mr. VOGEL. That is right.

Mr. BERGE. Of course, there are penalties for contempt.

The CHAIRMAN. How many contempt proceedings have you brought since you have been in office?

Mr. BERGE. I cannot give you the number right offhand. We have brought quite a few, one within the last month. I had better not name the company unless I am sure I am right; one of the cash register companies—I had better not. We brought several contempt proceedings within the last year.

The CHAIRMAN. What did the judge fine them for contempt? How much?

Mr. BERGE. Not as much as we asked.

The CHAIRMAN. What did he fine them?

Mr. BERGE. In this particular case we asked for the maximum, which was—well, I cannot give the exact figure. He let them off too easy.

Senator THYE. What would that be.

Mr. BERGE. He left them off for $2,500 fine.

Senator THYE. And you asked $5,000?

Mr. BERGE. We asked $5,000. This particular one was not one of our biggest cases.

The CHAIRMAN. I am interested in the question I think Senator THYE asked. If they pay that $2,500 can they take it off their income tax?

Mr. BERGE. I do not think so.

Senator ECTON. Senator JOHNSTON told us a while ago Internal Revenue would not allow it.

Senator JOHNSTON. In my opinion they cannot.

The CHAIRMAN. Can they take off their attorneys' fees, where they hire all these lawyers?

Senator JOHNSTON. That is a hard question to answer, for this reason: They put it in as part of the costs of the corporation, and whether in this particular case or that, sometimes you have a time cutting them off. Attorneys' fees are allowed as deduction for income tax but not for that particular case.

Senator THYE. I think we would have to have that question answered by the internal-revenue people. It is just a question that came to my mind.

Mr. BERGE. Could I just supplement the answer I made to one of the questions about consent decrees? I feel it is good economy to get them when we can. Whether or not we get the best settlement is a matter of judgment in each particular case, and I am willing that the record in each case should be examined. I think lots of times you get better results out of negotiations than out of court.

Senator THYE. The fact of the matter is, I do not think the settlement was intended when Congress passed the act. All Congress had in mind when they passed the act was protection to the public against monopolies and groups of people agreeing to do a certain thing in a certain way, and so Congress passed the act, and then the penalties were agreed upon in order that they in some manner could police the industries so that the industries would restrain, or refrain, from such action.

The fact of the matter is that in the event they are all treated in a similar manner and if found to be guilty—and it may involve a million dollars—and yet if that little penalty of $5,000 is the only penalty, the only other question is whether they were found guilty or not, and if they can say at the courthouse steps, they are sorry, they will not do it again, this is not even recorded against him as having been guilty. And if they have only posted a $5,000 fine, they pay the fine and it does not mean a thing to them financially.

The CHAIRMAN. Senator, you missed the greatest part of the penalty to our friend here, and that is that it hurts their social standing.

Mr. BERGE. To a lot of people that is pretty serious.

Senator THYE. If the same gentleman or corporation executive was compelled to spend 1 year in prison and have it on his record, believe me, they would not be putting themselves in a position to have to talk themselves out of it on the courthouse steps. They would know before they got involved.

What I am getting at, it has been proven here this morning it is somewhat of a farce, somewhat of a farce. If they can get by with a penalty of anywheres from $2,500 to $5,000 only, where it involves millions of dollars, possibly, or come to an agreement on the courthouse steps with you, it is pretty much of a farce. And it shows that there has not been the policing that the act was intended to bring about.

Mr. BERGE. May I just make a few comments. As far as the expression "On the courthouse steps," I do not want any unfortunate implications to be drawn from that. I have confined that to civil cases, and I think the argument the Senator is just making goes against the whole civil process.

Senator THYE. Then it is your error of classification, you have placed it.

Mr. BERGE. That raises the question of which presents the more effective remedy in particular cases. I will say this: I think it is unfortunate, but in many, many instances where we request the maximum fines, they are not imposed.

The conclusion from it is that except in cases where you have price fixing or other wanton and willful conduct—and most of the cases are cases which involve intricate contracts and corporate set-ups that require affirmative relief to solve.

I think in most situations the equity remedy is more effective to secure relief, and I say the reason it has not been more effective in impact on the total economy is because we have not been able to bring enough suits. If we had more Aluminum, and Hartford Empire, and more like the old Standard Oil and the Tobacco cases, which were equity suits, we would get somewhere.

I am not saying we should not bring criminal actions. I am saying my judgment is in your average complicated corporate set-up more effective relief is civil relief. There are other situations where we should bring both kinds of relief.

I have one thing that would not meet all of your objections, but part of them. On the matter of adequate fines. You may all disagree about these fines, you may think they are inadequate, as I do myself, but we cannot be blind to what actually takes place in the mind of a court when it has one of these cases before it.

My experience, and I would be less than candid if I did not bring it to your attention, is that the courts are very loath to impose even the maximum fines we have now, because there is some feeling, which I do not share, but nevertheless there is something about a Sherman Act violation that is a little nicer than the ordinary kind of crime and we cannot be tough with the kind of defendant we have in Sherman Act cases.

Now, how do we get around that and have an effective penalty? It is not because the court is afraid to extract money from the average corporate defendant. He knows they can afford to pay it, and knows the lawyers before him are drawing more in a single day than the maximum fine he could impose.

So when he decides to make it $2,000 instead of $5,000 it is not because he does not want to impose the burden but because there is a feeling in the minds of many people, including judges, that criminal fines are not quite the kind of punishment these defendants ought to have. I just say that as a fact you cannot ignore.

There have been suggestions made that the law be amended to provide for civil penalties.

Now, in this strange folklore we have in the law, we call one civil and another criminal and the difference in words makes a difference in the way it is recorded. A civil penalty and a criminal fine are the same thing in terms of money out of your pocket, but there is a great reluctance on the part of most people to want to pay any kind of a fine where they will have to cough up a criminal penalty, and there is a reluctance on the part of the judges to impose them.

Now, there was a proposal at one time, not pressed very hard and it did not get far before Congress, but it was proposed while Arnold was head of the Antitrust Division to add to the act provision for civil penalties making a $50,000 maximum for civil offense. I remember hearing Arnold argue, some courts would impose civil penalties where they would not impose fines. I think there is something to it.

If you want to make a real effective financial deterrent, one that will pinch, but which we can get a civil penalty might be effective.

I venture the suggestion and with due deference, I may be wrong. But it is my belief that if you raise the criminal penalty, say to $50,000 maximum, we probably would not get it from the judges.

Senator O'CONOR. Are you in favor of that civil penalty?

Mr. BERGE. Personally, I am.

Senator O'CONOR. I cannot find myself in agreement on that. Do you think that fair, if a number of men are in conspiracy of restraint of trade to deprive people of the necessities of life, to invoke a civil penalty? It apparently sweetens the thing up because the people are of reputedly high standing. Do you think that is the ultimate aim of justice, which ought to be to ferret out the crime regardless of whom committed by and impose adequate penalties. As a matter of fact if it is done consistenly, a series of actions, he can be fined each time. So you are not limited to $5,000.

Mr. BERGE. Let me put it this way. I do not think people should be treated differently because of wealth or social position. I would agree wholeheartedly with that. I think the test should be the type of offense involved. Without saying I agree with it myself, I think that is a general feeling. When you take the matter of mulcting people of $5,000,000 that is true.

In some Sherman Act cases, I hate to say this, I am talking like their defense counsel, but nevertheless I want to tell you what their reaction is and there may be certain justification in some cases. Certain practices in industry I cannot say are altogether wrong, mala in se as distinguished from mala prohibita. A lot of things are wrong because the law says they are.

We have to have traffic lights in order to make driving safe, but it is not morally wrong to go through a light like it is to steal.

A lot of Sherman Act violations are probably in that category. For example, an industry has been operated according to a certain close pattern. I am a little fellow and do not want to violate the law and do not know much about law, and I want to enter this industry and in order to do it I have to play ball with the crowd, eitner keep out of the industry or else go in on their terms and take one of these restrictive patent licenses and agree not to sell the stuff in certain territory. That whole system of doing business is wrong. But you cannot say that everybody who subscribes to it is a criminal that ought to be in the penitentiary. And there are a lot of Sherman Act violations of that category.

I would say that the distinction perhaps between treating certain Sherman Act violations by civil penalty and treating other kinds of violations by criminal penalty is not because Sherman Act defendants are wealthy or belong to clubs or because they are a different class of people, but it would be a recognition on the part of Congress that there is a certain difference in the moral element of the offense that is involved in many Sherman Act violations.

It is not always the big fellows. We try to concentrate our fire on the big fellows, but it is not all the big fellows.

For example, there are little industries where there are bad restrictions. I might mention, I see no reason I should not—take this artificial limb case. There was a bad situation, no question about it. In the price fixing on artificial limbs and the agreement about the type of limbs there was some bad practices. We brought a criminal suit not because the fellows were small but because there was straight price fixing in it and definitely bad practices, but they were small fellows, and it was not a case of us selecting some little fellow to say that we wanted to prosecute. There was great pressure on us to bring suit, especially from the veterans' group.

And yet some of these manufacturers of artificial limbs who are party to the conspiracy only operated in a single room with one or two employees. I do not think they should be sent to jail, but I think some sort of a criminal fine was appropriate there.

I mention that to point out if there had been a civil-penalty-approved provision, it might have been invoked and they would have had maybe gotten larger penalties although they did a lot of crying. The $1,000 on a lot of them was enough to put them out of business. We remitted a few fines, I think, where we were satisfied that was the case.

But I think what we are against is restraint of trade or monopoly practices which keep the independent fellows out of the industry, and we are against them whether or not the people participating in them are big shots or little fellows, except, other things being equal, we would concentrate our fire on the big fellows because the economic effect of a large conspiracy, say in a basic industry like aluminum, might be greater than one in artificial limbs. But there are some instances where we have to proceed too in small cases.

I do not think there is utterly no merit in the suggestion that some Sherman Act offenses do not have that element of wickedness and wrongdoing even though technical crime. I think sometimes the violators are very wicked in their actions and should be prosecuted criminally and should get the maximum we can get, and I do not think $5,000 is enough in some of those cases.

If we want to be realistic though, and say we ought to penalize them $50,000 instead of $5,000 in order to get an effective deterrent, the chance of getting the $50,000 is a lot better if we take a civil penalty.

But I still say that the greater economy in our cases, in my judgment, comes in those situations where we get affirmative relief through civil action.

I might just remind the Senators that while it is true that sections 1 and 2 of the act provide criminal penalty, section 4 equally important, provides for equity relief.

The CHAIRMAN. You know better than that. Why try to tell us something like that? Take an ordinary man selling liquor out in Montana. He is not treated like the bankers, he is put in jail, and belongs there. You cannot try that with an injunction suit.

Mr. BERGE. I would not say.

The CHAIRMAN. You are a well-known, outstanding lawyer here. You know an injunction suit ought to be brought where people have been fined and put in jail, and then you get your injunction suit just like where a man is in Montana or North Dakota selling liquor violates that kind of a law. Any lawyer who has gone through any kind of college knows that. I am not going to sit here and have you tell this committee that kind of stuff because it is not true and you know it is not true.

Mr. BERGE. I am sorry, Senator.

The CHAIRMAN. Do not try to tell this committee that kind of rot. In section 6 it provides for seizure of property by the Government. I challenge you to name one case.

Mr. BERGE. Right offhand, some sardine cases.

Senator THYE. I wish you had left that out. That sounds ridiculous.

Mr. BERGE. Let me tell you of that. The seizure provisions have usually been brought in respect to cases where there are foreign defendants and seizure is necessary in this country to get jurisdiction. The sardines were necessary because the defendants were Norwegian and Swedish importers, and it was necessary to get jurisdiction over the concerns.

Senator THYE. I believe that question was answered because they were Scandinavians.

Mr. BERGE. I would be glad to have stricken from the record any mention of sardines.

Senator THYE. I agree with him.

Senator CHAVEZ. Mr. Chairman, it is now a quarter after 1.

The CHAIRMAN. Suppose we meet—how about Saturday morning at 10 o'clock?

Mr. VOGEL. The Senator from New Mexico has some gentlemen here.

Senator CHAVEZ. I have a witness from New Mexico. He cannot stay very long.

The CHAIRMAN. How about 3 o'clock this afternoon?

Senator CHAVEZ. Mr. Sanders, when do you think you want to go on.

Mr. SANDERS. I am here at the pleasure of the committee. I have my reservations back leaving here at 11:40 tomorrow morning by plane.

Senator CHAVEZ. Would it be possible to give him a little opportunity this afternoon? It is in reference to that Lordsburg matter.

The CHAIRMAN. How about 10 o'clock tomorrow morning?

Senator THYE. I could not be here.

The CHAIRMAN. How about 2 o'clock this afternoon? All right, Senator ECTON?

Senator ECTON. I will be here soon after.

Senator THYE. How long will it take?

Senator CHAVEZ. Not very long.

Senator THYE. Why not call him now and take another 15 or 20 minutes, then we can recess or adjourn.

The CHAIRMAN. Call Mr. Sanders and you interrogate him.

Senator CHAVEZ. Yes, sir.

Will you state your name for the record?

Mr. LANGER. It is true, Mr. President, as the distinguished Senator from Kentucky [Mr. BARKLEY] said a few days ago, that very few were arrested, but the cold-blooded fact remains that not one single one was sent to jail.

May I not say, Mr. President, that the reason why a veteran cannot today open a grocery store, cannot go into the banking business, cannot go into any business which the great trusts control, is that the antitrust statutes were not enforced by men who held the office of Attorney General before Tom C. Clark?

I rise today, Mr. President, to express my full belief in the honesty and the integrity and the full capacity of the man now holding the office of Attorney General of the United States.

In that connection I ask unanimous consent to place in the RECORD a speech delivered by Mr. Clark before the National Association of Manufacturers, Fifty-first Annual Congress of American Industry, on December 5, 1946, in New York City. I ask every Senator to read this, because in it the Attorney General gave notice that the time had come in America when the cartelists and the monopolists could no longer control the common people of this country. I ask that it be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

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

Mr. Chairman, I am convinced that the ultimate welfare and security of our people depends upon the pioneering spirit of our industries.

Therefore, I appreciate deeply this opportunity to address this gathering of American businessmen. You and your association—as Americans and as men—have a real rendezvous with destiny in these times.

They have talked in the past about times which stir the hearts of men.

These times stir our hearts—our minds—all of our ingenuity and that latent fire which we call patriotism.

Industry has become our shield in war and our design for living in peace.

You are wrapped in the skein of American history.

A few nights ago I was studying some of the background of management and labor.

This was in connection with the coal litigation now before the court of the District of Columbia and with which you are familiar.

I ran across some history of your organization, in which the association was in 1907 engaging in a tariff debate—a most important issue then before the country.

It is recorded by your secretary of that date that "fully 40 percent of the membership of the National Association of Manufacturers were heartily in favor of tariff reduction."

At that time such a position was tantamount to business treason.

It took much of personal courage for that 40 percent to buck the 60 percent and to go all out for tariff reduction.

But they were exhibiting the old-fashioned American characteristic of thinking for themselves.

They knew the Wall Street adage that "A bull can win and so can a bear, but a hog always loses."

At that time great changes had taken place in the American scene—a vast upheaval all the way from the end of the Civil War.

The forces which brought about this revolution were not in the realm of politics, but in business.

The Goliaths of business, Rockefeller, Carnegie, Vanderbilt, Gould, Armour, and others, were riding the crest of opportunity and were blueprinting the future of the Nation from their baronies of steel, oil, and finance.

In a few decades their holdings were scattered over the land.

The iron bands of their railroads bound the industrial life of the Nation with inflexible strength and carried their goods everywhere in the country.

Overseas, in the markets of Europe and Asia, began to appear goods bearing tags setting forth some fateful messages for the world trade: "Made in Philadelphia," "Boston made," or "From the mills of Chicago."

The flow of goods was at first a small trickle, almost an affront to the power and pride of Manchester and Leeds, of Lyon and Frankfort.

But the goods were found to have honest value in them; and, too, they embodied true American ingenuity.

The outlook for the future was made bright by the industrial revolution, but this industrial development must be keyed to social needs.

Ah, that was the rub.

Only a few were reaping the great benefit of this vast movement into world markets.

Some thousands were sharing the wealth, and thus lived from the rich men's table.

But millions were engaged in producing the wealth and were barely gaining living wages.

The measure of success in this "Gilded Age" was only in the number of dollars a man could amass.

Politics had become the handmaiden of big business.

Corruption was rife in the body politic.

The moral crusade that brought the antislavery amendments had been supplanted by a game of "multiplication, division, and silence," not only among politicians but among public officials and business leaders.

Then came Theodore Roosevelt.

On February 19, 1902, Attorney General Knox announced he was filing a compliant under the Sherman Act to dissolve the Northern Securities Co.

This company was born the year before in the struggle of Hill, Harriman, Morgan, Rockefeller, and Kuhn-Loeb to control the railroad network from Chicago to Seattle.

The fight ended in a draw, so the contestants very politely organized the Northern Securities Co., with a capital of some four hundred million dollars, and divided the stock among them.

Nice going, they figured, until the Attorney General showed up.

The ticker tapes sang out a sad story of Senator Sherman's law of 1890.

It had been filed away, except when it was occasionally used against labor unions.

United States Steel's billion dollar empire, likewise formed in 1901, was in for attack, which resulted some years later in the famous case of *U. S.* v. *U. S. Steel Corporation.*

A series of consolidations and amalgamations followed.

In 1904 Roosevelt declared that no free people could tolerate the "power conferred by vast wealth."

The Government must be endowed, he said, with "a still higher power" in the interest of the people.

If the courts ruled against national regulation an amendment to the Constitution was necessary, he insisted.

His fight was successful in the courts, but little was accomplished to break up the control the trusts had acquired by 1904 over 40 percent of the manufacturing capital in the United States.

Even the stock market crash of 1903 did not destroy this strangle hold; but it, together with the depression of 1907, placed a temporary brake on further combinations and consolidations.

By 1909, 200 corporations owned one-third of the nonfinancial institutions of the country.

In the Taft administration the Sherman Act was again put on the shelf.

World War I prevented its wide use in the Wilson administration.

The postwar period of the twenties again saw consolidations and amalgamations.

The war was another great stimulus to business.

Businessmen were eyeing each other with a view to getting bigger and better business deals under way by bigger and better amalgamations.

The trend, despite public feeling that the big trusts had been broken, was still toward advantages for the big fellows.

In 1909 the large manufacturers had on their pay rolls some 15 percent of all employees in manufacturing industries.

In 1919 this number had almost doubled.

Merger after merger was put through until the crash of 1929.

The reports of the TNEC show that 45 companies owned 92 percent of the transportation facilities of the Nation; 40 utility concerns owned 80 percent of the facilities; 20 banks held 27 percent of the total loans; 17 life insurance companies carried 81.5 percent of all life insurance assets.

Again, in 1939, small business (firms employing 500 or less) accounted for 52 percent of total manufacturing employment.

In 1944 this figure had declined to 38 percent.

Did you know that in 1944 firms employing over 10,000 employees accounted for over 30 percent of total employment in the Nation?

Over a half million small businesses disappeared entirely during the war.

As for them, the atomic bomb itself could not have been more destructive.

From June 1940, through September 1944, the Government awarded $175,000,000,000 of contracts to 18,539 firms—and here is the important part—two-thirds of this stupendous total went to the 100 largest firms; in fact, almost one-half of the value of the contracts went to the 30 top corporations.

The top five received more than one-fifth of the total.

One alone copped $14,000,000,000, approximately 8 percent of all contracts during the war period.

If we consider facilities for manufacture, the total in the Nation was about $40,000,000,000; of this amount 250 corporations owned about $25,900,000,000.

The war added about $26,000,000,000, with the Government advancing about $18,000,000,000 of this amount.

These same 250 concerns operated for the Government $8,900,000,000 of federally financed projects which are earmarked as usable in the postwar period.

Take the financial aspects of our present economy.

Run down the list of these 250 giants and you find that 30 of the largest ones, which control almost one-third of the Nation's manufacturing facilities, are dominated or controlled by five banking groups.

Each one of those banking groups heads up in New York, except one. It is in Cleveland.

As I see it, our progress is the sum of the progress of the individuals that make up our society.

When individual progress is retarded, national progress is prevented.

We either walk forward—fall back—or take root in proportion to the advancement, retreat, or indolence of the sum total of individuals making up our country.

Character building, like production, is done by piecework.

Freedom of opportunity is the great American heritage.

Every man has the right to start his own business—put his ideas and his money together.

He is limited only by his industry, his imagination, and his daring.

But he is entitled to know that the "dice are not loaded"—that his competitors will not be permitted to combine to destroy him; that the free market we speak so much about is not rigged against him.

This is deep-rooted American tradition.

It is not politics—it is far above that—it is the American way of life.

Free enterprise has no party affiliations nor does it have any party affinities.

It is bipartisan.

Business now has its freedom from controls.

These wartime controls were necessary for the gearing of our economy into total war production.

They were troublesome not only to government but to you as businessmen and to the individual citizen.

Upon the removal of these controls, your responsibility increases.

You—business—must not substitute selfish controls for legislative control.

There are some people who would scuttle our way of life.

They cry the loudest for free enterprise and opportunity.

What they want is freedom for their own activities; freedom to destroy not only their competitors but our democracy.

They want freedom for guaranteed profits and safe markets; freedom from competition; freedom to be the hogs of monopoly; freedom to fix prices; freedom to control production, patents, labor; freedom to divide markets; freedom to carry a business blackjack in a community where all others go unarmed.

These are not freedoms at all.

They are industry licenses.

Now, mind you, they are not backed by any law—nor are they issued by any arm of Government created by the Congress. No—

They are issued by an industry to those who dominate it.

In the foreign field we call them cartels.

The diplomacy of dollars.

Treaties never passed upon by the Senate of the United States but more enforceable than those that are.

They spell life and death to industry—life to those lucky enough to be signatories; death to those not strong enough to inscribe.

In the domestic field they are monopolies.

It is your responsibility to help prevent this destruction of the American way of business.

If you fail to assume that responsibility fully and discharge it, you will force upon the American people a lower standard of living—you will pave the way for additional failure in the workings of democracy.

Free enterprise fosters, encourages, protects a free democracy.

As Walter Lippmann has said, "The system of free enterprise has never meant, except to those who ignorantly or for selfish reasons misunderstood it, a general license to private interests in the presence of a helpless national government. This view is * * * but a kind of nihilism. * * * It is necessary to have strong government and firm laws and a continual and progressive program of public action to establish a free economy and make it work."

This does not mean government by injunction.

We do not intend to have government by court edict—with witch hunts and all the attendant trappings.

But we shall secure for Government all of its rights, contractual as well as statutory.

The law shall be enforced, whether it be with regard to business, and that includes management and labor—or the common thief who steals from his government.

As to the Sherman Act, I still say, as I did in 1945, "We in Washington know the state of honest uncertainty that sometimes assails the American businessman in determining his status under the antitrust laws."

As I have in the past, I invite you to bring in your problems.

We, of course, cannot solve them because that is your lawyer's job but we will throw what light we can upon them.

That calls for cooperation.

In this way, we can hope to dissipate some of the doubt and uncertainty as to the antitrust laws that are themselves deterrents to initiative and enterprise.

This policy goes for labor, too.

Management and labor should not sit back and depend on Government always to carry the ball.

You should know more with regard to the problem than anyone.

Why not advance some suggestions?

Constructive ones, of course.

We should do more thinking about the problem and less crabbing about the Government being "tough" on the one hand, or an "appeaser" on the other.

Surely labor, management, and Government can solve it.

May I add, at this point, another storm warning in the concentration of economic power in too great amounts.

I believe it to be hostile to our democratic ideals.

I am not a man who believes that to be big is reprehensible in business, but I am certain that business can be too big for the good of the Nation.

There is a line of demarcation which should be observed.

Certain nationally operated firms make it a point to be represented on the community level by small businessmen, thus keeping up the tradition of opportunity for all.

Others stamp out competition from one street corner to the other with the ruthlessness of a dictator.

You have all seen this happen—in the great cities and in the little towns.

The right to start a business is inherent in our American ideals.

We teach it in the schools and we should practice it in later life.

The small business is the beginning and the backbone of all business for it is here that the lessons of thrift, hard work, and probity are learned.

The antitrust laws, which I am sworn to uphold like all other laws, were enacted for the protection of business, and its enforcement, night and day, is a charter of business freedom.

It prevents trusts from towering too high over the economic pattern of the Nation.

It has not prevented some injustices, but it has been a restraining measure wherever it has been applied.

I will make this charter, with your assistance, something of which business can be proud, so that there will be profit and opportunity for all.

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the RECORD Mr. Clark's speech delivered before the American Society of Bakery Engineers on the 10th day of March, 1947.

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

It is a pleasure and privilege to be with you today.

I look at this large gathering, all devoted, in varying capacities, to the production of bread and bread products.

The thought is in my mind that it must be very satisfying to be dealing—actually—with what has been called, from time immemorial, the staff of life.

You are the technicians, chemists, and general production men—in short, those in the bakery industry entrusted with the actual development and production of bakery products.

You represent the small retail bakeries which produce and sell the breads, cakes, and cookies that constitute a temptation to the homeward-bound householder.

You represent the large institutions, with many branches, from which flow the breads that appear in our grocery stores or are delivered to our doors.

You actually make the bread that is our staff of life. We others merely talk about it.

We, of my generation, when we think of bread, think of baking days at home with our mothers or grandmothers mixing the doughs in the kitchen, the children hanging around for trimmings.

We think of the breads as they came from the family ovens and appeared on the family tables.

This old household manufacture has largely vanished. Like everything else in modern life, machinery has revolutionized the old customs.

We are glad of this. How much drudgery are the women of our Nation saved through all these marvelous mechanical devices!

The fact that your society was organized in 1924, witnesses the fact that for a quarter of a century now, and at an ever-increasing pace, life is becoming a matter of organization and machines.

Today, specialization is everywhere. Individuals, with similar skills and problems, organize into associations. These associations grow in proportion to the growth of the basic activity they represent.

The Department of Justice is no exception.

In the earliest days of this Nation the Department was not a Department, but an office: Edmund Randolph, of Virginia, was the first Attorney General.

His compensation was the modest sum of $1,500 per year. He was expected to furnish his own quarters, fuel, stationery, and clerical help.

By 1818 Congress had provided $1,000 for employment of a clerk, and by 1819, $500 for office rooms, stationery, and incidental expenses.

It was not until 1861, after the Attorney General and his staff had occupied a succession of temporary quarters, that a suite of rooms was provided for them in the newly completed Treasury Building.

Today the Department is a huge machine.

The Attorney General has many aides. The Solicitor General and the Assistant Solicitor General, and seven Assistant Attorney Generals. He has the Directors of the Federal Bureau of Investigation and the Federal Bureau of Prisons. He has the head of the Office of Alien Property, the Pardon Attorney and the Commissioner of Immigration and Naturalization. He has administrative and executive assistants.

He is further assisted by 93 United States attorneys and their assistants and clerical employees who operate in the field, and by 93 United States marshals and their deputies and clerical employees. In addition there is the personnel in the field offices of the Federal Bureau of Investigation and the field service of the Bureau of Prisons and the Immigration and Naturalization Service.

The personnel of the Department reached its peak during the war crisis. It is now returning to peacetime standards.

We have here the problem that faces all organizations, whether of business or government.

We must prevent size and centralization from obstructing individual initiative and from losing sight of the end product. You must make and bring your bread and bakery products to the very tables of your customers. We must bring justice to the very lives of our customers—the American people.

Let me give you a bird's eye view of our Department.

It is the Department's primary responsibility to enforce Federal law, to represent the Federal Government in the courts, and to act as legal adviser to the President and to the heads of various departments of Government.

The Attorney General, however, is not legal adviser of the people of the United States in the sense that any who asks may obtain an opinion.

Daily I receive letters from citizens. Recently we had a letter from a woman who said she was about to be evicted from her home. She wanted to know whether her landlord could do that to her.

Another person writes in that his neighbor looks suspicious, he may be a seditious individual.

If a complaint seems justified we seek to investigate it. If, on the other hand, it is a request for advice, we usually are not in a position to answer it because, as I have said, the Attorney General is adviser only to the President and heads of Government departments.

The criminal division, headed by an Assistant Attorney General, has the responsibility for investigating and prosecuting Federal offenses. Its field is the Federal field, which it covers through seven sections: an Administratice Regulation Section; a Civil Rights Section; an Internal Security Section; a War Fraud Section; a General Crimes Section; an Appeals and Research Section; and a Foreign Agents Registration Section.

It is a large and highly diversified division; yet the primary responsibility for enforcement of Federal statutes lies, however, with the United States attorneys and marshals. The Criminal Division, in addition to many other activities, advises and counsels with them in connection with the many investigations, grand jury proceedings, preparation of indictments and trial procedure.

The work of the Criminal Division rests upon investigation.

As you know, the agency for the investigation of crimes in the Department of Justice is the Federal Bureau of Investigation.

Under Mr. J. Edgar Hoover, the Federal Bureau of Investigation has successfully demonstrated that it is possible to have an effective investigative agency in a democracy without having a gestapo.

This was proven under conditions of great difficulty during the war, when the country had to be protected from its many enemies, while, at the same time, the civil rights and liberties of individuals were not invaded.

You are aware of the brilliant successes of the Federal Bureau of Investigation in connection with the apprehension of the German spies who landed on our shores from a submarine during the war.

You are perhaps familiar with the many situations—robbery, kidnapping, extortion, theft of cars, embezzlement, white slave traffic, bribery, the violation of election laws, the violation of antitrust and antiracketeering laws—the investigation of which is the responsibility of the Bureau.

Mr. Hoover's summary of statistics for the fiscal year 1946 gives an idea of its work: Convictions, 11,873; actual, suspended and probationary sentences, more than 26,624 years; fines imposed, $1,449,668; savings and recoveries, $167,035,267; fugitives located, 10,990; stolen autos recovered, 11,458.

You know too the vital work the Bureau has done with its centralized system of fingerprint records and its advanced techniques of crime detection.

You are probably less aware of the collaboration between the Bureau and members of State and local police departments.

The National Academy, organized by the Federal Bureau of Investigation many years ago, trains enforcement officials from the States and municipalities, graduating some 270 students a year.

These graduates go back to their towns and cities and train their fellows.

In 1946 over 1,300 separate schools for enforcement officials were sponsored by local police departments in cooperation with the Federal Bureau of Investigation. These schools in 1946 trained in the neighborhood of 67,000 enforcement officials.

The National Academy and these local schools are a splendid illustration of how a national problem can be solved through the collaboration of the Federal and State and local governments.

Because of collaboration, as with the many other activities of the Bureau, you as citizens, located in your towns and cities around the country, are the immediate and direct beneficiaries in the safety, order and justice obtainable in your communities.

There are two other divisions of the Department which, I thnk, will be of particular interest to you.

The Lands Division exercises supervision over litigation and other matters arising in the Department involving the public lands, public works, Indian affairs and real property of all kinds owned by the United States.

During the emergency and war periods, and solely for defense and war projects, over 6,000,000 acres and more than 37,000 parcels of land not measured in acres were acquired by the Government.

In the States of Tennessee and Washington alone more than 350,000 acres were acquired for experimental work on the atomic bomb.

Large acreages were obtained for bombing ranges to test the atomic bomb and other new projectiles.

Rights-of-way for the "Big Inch" pipe lines extending from Texas to the eastern seaboard were procured in order to speed eastward the flow of petroleum.

The Antitrust Division strikes more closely home to the business community than perhaps any other division.

It is the American philosophy that competition creates the need for better products—the fight for markets creates value.

Progressive abandonment of free and competitive enterprise leads, we believe, to Government domination of business.

Rigid control and sanction over cartels were the forerunners of Hitler. Mussolini erected a Fascist corrupt state upon the foundation of gigantic industrial combinations. These things will be fresh in your minds.

You also know the story of the monopolist. The Department of Justice through its Antitrust Division has taken vigorous action against, to only name a few, the Tobacco Trust, the Railroad Trust, and the Aluminum Trust.

We have other battles before us.

As technicians you will have a particular interest in the effect of trade restrictions on invention and discovery, which is also this Division's province.

The introduction of fluorescent lighting was retarded—the revenues of the power companies were at stake.

That more electric lamps could be sold, the manufacturers built them with shorter lives.

Vitamins were kept from the needy, because patents for producing vitamin D by ultraviolet ray came into the hands of a foundation located in the butter-producing area. The holders of the rights to the violet ray method denied licenses to producers of oleomargarine, so largely used among the poor.

The list is long and not pleasant to read.

The Sherman Act is rightly known as the magna carta of free enterprise and the bill of rights of business. It is the function of our Antitrust Division to enforce the Sherman Act and a number of kindred statutes.

As industries continue to grow and consolidate, these laws become more and more vital. We shall continue to enforce them vigorously.

More important to your industry, the Antitrust Divison has a Small Business Section to which I wish to call your particular attention.

It was reestablished in conformity to the declared policy of President Truman in a message to the Congress on the state of the Nation.

No. 2 on the President's list of five major policies was "restriction of monopoly and unfair business practices; assistance to small business and the promotion of the free and competitive system of private enterprise."

The work of the Small Business Unit is unique in the field of Government. It acts on behalf of this large and important segment of American business—to which, in many of its aspects, the baking industry belongs.

The complaints of small business are handled by our Small Business Unit. It acts as the small buinessmen's advocate. Complaints are treated entirely in confidence. Even in efforts to obtain relief, the name of the complainant is never disclosed without specific consent.

The Small Business Unit has close working arrangement with the Office of Small Business in the Department of Commerce. Cooperation between these two agencies has brought about an unusually comprehensive type of service on more than one occasion.

We welcome your problems and will do our best to help you solve them.

We have also done pioneering in the field of collaboration between the State and local governments and Federal administrative agencies.

There seem to be only three choices for governmental machinery in these chaotic times: Dictatorship—the tightly centralized system of Communist and Fascist governments; the modified socialism of Great Britain; or, for our choice, the democratic federalism which is the pride of America.

One constant criticism of our dual system is that it cannot achieve the reputed efficiency of the controlled systems.

The problem of making our system of Federal Government and 48 sovereign States work effectively became acute in 1940, when the war was obviously approaching. It was necessary to develop, on a collaborative basis, a program of State legislation which would stimulate the largest degree of participation by the States in the national war effort.

Accordingly a conference of some 250 State and Federal officials was convened. It deliberated for several days and produced a program of 7 pieces of State legislation which were widely enacted by the States.

Since that time we and other Federal agencies have worked closely with the Council of State Governments—the official representative organization of the States—and its important drafting committee of State officials. Over the years the new machinery has produced, on a joint Federal-State basis, well over 100 proposals for State legislation—first in the field of national defense, then to implement the war effort, and now, in these uneasy days of peace, to strengthen ourselves as a nation.

Among these 100 proposals is the model State bill relating to the enrichment of white bread and flour, with which you are familiar.

I have seen the resolution adopted by the Associated Retail Bakers of America, which endorsed and reemphasized the association's earlier approval of "enrichment of appropriate baking products with vitamins and minerals."

It also approved "the model State flour- and bread-enrichment bill as a model for consideration by the bakers in, and local associations for, a particular State."

I note that the approval of the model bill was not to imply "a policy for or against having any enrichment legislation, that being a matter for consideration by the industry in each State."

This is as it should be.

I know we are all agreed that there are too many laws; that the enactment of a law is no panacea; and that the best results are those achieved by noncompulsion.

I know we are agreed also that the casting back of responsibility both for decisions as to policy and the manner of executing policy, to those who are the closest to the problem itself—the grass roots, as we say—is the unique and essential characteristic of our American dual system of government.

This enriched bread bill represents, as do all the proposals in the annual Federal-State programs, a fusion of views among all interested parties—Federal, State, and nongovernmental—a sound way, I'm sure you will agree, to develop any kind of proposal.

Your own baking representatives played an important part.

The model bill was approved by all concerned, including your representatives, who were thus enabled to deal with a single text, to have their views incorporated in the text, and to support a single text, should they so desire.

When the Council of State Governments took the bill to the States they did not say: "Here is a bill. It is your duty tn enact it."

They said the contrary. The reports on suggested State legislation, containing this and other proposals, state, and I quote: "The study of these proposals and their introduction into the State legislation, where appropriate, is recommended. * * * They constitute no more than suggestions as to the problems posed. They should * * * be introduced only after ample consideration of local conditions * * *."

This is universally understood.

I think you will agree that the approach is sound.

Under the Federal-State mechanism which we and the States have developed, the Federal agencies and the States own representatives join in saying to the States—as did your national organization to you: "Here is the problem. Its solution is necessary to the welfare of the Nation. But the how of the solution is up to you."

The world is in a perilous and disturbing state.

The growth toward complexity which is reflected in all business and Government activities is moving us in a direction the end of which we cannot see.

The atomic bomb and all that it implies is a component part of this tide.

When I get worried over the state of the world, I like to reread the words of Mr. Justice Holmes, which I will now read to you. It was in 1913 that Mr. Holmes in a speech before the Harvard Law Association of New York said these prophetic words:

"For most of the things that properly can be called evils in the present state of the law I think the main remedy, as for the evils of public opinion, is for us to grow more civilized.

"If I am right, it will be a slow business for our people to reach rational views, assuming that we are allowed to work peaceably to that end.

"But as I grow older I grow calm.

"If I feel what are perhaps an old man's apprehensions, that competition from new races will cut deeper than workingmen's disputes and will test whether we can hang together and can fight; if I fear that we are running through the world's resources at a pace that we cannot keep. I do not lose my hopes. I do not pin my dreams for the future to my country or even to my race.

"I think it probable that civilization somehow will last as long as I care to look ahead—perhaps with smaller numbers, but perhaps also bred to greatness and splendor by science. I think it not improbable that man, like the grub that prepares a chamber for the winged thing it never has seen but is to be—that man may have cosmic destinies that he does not understand.

"And so beyond the vision of battling races and an impoverished earth I catch a dreaming glimpse of peace.

"The other day my dream was pictured to my mind. It was evening. I was walking homeward on Pennsylvania Avenue near the Treasury, and as I looked beyond Sherman's statue, to the west the sky was aflame with scarlet and crimson from the setting sun.

"But, like the note of downfall in Wagner's opera, below the skyline there came from little globes the pallid discord of the electric lights.

"And I thought to myself the Gotterdammerung will end, and from those globes clustered like evil eggs will come the new masters of the sky.

"It is like the time in which we live.

"But when I remembered the faith that I partly have expressed, faith in a universe not measured by our fears, a universe that has thought and more than thought inside of it, and as I gazed, after the sunset and above the electric lights, there shone the stars."

Mr. LANGER. Mr. President, I also ask to have printed in the RECORD the address prepared by the Attorney General for delivery before the Associated Industries of Massachusetts on the 24th of October 1946.

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

Free enterprise is the American way.

In Massachusetts, your heritage of freedom stems from the Pilgrims who rebelled at restraint. And in my State of Texas, the plainsmen knew the free life.

Freedom of opportunity is the great American heritage.

In our free enterprise system, every man has the right to start his own business. He has the right to put his ideas and money together, to take a chance on making money or losing it. He is limited only by his imagination, his industry, and his daring. But he also has the further right to expect that the market will not be rigged against him and that his competitors will not be permitted to combine to destroy him.

This is deep-rooted American tradition. It is our duty, our privilege, to guard and to defend it.

We Americans believe that the free enterprise system is the best way to encourage and to develop new industries, to advance art and science, to raise the American standard of living, to distribute the most goods to the greatest number of people at the lowest cost, and to assure the preservation of our democratic form of government. We have never waivered in this belief.

The antithesis of free enterprise is State ownership. Progressive abandonment of free and competitive enterprise leads to Government domination of business. We have seen tragic examples of this.

Rigid control and sanction of cartelization were the forerunners of Hitler.

Powerful business combinations headed by small groups needed only indoctrination to become the backbone of the Nazi war machine. By reason of their long practice of stifling free enterprise they were ready for and grasped the evil Nazi philosophy.

Mussolini erected his Fascist corporate state upon the foundation of giant industrial combinations.

These alien philosophies are abhorrent to us. Yet they arose in countries which had operated on a competitive system basis.

There are other economic philosophies which differ from ours. But the world is large and we can all live in peace together as United Nations.

Our own path is plain. We must not permit the economic system in which we believe, our system of free enterprise and opportunity with its attendant civil rights, to deteriorate. We must not allow it to be robbed of its vitality and of its blessings. Assaults upon it by the selfish must be withstood.

There are those who would scuttle our way of life. These greedy men clamor loudest for free enterprise and opportunity. Actually, they mean freedom for their own activities—freedom to drive competitors from the market place. These men would have freedom for guaranteed profits and safe markets with none of the risks inherent in our capitalistic system. They would have freedom to insulate their business from the uncertainties of competition and freedom to gorge themselves with monopolistic profits.

These are not the freedoms to foster and protect in America. They are not freedoms at all. They mean only license—license to carry a business blackjack in a community where other citizens go unarmed.

These men would play the game of restrictive agreements, agreements which fix arbitrary and unreasonable prices for the goods which they sell, agreements which divide markets in which their goods are sold, agreements which divide fields of production and sale, and agreements which suppress technological advance and new products.

Let me tell you just how their system operates.

The story of the monopolist who corners the market is an old one; it is familiar to you all. The Department of Justice has fought the Oil Trust, the Tobacco Trust and the Railroad Trust and has recently won the battle against the Aluminum Trust. The title "Trust Buster" is well earned.

But the monopolist constantly seeks new methods of tying up markets. Cornering and controlling markets, production, prices, and inventions are no longer done openly. Secret agreement is now the device. Telephone conversations and club luncheons have replaced agreements and memoranda of understanding.

Price-fixing agreements by which goods are sold at artificial and exorbitant prices are common. Housewives, storekeepers, wholesalers, and even manufacturers are forced to pay tribute to producers of goods and hoarders of materials who have conspired in secret to make helpless buyers pay monopoly prices. These prices include the unseen tax of the monopolist, the extra charge which the monopolist takes unto himself by reason of his preferential position, a preferential position engineered in secret to mulct the public.

The monopoly tax is levied by the private Government of the monopolist. It has no legal sanction and the unfortunate taxpayer has no right of appeal.

This monopoly tax has been reliably estimated to reach many billions of dollars annually. It is money which could have bought more radios and clothing, automobiles and housing. Many times, it is money which could have bought food.

The price fixing agreement is sometimes clothed in the garment of illegal patent-license agreement. It may also appear in the guise of trade-mark agreement. But it must be recognized as the same purse-bleeding agreement of the same price fixers.

The American people demand that these vultures be stamped out of the market place.

The secret agreement has also been employed to parcel out exclusive areas for the production and sale of goods. This agreement is known as the division-of-territory agreement. This is the scheme of two or more conspirators. They see no advantage in fighting for the whole market since such a fight may result in lower prices to the consumer and less profits to them. Accordingly, they cut the pie neatly into portions. Each conspirator then gets a piece for his very own. In this piece or exclusive area, only he can produce and sell. His conspirators have agreed to stay out of this area and he, of course, has agreed to stay out of their areas. Each trading area is then at the complete mercy of the monopolist who controls it. The consumer finds no competition between producers and is compelled to pay whatever price the monopolist cares to charge. This always includes the monopoly tax.

The evil of division of markets also embraces our foreign trade. Industry after industry is subject to export restraint. Whole continents have been delivered as exclusive marketing areas. These cartelists, and we can so dignify the monopolists when they act in combination and in concert with others, have erected supergovernments. They refer to their restrictive agreements as treaties. There is no senate, no representative of the consumers, to approve these treaties. The cartelists are sovereign in themselves and owe allegiance only to their profits. They know only the diplomacy of the dollar.

Their policies are planned to withstand the effects of the rise and fall of nations. This is clearly revealed in cases brought by the Department of Justice against American companies in league with the German dye trust, I. G. Farbenindustrie. Nations conquer or are vanquished, but the monopoly profits of the private economic empire continue.

There are also the secret agreements which divide fields of production and sale. By these devices the conspirators divide the pie not geographically but according to product. They may all operate in the same area but restrict themselves to specific operations or products. No one dare enter the field granted to another.

Such was the case in the glassware industry. Here the conspirators created exclusive fields in which each acquired a monopolistic and noncompetitive position in the production and sale of a particular type of glassware. The buyer found a complete absence of competition in each field.

You have also heard stories about the suppression of inventions and the smothering of discoveries.

You know about the match trust and its miracle match which could light 1,000 times but which never reached the market. No conventional monopolist would think of allowing such a match to reach the consumer. The consumer might be benefited, but match sales would be drastically reduced.

The introduction of fluorescent lighting was retarded. Here power-company revenue was at stake.

Again, so that more electric lamps could be sold, the manufacturers built them with shorter life.

Vitamins have been kept from the poor and the lame. Vitamin D is a boon to children with rickets who suffer from malformation due to defective bone metabolism. Rickets are most prevalent with the poor. The poor are also the largest consumers of oleomargarine.

Some years ago patents for producing vitamin D by ultraviolet ray came into the hands of a university foundation located in a butter-producing area. The sole right to use this artificial method of producing vitamin D in foods belonged to the foundation.

The foundation denied licenses for irradiating oleomargarine with vitamin D to manufacturers of oleomargarine because the patent holder was, as the inventor said, unsympathetic to oleomargarine.

Monopolists think of their profits first and of the people last.

These are but a few of the practices engaged in by the monopolists who would tear down our free-enterprise system while they declare their love for the American way of life.

Fortunately these men are in the minority.

I wasn't always Attorney General Clark. Once I was just Attorney Clark, one of the lawyers in the Department of Justice.

In later years, it was my privilege to be Assistant Attorney General in charge of the Antitrust Division. I speak, therefore, from first-hand experience in antitrust work when I say that these men are in the minority.

On the whole, the businessmen of America, of which this association is very representative, play the game squarely. They give the other fellow a chance and are willing to pass on a reasonable portion of their gains to the buying public.

That is the way the fair American shoe manufacturer and the fair American textile machinery manufacturer operate.

It is the way laid down by the founders of this country. It is the way crystallized by the provisions of the Sherman Act.

In giving us the Sherman Act, a Congress more than 50 years ago reaffirmed by statutory enactment the American principle of freedom of opportunity in a competitive system. Since the beginning of the century, the Democratic and Republican Party platforms have repeatedly pledged adherence to these principles.

The Sherman Act is rightfully known as the magna carta of the free-enterprise system and the bill of rights of business.

The Sherman Act asserts the principle that in a free market, enterprise and initiative shall have the opportunity to compete without fear of restraint by combination, and without fear of reprisal by monopoly methods.

The Sherman Act asserts the principle that the ultimate interests of the entire economy and of all the people will be best served by freedom of opportunity to introduce new ideas, new goods, and new services, and to enter the market and compete on equal terms.

In the famous Trenton Potteries case, the Court found the congressional intent in enacting the Sherman Act to be: "based upon the assumption that the public interest is best protected from the evils of monopoly and price control by the maintenance of competition."

The events of recent years have amply demonstrated the wisdom and foresight of the Congress which wrote this charter of economic freedom.

An astounded world watched our industrial machine pour forth the goods and matériel which overwhelmed the enemy.

Many nations in a weary world look for succor to our Government and our system of free enterprise and free opportunity and would emulate that which has brought to us the greatest standard of living known to any people of the world.

I have just returned from a Europe sick from many ailments. Very apparent is the disease that comes from industrial combination and cartelization.

It is a hateful disease which must not infect us. Our job at the Department of Justice is to protect the American economy from contagion.

The Department of Justice must preserve our economic freedoms and the civil rights which flow from them by enforcement of the Sherman Act.

The Department of Justice is the public protector. It is the law department of the greatest clients in the world—the United States of America and its people.

Many antitrust actions start from the people. Complaints are received by the Department of Justice every day.

One may be from the machine-tool manufacturer who finds all his suppliers of ball bearings lined up against him offering bearings at identical prices.

Another may be from the tobacco farmer who finds himself confronted with the same prices and buying conditions from all the big tobacco companies.

Another may be from a municipality which is planning to build a school but finds that all contractors operate through a bid depository and decide among themselves who shall be the successful bidder and at what price the successful bid shall be made.

And still another complainant may bewail the fact that overstocked suppliers have agreed to withhold their goods from the market to create a scarcity with consequent higher prices or to put him out of business.

If, after investigation, it is determined that the complaint is well-founded, the Department of Justice moves swiftly.

Where it is plain that the offender clearly intended to violate the antitrust laws, criminal indictment is immediately sought.

Let me say very clearly that the Department of Justice does not seek to punish for the sake of punishment. It does not carry on a vendetta with the businessman. It seeks only to deter the violation of our basic economic law.

The civil action is used to obtain affirmative relief.

Large fines do not correct a situation which has already become fixed. Fines have proven to be merely license fees. We must insist upon and secure jail sentences. The maximum of 1 year in jail for every violator would be most helpful. It is our purpose, in proper cases, to attempt to secure such sentences.

Where an illegal business structure exists, we may ask that it be dissolved if it is indicated that this is the way to remedy the wrong.

Where a corporation uses its subsidiaries, divisions, or plants in violation of the antitrust laws, we may ask for what in legal language is known as divestiture. This means separating the subsidiary, division, or plant from its parent toward the end that two competitive units will appear in place of the single structure which acted in violation of the antitrust laws.

We must untrack the trend toward concentration of economic power.

The Smaller War Plants Corporation recently issued a report to the Senate Small Business Committee. The report decries the trend toward mergers and acquisitions which was accelerated during the war and which must be prevented and reduced in stature.

The report concludes that antitrust, small business, and surplus-disposal programs are the remedies indicated.

The Antitrust Division of the Department of Justice has long maintained separate sections dealing with small-business problems and surplus property disposal.

I should like to make another point clear about the Sherman Act and its enforcement.

We know that because of the broad language of the Sherman Act, violation of its terms is sometimes unpredictable although the Supreme Court is making clearer and clearer the bounds of proper activity. Nevertheless, should a specific program be contemplated and should the planners be fearful that it violates the law, the Department of Justice is prepared to discuss it.

The American businessman who wants to play the game according to American rules has nothing to fear.

We are now going back to the old rule book.

For five weary years, business has complained of the OPA and price control.

It has begged for the return to the economies of supply and demand.

Well, it is just about here.

Business will be on its own.

There will be no Government to whip and to blame.

It is expected that business will accept the responsibility of the free market.

It is expected that business will not substitute private price control for Government regulation.

The average American—the elevator operator as well as the apartment-building owner, shoe-store salesman, and the chain-store operator—has been protected from runaway prices under Government control.

They are entitled to expect fair and reasonable treatment with the removal of Government control.

This is now the obligation of business.

To shirk this obligation is to betray a trust imposed on business by the removal of control.

It is to shirk a responsibility to the public and to the free enterprise system.

The removal of price control places the free-enterprise system on trial.

The American businessman has a personal and vital interest in the preservation of the American system of free enterprise, free opportunity, and free men.

His future as an independent businessman depends upon vigorous, night-and-day enforcement of the antitrust laws.

We call out, then, to businessmen like you to help us.

For it is with your continued support and assistance in enforcing our basic economic law that the American business scene will remain free from enterprise and open for opportunity.

Mr. LANGER. Mr. President, I likewise ask unanimous consent to have printed at this point in the RECORD the address by the Honorable Tom C. Clark delivered at the annual conference of the National Association of Attorneys General on the tideland oil controversy.

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

THE TIDELAND OIL CONTROVERSY

In order to understand the question which the Supreme Court is now called upon to decide, it is necessary to distinguish between three classes of land beneath navigable waters. In the first place, there are the inland waters, which include rivers, lakes, bays, and estuaries, as well as "tidelands," or the lands between ordinary high and ordinary low-water marks. Then there is the marginal sea area, which under the present international policy of the United States, is that part of the sea within 3 miles of the shore measured from the ordinary low-water mark or the seaward limit of a bay or river mouth. Lastly, there is the area seaward of the outer limit of the marginal sea, which, of course, is not involved, as such, in this controversy.

The pending suit does not involve any bays, rivers, or other inland waters, nor does it involve the tidelands. It is limited solely

to that portion of the ocean embraced within the marginal sea.

It is the contention of the Government that no State littoral to the oceans ever had or now has any proprietary interest in the marginal sea lands and therefore no State ever had or now has any power to grant rights to remove petroleum or other minerals from these lands.

The States rest their case upon the reasoning that when the original States separated from the Crown of England they became individual sovereigns, and, because the Crown at common law owned the submerged lands, the original States, as an incident of sovereignty, succeeded to such ownership. The States further maintain, to quote from the brief of attorneys general filed with the House Judiciary Committee a few months ago: "The original States did not surrender their lands beneath tidal waters and navigable waters to the Federal Government either by the Constitution or otherwise."

These propositions are fallacious as may be seen from the decision of *United States* v. *Curtiss-Wright Corp.* (299 U. S. 304). The opinion in that case points out that by "the Declaration of Independence 'the Representatives of the United States of America' declared the United (not the several) Colonies to be free and independent States"; and, quoting again, "the powers of external sovereignty passed from the Crown not to the colonies severally, but to the colonies in their collective and corporate capacity as the United States of America. Even before the Declaration, the colonies were a unit in foreign affairs, acting through a common agency * * *." Quoting again "when, therefore, the external sovereignty of Great Britain in respect of the colonies ceased, it immediately passed to the Union," and again, "* * * the Union * * * was the sole possessor of external sovereignty * * *"; "The States were not 'sovereigns' in the sense contended for by some."

As a final quotation, and one which refutes the contention of the States that the Federal Government did not acquire ownership of the marginal sea because the States did not expressly grant it by the Constitution: "It results that the investment of the Federal Government with the powers of external sovereignty did not depend upon the affirmative grants of the Constitution."

If anything is beyond doubt in this controversy, it is that the principal basis for the creation and the continued recognition of the marginal sea belt theory is the security and defense of the national sovereign. An examination of any work on international law, or of the writings of any publicist, will clearly demonstrate the correctness of this statement, so I shall not further develop the subject.

Since the development and acceptance of the concept of the marginal sea, it has been continuously identified with the external powers and national interests of the United States. This is evidenced by the numerous instances in which the executive branch of the Federal Government, in conducting our external affairs, has had occasion to reconsider the status of the marginal sea, particularly its extent, in relation to questions which have arisen between the United States and foreign nations. That such instances will continue to occur seems certain, especially since, notwithstanding the concern of the United States to maintain the principle of the freedom of the seas, there exist strong reasons for extending our territorial jurisdiction beyond the present three-mile limit.

The marginal sea having been created and continued in the field of international affairs for the reasons stated, it would seem only natural that title to the underlying lands should be in the Nation rather than in the political units making up the sovereign state recognized by other nations. Not only are the powers of our Federal Government supreme in the field of national security and defense but they are also supreme in the fields of international relations, foreign commerce, immigration, and import duties and customs. The only powers which the individual States of our Union may exercise in the marginal sea area are those of a local or municipal character as distinguished from powers in the field of international affairs. It would, therefore, seem that title to the marginal sea lands would more appropriately follow as an attribute of sovereignty of the Nation rather than as an attribute of sovereignty of the individual States.

It has been strenuously asserted by the States that the issue of ownership has been determined by the Supreme Court of the United States a great many times. It is the position of the Department of Justice that there has been no case decided by the Supreme Court where ownership of the marginal sea lands was involved.

Practically all of the cases cited in support of the States' claims pertain exclusively to inland waters. Three cases touch upon the subject in a somewhat broader manner, but are, by no means, in point upon the question of the ownership of the marginal sea lands.

In my view, there is no clear and conclusive authority which disposes of the case either way and we must therefore proceed to obtain such a determination.

May I say at this point that the established rule that States own the lands under navigable rivers and bays is in no way incompatible with the proposition that the Federal Government owns the lands underlying the marginal sea. Rivers and bays are within the physical body of a State. This reasoning, and its historical background, was made clear as early as 1793 in an opinion by the Attorney General in the Delaware Bay case (1 Op. Atty. Gen. 32).

The marginal sea, however, is governed by entirely different considerations. It is not within a State, in the physical sense, and its primary justification is the security and defense of the United States.

Of course, there are other points which are material and important to this general issue, but time limitation precludes a present discussion of them.

A number of you from inland States signed the memorandum filed with the House Committee on the Judiciary. It is thus apparent that you are concerned about the possible effect of this suit upon the beds of lakes, rivers, and bays. As I have said, the suit will have no effect upon those lands, nor will it have any effect upon titles to the beds of the Great Lakes.

My understanding is that the Great Lakes are considered inland waters and no contention has ever been made by anyone that a marginal sea exists there. The present suit, therefore, raises no question as to the title of the lands beneath the Great Lakes.

I understand that it has been suggested that we should have joined other States with California in the Supreme Court suit. In filing the action in the Supreme Court against the State of California alone, there was, of course, no intention to discriminate against that State. There are many other coastal States of the Union as well as thousands of individuals and corporations who assert claims in the marginal sea area under authority of the States. The decision of the Supreme Court, we hope, will settle the question as to all the coastal States of the Union.

Another reason we have not joined other States in the proceeding is that there is serious doubt whether under the rules relating to joinder they could be make joint parties. No other State except California is involved in the production of oil in the marginal sea off the California coast and it would appear, therefore, that no other State could be joined in an action relating to that area. On the other hand, if other areas were included in the action the State of California would not be involved as to those areas.

I have no doubt that many of the States will take advantage of the rules of the Supreme Court permitting the filing of briefs as friends of the Court. The Federal Government will welcome your assistance to the Court in that manner since its interest lies in securing a correct decision and every aid to the Court should be available for that purpose.

Regardless of whether you agree with what I have said, I hope that you are convinced that the suit which I authorized to be filed in the Supreme Court has been brought in good faith in the sincere belief that the question is still open and ought to be settled.

Mr. LANGER. Mr. President, I have received consent to have printed in the RECORD the testimony of Mr. Wendell Berge, and I call the attention of the Senate to the fact that after Mr. Berge testified before the committee of which I am chairman on the 13th day of February last, after he got through being cross-examined, after he got through admitting that for all the years he has been in the Attorney General's office as the head of the Antitrust Division not one single person has been convicted and sent to jail, he went from that office over to the office of the Attorney General and within a few hours handed in his resignation.

Mr. President, I ask unanimous consent that at this point in my remarks my separate report as a member of the subcommittee of the Committee on the Judiciary, entitled "Investigation Concerning Failure of Attorney General and the Department of Justice To Act With Respect to Alleged Irregularities in Missouri Democratic Primary Election," be printed in full.

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

[Separate report of Senator WILLIAM LANGER, member of Subcommittee on S. 116, Committee on the Judiciary, "Investigation concerning failure of Attorney General and the Department of Justice to act with respect to alleged irregularities in Missouri Democratic primary election"]

Because of the grave importance of the charges against the Attorney General of the United States reflected in this resolution, I have read the testimony with unusual care. Certain facts stand out with startling clarity. One is that the Attorney General has been terrifically burdened as an aftermath of the war. The record shows that there are about 100,000 cases a year in the Department of Justice for his supervision (record, p. 74). As a result the Attorney General must of necessity place Assistant Attorneys General in charge of the various divisions, including the criminal division which had charge of prosecuting election frauds including the Kansas City election.

The head of any governmental department is properly held responsible for the actions of his department and for the efficiency of his assistants; but, having been myself attorney general for the State of North Dakota during the period of World War I and experienced with the duties of attorney general in a single State both during and after the war, I can well understand the multitudinous and varied matters that project themselves into the office of the Attorney General of the United States.

It is with this background that we must consider the approach of the Kansas City

case to the attention of the Department of Justice. Because of the possible involvement of the President of the United States, the Attorney General must have known how highly important this election was—not only to the Republican and Democratic Parties, but to the people of the country at large. In my opinion, for such reason it would have been the part of wisdom for the Attorney General to have undertaken charge of that complaint himself rather than to have delegated the authority to an assistant, even though the latter course would have been in conformity with the usual practice. The record shows (p. 53) that the policy followed by the Attorney General was established by former Attorney General Robert Jackson on the recommendation of the Honorable Maurice Milligan, the United States district attorney at Kansas City, who himself in 1936 prosecuted the Pendergast machine for election frauds and who prosecuted Pendergast himself for income-tax violations—(record, p. 53). Mr. Milligan, under Attorney General Murphy, was responsible for the adoption of the policy which required specific authority from the Attorney General and the initiation of a preliminary investigation where vote frauds were claimed in violation of Federal statutes (record, pp. 54 and 65). The Department of Justice followed that practice in this case. In my opinion, however, for reasons stated, the Attorney General should have himself taken personal charge of this investigation. However, I can readily conceive that during these months there were many problems facing him—strikes (including the legal proceedings involving the mine workers), important litigation involving billions of dollars (such as the notable tidelands suit), lynchings in the South, serious immigration problems, important war assets investigations, claims against the Government—that he could have in all honesty felt were so important to the people that they required his general supervision to the same extent as that required by violation of civil rights statutes, including election irregularities.

From the Attorney General's testimony (record, pp. 74 and 75), he evidenced the fact that in his judgment this case should be handled as any other regardless of the individuals or personalities involved.

In addition to the foregoing, the State of Missouri was undertaking a serious investigation of its own through the county grand jury which returned indictments against 78 persons because of these self-same election irregularities. Criticism has been leveled at the Attorney General because the Department of Justice did not step in and seize the ballots, some of which were stolen. Had he done so, the charge might well have been made that the Department of Justice was trying to get physical possession of the ballots for sinister purposes by impounding them and preventing their use by the county grand jury.

The Attorney General did order the Federal Bureau of Investigation to make a preliminary investigation; and unquestionably that being a preliminary one was subject to the same type of instructions as had been given in all other election cases. The testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation, so states. (Record pp. 50–55). Here are his words:

Mr. HOOVER. No. I would not consider that in any way out of line, because that has been the practice in practically all of the preliminary investigations of election frauds. We have received many cases where they outline specifically whom to interview and exactly what steps we are to take.

"Senator FERGUSON. Under these instructions?

"Mr. HOOVER. Under these instructions. That is correct."

In a communication of June 18, 1947, addressed to the subcommittee, Mr. Hoover has set forth his views specifically. His impartiality and integrity are well known to all the Senate and to the American people. He would know better than perhaps any other whether there was partiality or favoritism or deliberate disregard of duty on the part of the Attorney General of the United States. He states in his letter, "I think that in all fairness both to the committee and to the Attorney General, I should elaborate upon the specific items which appear to be in issue." He says, "The fact that we were ordered to make a preliminary inquiry in this case was not unusual. In the summer of of 1941 Mr. Maurice Milligan, who you will recall prosecuted the original Kansas City vote fraud case in 1936, as a special assistant to former Attorney General Robert H. Jackson instituted the policy that unless advised to the contrary in election fraud cases, preliminary inquiry was to be made only upon Departmental instructions, after which the facts were to be submitted to Departmental attorneys who would study the facts for decision as to further action. This same policy is followed in other classes of cases." He further states, "I think in all fairness I should make the observation that in the years the present Attorney General, Tom C. Clark, has been associated with the Department of Justice, I have had the opportunity of working with him in innumerable cases and I am glad to state that he has not in any way taken any action to prevent any investigation being conducted to its logical conclusion."

In determining whether more investigations should be undertaken, let us look at the record. At the present time there have been instituted the following investigations in the Fifth Congressional District in Kansas City, Mo.:

1. An investigation by the Kansas City Star with two experienced reporter-investigators and over 30 assistants. They have interrogated more than 8,000 people.

2. An investigation by a committee of the House of Representatives.

3. An investigation by the grand jury of Jackson County, Mo., which has returned 78 indictments.

4. An investigation under the direction of Richard K. Phelps, who was a former United States attorney in the western district of Missouri, and was chief assistant to Maurice Milligan in the prosecution of the Kansas City vote fraud when 250 persons were convicted.

5. A Federal special grand jury has been summoned to inquire into this matter. This committee has already taken the testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation; Daniel Milton Ladd, Assistant Director; Attorney General Tom C. Clark; Sam M. Wear, United States attorney, Kansas City, Mo.; Albert J. Reeves, Albert Ridge, J. Collett, all United States district judges for the western district of Missouri; and Allen Stokka, an employee in the office of Senator KEM.

It is difficult to overemphasize the importance of maintaining our elections free from fraud and corruption. However, I cannot in good conscience hold that the foregoing will not fully insure adequate protection of all civil rights, including those guaranteed under our Federal constitutional statutes to our citizens.

I can therefore see no need for further expense and effort.

I have always favored State law enforcement where the interests of the citizens could be adequately protected.

In addition, I have the strongest belief in the integrity and the honesty of the Attorney General of the United States. All of the testimony presented in this record has not changed that opinion. Had his work allowed it, I believe that he could have better served the people by giving more of his personal attention to the direction of this matter, but I can better understand his difficulty in not so doing considering the other burdens he bears in the performance of this high office, especially in these unusual times.

I have never willingly confused criticism of a man's judgment with questioning his integrity.

I think that at no time in our history is it more important to refrain from unjust criticism, especially involving charges of lack of integrity, than today. Not only do I feel that another investigation added would produce no good; I fear it would do harm. There are stern duties facing the Attorney General of the United States in protecting the people from other wrongs. I refer particularly to protection against plundering cartelists, racketeers, and their brethren.

The Attorney General some months ago brought to his side a new Assistant Attorney General, John F. Sonnett, who has announced for the first time since the passage of the Sherman Antitrust Act of 1890 that corporations and individuals that violate the antitrust laws are going to be arrested and prosecuted in the same manner as other criminals. This, to my mind, is one of the very important duties resting upon the Department of Justice. It has been the failure of all Attorneys General, Republican and Democratic, since 1890 to sternly enforce antitrust laws and to seek terms in prison for those involved therein. This lack of law enforcement has led to abuses in the formation of billion-dollar trusts, cartels, and monopolies.

These for a long period have borne down and burdened the American people. Never was it more important than today that these antitrust laws be rigorously and effectively enforced. We owe this to all our citizens, to the veterans returning from the war, to start businesses of their own, and to others who have suffered by having competition stifled in private enterprise to such an extent that it has made it almost impossible for a small businessman to hope to compete with these vast aggregations of wealth. If our entire way of American life is to be preserved, these duties must be performed, and I have full confidence that the Attorney General will carry them out faithfully, vigorously, and effectively. It is strange, indeed, that immediately after he, for the first time in the history of the United States as Attorney General, announced that these monopolists and cartelists would be prosecuted and jailed when found guilty that he should be harassed by an investigation of this type. Nothing would give more comfort or more smug satisfaction to the heads of these giant cartels and combinations than to see the efforts of the Attorney General of the United States thus diverted from them, while they continue their practice to the detriment of millions of wage earners and millions of housewives trying to squeeze out an existence on a budget rapidly diminishing from day to day.

There are many people, according to the views expressed by the Senator from Nevada, who will feel that a continuation of such investigation and pressing of these charges are political, and that those that make them have an eye to the election just around the corner; that they are made more to influence election results than to contribute to the common welfare of the people.

The Attorney General has demonstrated that he is no respecter of persons, parties, or groups.

He has proved his mettle. Witness his impartial record, whether sending prominent men of his own party to jail or battling for the common people by sternly enforcing all laws, civil and criminal, whether saving billions of dollars in oil lands or protecting the rights of the humblest citizen, regardless of race, color, or creed.

Finally, other issues facing us are of such vast importance, the people of the United States expect the undivided attention of their Senate to solve them. With the whole world prostrate, with the eyes of millions of starving people in other countries looking anxiously and hopefully to us for help and guidance, with the President of the United States confronted with one bewildering public problem after another, with the whole system of economy and our way of life being challenged here and abroad and perhaps being weighed in the balance—in these very critical days, I cannot faithfully under my oath ask this Government to expend its energy, time, and money on an investigation of this sort.

If we ever could have risked the danger of being charged with playing politics—even risk the danger of being suspected thereof—we cannot do so now. The perilous times in which we live demand nothing less than our very best. We are compelled by a common interest of survival to stand shoulder to shoulder and make our Government succeed. We certainly must not discourage those bearing these heavy burdens. For such reasons, I regret—very sincerely regret—the necessity of differing with one of my colleagues in voting against this resolution.

WILLIAM LANGER,
Senator from North Dakota.

Mr. LANGER. Mr. President, I ask unanimous consent that the letter of J. Edgar Hoover, a man in whom I believe the people of America have as much confidence as in any other man, originally addressed to my distinguished colleague, the junior Senator from Michigan [Mr. FERGUSON], be printed in full.

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

DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATIONS,
Washington, D. C., June 18, 1947.

Hon. HOMER FERGUSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Since reviewing my testimony before your committee of the Kansas City election situation, comments have been made indicating that portions of my testimony have been misinterpreted and I think that in all fairness both to the committee and to the Attorney General, I should elaborate upon the specific items which appear to be in issue.

As you will recall, the departmental instructions ordering the preliminary inquiry specified specific persons to be interviewed and stated that in addition other employees of the Kansas City Star were to be questioned. As I pointed out in the latter part of my testimony, the some 30 Kansas City Star investigators were not interviewed inasmuch as we had secured their statements from other employees of the Kansas City Star and it was not believed by the agents conducting the inquiries that any purpose would be served in personally contacting these investigators whose statements were incorporated in our report. However, at the very beginning of my testimony, I indicated to the Committee that we had interviewed only the specified persons and had not gone beyond this inasmuch as we were not instructed to do so. As indicated, this was later clarified and the testimony as revised, deleting the phrase "and no one else" on page 58, and the phrase "we were not told to interview them" on page 66 expresses the true facts in the matter.

The fact that we were ordered to make a preliminary inquiry in this case was not unusual. In the summer of 1941 Mr. Maurice Milligan, who you will recall prosecuted the original Kansas City vote fraud case in 1936, as a special assistant to former Attorney General Robert H. Jackson instituted the policy that unless advised to the contrary in election fraud cases, preliminary inquiry was to be made only upon departmental instructions, after which the facts were to be submitted to departmental attorneys who would study the facts for decision as to further action. This same policy is followed in other classes of cases.

With regard to the Mumford memorandum referred to before the committee, I wish to advise that I used the word "restricted" in my longhand note on the memorandum as a definitive term of my own to determine whether the Bureau's inquiry had been limited to specified interviews. I did not intend my inquiry as an indication that I had any question in my mind that an ulterior motive had actuated the Attorney General or the Department of Justice with respect to the scope of the preliminary inquiry ordered under the established policy.

I think in all fairness I should make the observation that in the years the present Attorney General, Tom C. Clark, has been associated with the Department of Justice, I have had the opportunity of working with him in innumerable cases and I am glad to state that he has not in any way taken any action to prevent any investigation being conducted to its logical conclusion.

I trust that the foregoing may be helpful to you and the members of your committee in clarifying any misinterpretation which may have arisen with respect to my testimony.

With expressions of my highest esteem and kind personal regards,

Sincerely yours,

J. EDGAR HOOVER.

SUGAR QUOTAS

Mr. CHAVEZ. Mr. President, I have taken very little time of the Senate. I feel that I should impose on the Senate only when I have something to contribute in the way of information. However, there is in certain pending legislation something which has been bothering me. I beg the indulgence of the Senate for only a few brief moments while I make a short statement of what I have in mind.

Mr. President, directly the Senate will consider either House bill 4075 or Senate bill 1584. The bills are better known as Sugar Acts of 1948. In general the overall objective of the proposed legislation would be effectuated through the establishment and use of quotas under which the United States market would be divided among the various domestic sugar producing areas and certain foreign producing areas which have historically supplied the domestic market. I have no hesitancy whatsoever in telling the Senate that I feel that the general objectives of the proposed legislation are correct and that such a measure should be enacted into law as soon as possible. However, there is one new provision in the bill which I feel has no place at all in this class of legislation. The main purpose of the legislation is the stabilization of the sugar industry for the next 5 years. Specifically referring to the provision which I have in mind, I call attention to section 202 of the proposed law, subsection (e), which reads as follows:

SEC. 202 (e). If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That the portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign coutnries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.

When I first read the language of section 202, subsection (e), I wondered why the Committee on Agriculture on the House side or the Committee on Finance on the Senate side put in a provision that is political in its nature and has nothing whatever to do with the stabilization of the sugar industry; hence, I went to the reports accompanying H. R. 4075 and Senate bill 1584. In the general statement in one report I find the following explanation:

Section 202 (e) is a new provision under which the Secretary is authorized to withhold or withdraw any increase in the quota for any foreign country over that provided for such country under the Sugar Act of 1937 upon a finding and notification by the Secretary of State that such country denies fair and equitable treatment to nationals of the United States, its commerce, navigation, or industry. In the event that any quota, or any portion thereof, is withheld or withdrawn pursuant to this section the amounts so withdrawn are to be allocated proportionately among the domestic-producing areas, and if the domestic areas are unable to fulfill such amounts so allotted by the Secretary to foreign countries which do not deny fair and equitable treatment to nationals of the United States.

It has been brought to the attention of the committee that there have been instances where nationals of the United States have been unable to collect pecuniary claims from foreign governments notwithstanding the fact that, in many instances, the validity of such claims has been acknowledged by, or adjudicated in the courts of, such foreign countries.

It is the intent of the committee—

That is the Committee on Finance on the Senate side, and the Committee on Agriculture on the House side—

that the nonpayment of valid claims which have been adjudicated or acknowledged by foreign countries shall constitute unfair or inequitable treatment within the meaning of section 202 (e). Representatives of the State Department appearing before the committee concurred in this construction of the language of section 202 (e).

It does not say that they agreed on the policy of the language, but that they concurred in the construction of the language of section 202, subsection (e).

From this explanation it appears that the committees handling the legislation have gone into international politics—in this instance to such an extent that I believe it would be to the interest of the Senate and the world at large that I make a brief comment on what I feel will be the reaction throughout the world, and especially in Latin America. If section 202, subsection (e) is allowed to stay in the bill and it becomes the law of the land I am afraid the good-will policy will go out the window, or at least our sincerity will be doubted. No one can take issue with the committee that foreign

governments should pay their just debts, and whatever country the committee had in mind in this instance should be no exception. However, a country such as ours, now leading the world, having fought two wars in order to protect the dignity of the nations and people of the world, should not use coercive or compulsory legislative methods to obtain results that can be obtained as well with dignity and justice and with the sincerity of purpose that this country has shown Latin America for years.

Long ago this country announced the sound idea that it was opposed to the use of force, be it military or economic, to obtain the payment of claims or debts. In the not far distant past England and the then Germany tried to use naval and military force to collect debts in Venezuela, and an American President and an American Secretary of State told those two countries that the United States would not tolerate such action.

For many years, what was known as dollar diplomacy seemed to be the policy that prevailed, especially in Latin America, but thank goodness that we had such Secretaries of State as Elihu Root and Cordell Hull who decided correctly that that was not the way in which a big country, such as ours, should deal with its neighbors. Hence, the good-neighbor policy came into being; and it has been a good-neighbor policy. Our standing in Latin America has been improved to such an extent that when this country found itself at war, practically every nation in this hemisphere, large or small, rich or poor, declared war against our common enemy and contributed what little it had for a common purpose. In this land, when we are preaching to and convincing the world as to our sincerity of purpose, when we want the basic rights of every nation in Europe, Asia, or elsewhere to be respected, are we now going to use arbitrary legislation and act in a unilateral manner in deciding justice? That is contrary to all our concepts of dealing with other nations. Whatever claims there are, be they pecuniary or otherwise, can be adjudicated by dealing with the nation affected in a correct way, but not by using the power of might against the other country's welfare. This action, in my opinion, not only violates the good-neighbor policy but it is contrary to all of the resolutions, conventions, declarations, and principles that have been adopted and subscribed to by the countries of the Western Hemisphere, including our own. It is a serious matter, fellow Senators, more serious than can be visualized at the moment. That section gives aid and comfort to whatever enemies we might have in any place in the world.

During the discussion of the tax bill I heard our minority leader make an impassioned speech to sustain the President's veto. He told us of this Nation's noble efforts, to which I subscribe, in trying to lead the world into peace, self-respect, and dignity amongst nations. He indicated that he was worried because there might be a different philosophy prevailing in other parts of the world.

Keep section 202, subsection (e), in this bill and let it become law and it will become the subject of the most vicious propaganda in the Western Hemisphere that we shall ever see. This section will undermine any visit by public officials, or any conference, be it held in Buenos Aires, be it held at Rio, be it held at Washington, or be it held in Chapultepec.

In 1936 there was a conference held at Buenos Aires which was called a "Conference for the Consolidation of Peace." The fundamental principle reached at that conference was included and ratified in the Act of Chapultepec in 1945. The conference at Chapultepec was attended by the then chairman of the Committee on Foreign Relations of the Senate [Mr. CONNALLY] and the former Senator from Vermont, our good friend, former Senator Austin.

Purposes and conclusions reached at Chapultepec were good will and hemispheric solidarity.

But under the proposed Sugar Act by the section that I have referred to, we do away with all of those sound principles and tell a foreign country we shall forget open conciliations and forget unrestricted arbitration or the application of international justice. We are not going to let the other country have her day in court. We shall be claimant, judge, jury, and executioner.

I do not know the claims that American nationals have against foreign countries, with the exception that I know some constituents in my home State have some Russian bonds and they cannot get a dime. I say, with the exception of Finland, European countries have paid us very little on account of World War I. Any country in Latin America or elsewhere that owes money to American nationals should pay them. Those countries possibly owe their own nationals more than they owe foreign nationals. Is it proper, is it right, is it in keeping with what we are trying to do for the world, to force any country by unilateral law to pay claims which we, acting alone, say must be paid or else? Will we be consistent if we include section 202 subsection (e)?

I want the Senate to think it over seriously. I want it to think it over when we make another loan to Greece, or to Turkey, or to England, or to Holland.

If this provision is included in the bill it is my opinion that there will be no need for a Rio conference. Countries will say, "Now you do it to sugar, next it will be copper, then lumber, then manganese, and then will come hides, quinine, sugar or coffee." Yes, I want each and every country to pay the debts that they owe the nationals of this country but I do not want my country to go back to the idea of "dollar diplomacy" to collect such debt. I do not think that American people want it done that way. Let us do it with dignity and self-respect, and be worthy of respect and might.

Can might be right?
Then tear the page from our Columbia's story
Of heroes dead of every age
Who died to weave her glory.

Let us think this over before we let this section stay in the proposed legislation.

Mr. MILLIKIN. Mr. President, I have great respect for the opinions of the distinguished Senator from New Mexico [Mr. CHAVEZ]. I do not regard this as an appropriate occasion on which to debate the sugar bill, but I assure my colleagues that the matter will be fully set forth and, I feel, fully justified when we reach the debate on the subject.

ORDER OF BUSINESS

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

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHITE. Mr. President, I understand that the pending business is the calling of the calendar?

The PRESIDENT pro tempore. The Senator is correct.

Mr. WHITE. If the Senate should now recess, would the calling of the calendar still be the pending business on the assembling of the Senate tomorrow?

The PRESIDENT pro tempore. It would be.

CONTINUATION OF PREMIUM PAYMENTS FOR COPPER, LEAD, AND ZINC

Mr. McCARRAN. Mr. President, I am advised that this afternoon the House of Representatives passed House bill 1602, providing for the continuation, for a period of 2 years, of premium payments for copper, lead, and zinc. The Congress cannot afford to adjourn until it has assured that this Nation will be amply protected by having made available to it from the world the all-essential metals—copper, lead, and zinc. The subject was covered in a bill which I had the privilege of introducing some months ago and which has been pending before the Committee on Public Lands. It is a companion bill to the one introduced by the brilliant young Representative from Nevada, CHARLES RUSSELL, in the House of Representatives. I am now advised that the House has passed a somewhat different bill from the Russell bill which I introduced in the Senate. Be that as it may, I am very much in favor of the immediate passage of the House bill. I hope that we may have from the Committee on Public Lands speedy action on the House bill, so that the Senate may have before it that bill before it adjourns and that we may be sure, in this hour of world trouble, that there will be an ample supply of the all-essential metals covered by the legislative measure.

Mr. HATCH. Mr. President, the Senator from Nevada [Mr. McCARRAN] just requested a statement, as I understood him, from the Committee on Public Lands. The Senator from Colorado [Mr. MILLIKIN] is in the Chamber, and I hope that he will make a statement on the subject.

Mr. MILLIKIN. Mr. President, the senior Senator from Nevada [Mr. McCARRAN] spoke of the urgency of premium price legislation relative to copper, lead, and zinc. I am very happy to say that the policy committee of the majority side has listed that proposed legislation as among the legislative matters which are at all events to receive action. I am assured by the chairman of the Subcommittee on Mines and Mining of the Public Lands Committee that the measure which has come from the House will

be processed promptly and will be reported to the Senate promptly. So I feel that we shall have action taken on it in the immediate future.

Mr. HATCH. Mr. President, judging from what the Senator from Colorado has said, I think we may count upon it as a certainty that action will be taken on this matter before final adjournment.

Mr. MILLIKIN. So far as I can see, action will be taken on it before adjournment.

Mr. McCARRAN. Mr. President, I am indeed happy to hear the Senator from Colorado state that the bill to continue the premium prices on copper, lead, and zinc will receive or has received attention from and by the Committee on Public Lands.

Let me say that my interest in that action is extremely serious because this country may at this very moment be in a position when it will be called upon very shortly to utilize all its natural resources and facilities, and certainly there is nothing more important for the defense of a nation than copper, lead, and zinc. Therefore, both Democrats and Republicans who are looking to the national defense should see to it that there is encouragement for the production of these metals here at home.

MANAGEMENT OF RESTRICTED LANDS OF THE CROW TRIBE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1317) entitled "An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents," which was to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, any Indian who is the owner of an allotment or of other trust or restricted land under the jurisdiction of the Crow Indian Agency in Montana, after filing notice of intention with the superintendent or other officer in charge of the Crow Indian Reservation, may lease without restriction, and collect the rentals therefrom, except as specified in this act, any part of his allotments for farming or grazing purposes: *Provided, however,* That this authority shall not extend to any Crow Indian who has pledged the income from such land or has executed a power of attorney or other authorization for the leasing of such lands and the application of the income therefrom in consideration of a loan from the Crow Tribe of Indians or the United States: *And provided further,* That the provisions of this act shall not repeal or modify any of the provisions of the act of June 25, 1946 (Public Law 441, 79th Cong., 2d sess.).

SEC. 2. Lands or interest in lands belonging to more than one Indian through inheritance or otherwise may be leased by the holder or holders of a majority in interest, but any such lease shall provide that the holders of any interest therein shall receive their proportionate share of the total compensation. Leases of inherited and devised allotments or other restricted lands may be made by the superintendent when (a) the heirs or devisees of the deceased owners have not been determined, (b) when the land is not being used by any of the heirs or devisees and the heirs have not been able within a 30-day period to agree upon a lease, and (c) when there exist claims for indebtedness against the land allowed by the Secretary of the Interior.

SEC. 3. Lands or interests in lands belonging to minors or to persons non compos mentis may be leased or permitted by the parent, legal guardian, or natural guardian.

SEC. 4. All leases and permits authorized by this act shall be made on forms approved by a majority vote of the Crow Tribal Council, and shall be effective and valid only after they have been recorded at the Crow Indian Agency.

SEC. 5. The Secretary of the Interior is authorized and directed with the consent and approval by a majority vote of the Crow Tribal Council to make rules and regulations for the purpose of conservation, including the operation and management of grazing units on the principle of sustained yield, the limitation of the number of livestock to the estimated carrying capacity of the designated range units, the full utilization of the range, the prevention of soil erosion, and like purposes. To carry out these purposes, the Secretary of the Interior, or any officer designated by him, is hereby authorized and directed to establish on the Crow Indian Reservation land use districts, zones, or units: *Provided,* That 65 percent in acreage of the Indian landholders within such district, zone, or unit shall consent in writing to the establishment thereof for a specific term not to exceed 10 years. All leases or permits within any such district, zone, or unit authorized by this act shall specify the district, zone, or unit in which the leased or permitted lands are located, and no such lease or permit within any district, zone, or unit shall be valid for any purpose or use except as authorized in the designation of the district, zone, or unit.

SEC. 6. The Secretary of the Interior or his designated representatives, after the establishing of any such district, zone, or unit, is authorized and directed to issue permits on range units with the consent of the majority of landowners in interest in such district, zone, or unit, after public advertising for competitive bidding. The permittee shall make payment of grazing fees direct to landowners who are authorized to receive direct payments by this act. If any Indian owners of lands or interests in land shall fail or refuse to authorize the issuance of a permit on his land to the successful bidder, the permittee shall pay to the Superintendent of the Crow Indian Agency for the credit of the landowner grazing fees at the rate established for the unit by a vote of the majority of the Indian landholders within said district, zone, or unit: *Provided,* That nothing contained herein shall preclude an Indian landowner within such district, zone, or unit from using his own land and supplementing thereto by leasing additional lands for all grazing purposes.

SEC. 7. No lease or permit authorized by this act shall be made for a longer term than 5 years.

SEC. 8. All leases made pursuant to the provisions of this act shall not be transferable or subject to assignment or subleasing, except with the consent of the Indian lessee. No permit made pursuant hereto shall be transferable or subject to assignment without the consent of a majority of the Indian landowners within the area covered by the permit sought to be transferred or assigned.

SEC. 9. All leases under this act shall be recorded at the Crow Indian Agency, and shall be subject to public inspection during the regular hours of the said agency.

Mr. BUTLER. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. CORDON, Mr. ECTON, and Mr. HATCH conferees on the part of the Senate.

INTERSTATE TRANSPORTATION OF BLACK BASS AND OTHER GAME FISH

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 682) entitled "An act to regulate the interstate transportation of black bass and other game fish, and for other purposes," which was, on page 6, in line 2, to strike out "purposes.", and insert:

purposes.

SEC. 10. The provisions of this act as relating to game fish shall not apply to steelhead trout (salmo gairdneri) legally taken in the Columbia River between the States of Washington and Oregon.

Mr. MAGNUSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

THE DREDGE "AJAX"

Mr. MAGNUSON. Mr. President, on July 17, 1947, the Senate passed Senate bill 885, dealing with the dredge *Ajax.* That bill thereupon was transmitted to the House of Representatives. On yesterday, the House, instead of acting on the Senate bill, passed its own bill, House bill 4229, which was transmitted to the Senate today.

I ask unanimous consent that House bill 4229 be read twice, considered, read the third time, and passed.

There being no objection, the bill (H. R. 4229) to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States was read twice by its title, considered, read the third time, and passed.

THE VETO OF THE TAX BILL

Mr. MYERS. Mr. President, those sitting in the galleries who listened to the debate last week on the President's veto of the tax bill must have thought, as they heard the speeches made by Senators who advocated that the veto be overridden, that our whole economy would be endangered if the tax bill did not become law.

A recent editorial which appeared in one of Pennsylvania's great metropolitan dailies, the Pittsburgh Post-Gazette, gave a complete answer to such fallacious reasoning. This editorial demonstrates the exact contrary to be the fact, and contends that the veto was dictated by realities at home and abroad. The editorial also expressed the hope that the veto would be sustained, and it very effectively pointed out the folly of cutting taxes when we are engaged in an ideological war with the totalitarian power of eastern Europe.

But more important is the answer which the editorial gives to the threat that there will be no foreign relief unless there is tax relief. The answer of the

Post-Gazette to this serious threat is as follows:

Perhaps the most alarming fact about this do-little Congress is its unawareness, for the most part, of the nature and scope of the world problem and our relation to it. Thus, we are sickened to hear of a growing sentiment in the House that without tax relief there will be no foreign relief. No more dangerous assault than this could be made on our national security.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

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

THE TAX BUNGLE

President Truman's veto of the second tax bill should not have surprised anyone. He had no reason to change his stand of 1 month ago that the Republican measure was "the wrong kind of tax reduction at the wrong time."

The Republicans can be expected to make election capital of the President's twin-tax vetoes. But their case is thin. From the first, this bungling Congress seized on the budget with political thoughts uppermost. Before studying where cuts might reasonably be made, the House talked about slashing six billions and the Senate four and a half.

But, to the present, Congress has been able to reduce the total budget by only a small fraction—and even this amount is likely to be canceled by redemption of veterans' terminal-leave bonds. With little regard for the public debt and with no regard for our commitments in Europe under the Marshall plan, Congress have twice plunged ahead with tax relief which, if we are to look to our best interests, cannot now be.

The latest Falk foundation-sponsored report on the national debt notes: "Practically all schools of thought agree that the time to reduce debt is when business and employment are active and national income is high. * * * Moreover, debt retirement in times of prosperity tends to act as a break upon overexpansion and inflation. By both of these tests we should be reducing the debt now. Under today's conditions the rules of sound debt management require a resolute paring down of Government expenditures and giving debt retirement first call on budgetary surpluses."

This last is the point: Congress has done anything but resolutely pare down Government spending. Indeed, it has been so busy counting its unhatched tax chickens that today, with adjournment 1 week away, only 4 of 12 departmental money bills have been approved.

Certainly a sensible approach to the tax problem would include a study of the sprawling executive branch, with a view to its reorganization, and a rigid adherence by Congress to the principle of adjusting taxes to expenditures. Most of all, during this boom period, any surplus should go first toward retiring the debt.

Outstanding in both bills, however, was the almost suicidal folly of cutting taxes at a time when we are engaged in an all-out political war with Russia. We have grasped the nettle of a divided Europe, and at our urging 16 nations on the continent are now studying their needs and assets.

We have pledged to aid them in their efforts to rebuild themselves. We have done so for the enlightened purpose of restoring that healthy trade on which our own prosperity depends, and in order to avoid paying billions upon billions in the future as the price of having now abandoned Europe to the Soviets.

Perhaps the most alarming fact about this do-little Congress is its unawareness, for the most part, of the nature and scope of the world problem and our relation to it. Thus, we are sickened to hear of a growing sentiment in the House that without tax relief there will be no foreign relief. No more dangerous assault than this could be made on our national security.

Mr. Truman's latest tax veto was dictated by realities both at home and abroad. Apparently, the little men in the House, who voted to override him, cannot see this. Happily, there are enough big men in the Senate, where the veto was sustained, who do see it.

NEEDS OF THE NAVAJO INDIANS

Mr. WATKINS. Mr. President, I have prepared for delivery an address on the needs of the Navajo Indians, and I had hoped to deliver the address in this Chamber, for the information of the Senate. However, I do not wish to take the time of the Senate to deliver the speech; and therefore I ask unanimous consent to have it incorporated in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. It will be printed in the RECORD as a statement, if there is no objection.

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

SPEECH OF ARTHUR V. WATKINS ON NAVAJO INDIANS

On the first day of June in 1868, the Government of the United States made a peace treaty with the Navajo Indians. This treaty specifically obligated our Government to assist the Indians in making economic and social adjustments in an area which the United States willingly conceded to them. Prior to the ratification of this treaty, we had gradually forced the Navajo Indians into an area comprising approximately 15,000,000 acres located in Arizona and New Mexico and Utah. The great proportion of the Navajo people live in New Mexico and Arizona, a small number are living in the State of Utah. The land on which they now live is the most seriously eroded section of land of its size in the United States. The area, however, is beautiful, and constitutes a tourist's paradise. There are some mountains, but most of the country is a colorful, unproductive desert land.

I regret that this group of original Americans has been the object of carelessness on the part of the United States Government. During the past 15 years, conditions among the Navajos have consistently deteriorated from year to year. During the time we were engaged in a great drive to make people of the world believe we were working for the common man, we were unwittingly starving people in our own midst.

The promised assistance to the Navajo Indians has never completely been forthcoming from our Government. If economic readjustment programs now under way among foreign people are as ineffective as has been our rehabilitation of the Navajo Indians, we will never adequately solve our problems.

I have listened to a great many pleas within the Senate that have indicated the great need for assistance to people in other parts of the world. Furthermore, we have many organizations in the United States devoted principally to securing aid from this country for respective groups suffering difficulties in other parts of the world. Let me make myself clear—I am in favor of our doing everything we can to aid other people insofar as such aid is effectively administered and does not unduly undermine the economic system of this country.

Today I want to leave with the Senate a statement concerning the Navajo people, who are still "half citizen, half foreign" and are so economically and socially poor that their ranks are torn by disease, malnutrition, and educational deficiencies.

SUBSTANDARD ECONOMIC ENVIRONMENT

It should be kept in mind that substandard economic environment has made it impossible for the great majority of the Navajo tribal members to provide the necessities of life. The average income in 1940 for the Navajo people was about $82 per person, compared with a national average of almost 10 times as high. In 1944 Navajo income had increased to almost $200 per person. I am informed, however, that average income is now declining as we enter the postwar era. Many Navajo men who served in the armed forces and worked in war plants are now returning to the reservation. Employment conditions on the reservation are such as to make it impossible to absorb the available manpower.

TUBERCULOSIS IS RAMPANT

With further reference to the plight of the Navajo Indians, permit me to call your attention to the fact that 3,000 to 4,000 Navajos have tuberculosis—that is eight times the tuberculosis rate found in the United States generally. There is only one tuberculosis sanatorium operating on the reservation, with a capacity of 100 beds.

HIGH INFANT MORTALITY

Infant mortality for the United States is 44 per 100,000 population, and 110 for all Indians. The Navajo infants die at the rate of 318 per 100,000, or eight times that of the United States' average. Over one-half of all Navajo deaths occur among children under 5 years of age.

Let me quote from Facts About the Navajos, 1947, by George A. Boyce, Director of the Navajo schools:

"Eye defects, defective hearing, venereal disease, and other physical defects run very high. Measles and other epidemics sweep the schools frequently. Among preschool age children, measles often runs into penumonia or other serious complications because temperatures run up to 105 degrees and home care of the sick is very poor. Only one hospital has isolation facilities for diseases. People sick in their hogans have not a single field doctor or nurse.

"Cases of diphtheria, smallpox, and typhoid fever which are preventable, break out intermittently. Because of the limited medical service, only a small percentage of the people is able to get immunizations.

"In the reservation schools, there are about 4,500 children in attendance but only one school has a nurse. When the children get sick, the teachers do the best they can in providing nursing care.

"The Navajo Tribe employs one dentist. The Government employs one dentist full-time and one part-time for the Navajo country. This is less than three dentists altogether for 55,000 persons spread over 30,000 square miles .

"Since 1941, five of the small hospitals on the Navajo have been closed. Five of the remaining six hospitals have only one doctor. Consequently, thousands of Navajos are a hundred miles from the nearest doctor. This is too far to go except for broken bones or extremely serious illness, and often there is not room after the patient gets there.

"In short, the Navajo people are among the sickest in the Nation, with the least amount of medical service. A sick people cannot be a productive people. Much remains for the Government to do in providing health education, in reducing preventable disease, in reducing the infant mortality, and in protecting both the Navajo people and the surrounding public from tuberculosis and other contagious diseases. More doctors and nurses are desperately needed for this task."

NO FEDERAL OR STATE ASSISTANCE

The Navajo Indians do not receive Federal or State assistance under the Social Security Act either in Arizona or New Mexico. No institutions exist for the care of delinquents, the crippled, the deaf, blind, or otherwise handicapped persons. There is no State or Federal aid for dependent children and consequently many orphans and other dependend children are very seriously neglected. The Navajo people have about half enough to eat and their diet includes pinion nuts, wild peaches and home-grown products.

DIET LESS THAN 1,200 CALORIES

It is estimated that the individual diet averages less than 1,200 calories daily. The cost of food consumed would total about $1 per week per person. Many Navajos have less than this amount upon which to live. Consequently, they have the highest death rate in the United States.

There are over 55,500 Indians living in an area suitable to support slightly over one-half of that number. There are very few settlements in the Navajo country; consequently it is difficult to locate schools and it is a problem to get the children into schools. The Navajos are a sheep-raising people and therefore must follow the flocks over the grazing land. They move from summer to winter hogans about every 6 months. This mobility makes the location of 9-month day schools difficult to determine. At the present time boarding schools appear to be the answer to this problem.

DENIED RIGHT TO VOTE

Incidentally, and extremely important in my mind, is the fact that Navajos, including some 3,000 returned veterans, are denied the right to vote both in New Mexico and Arizona. The denial of voting rights rests on wardship, literacy, and tax regulations.

I briefly point out the economic position of the Navajos inasmuch as their poverty is a disgrace to the American people and is the cause of impaired health and subjects them to a very inadequate educational system. The Navajos economy is not one that makes easy the solution of the school and health problem.

FAIL TO LIVE UP TO TREATY

Under treaty obligation, the United States Government agreed to provide 1 teacher for every 30 Navajos of school age and to construct necessary plant facilities. The extent to which we have failed to live up to this agreement is apparent when we note that present educational facilities care for approximately 6,500 Navajos out of a potential school attendance of 20,000 Navajo children of school age. The total estimated capacity of Federal schools is slightly over 5,100. Missions and public schools bring the total capacity for Navajos to about 6,500 pupils. Thus, 13,500 Navajo children cannot attend school. I am informed that there are 47 Navajo schools, but at the present time over 12 of these are closed down.

ILLITERACY IS HIGH

A few more figures will show that the Navajo area is one of the dark spots in America insofar as education is concerned. Illiteracy is very high. Seventy-five percent of the Indians on the reservation cannot read or write. Compare this condition with Negro illiteracy of 16.1 percent; foreign-born whites 9.9 percent; and the native white illiteracy of 1.5 percent. The median number of years of school completed by all persons in the United States is 8.4, while Navajos probably average 0.9 of 1 year.

Information available indicates that there has been very little expansion in Navajo school capacity during the 10-year period ending in July 1946. Likewise, the average daily attendance in schools has not shown any great variation for the past 10 years, although the number of children of school age is growing rapidly. During the 1945–46 year, the Federal Government day and boarding schools on the reservation had a combined enrollment of 4,720 pupils. Federal Government day and boarding schools off the reservation reported 388 enrollees. Mission schools on and off the reservation enrolled 777 Navajo pupils. State schools were providing educational services for approximately 650 pupils.

From the limited information I have presented, it is apparent that within the confines of our own country exist a people whose needs are equal to and surpass the needs of many foreigners for whom we hear so many eloquent appeals.

The total amount available for all Navajo activities in the fiscal year ending 1945 exceeded $10,000,000. This amount includes earned Navajo income, as well as gratuity grants from the Federal Government. Nevertheless, as has been indicated, the Navajo per capita income is critically inadequate.

FEDERAL EXPENDITURES FOR EDUCATION

Let me present a year by year report of expenditures on the Navajo Reservation for education over the past 10 years as reported by the Federal Government:

TABLE I.—*Appropriations and expenditures for education on the Navajo Reservation during period 1937–47, and average daily attendance in the schools*

Year	Number of schools	Funds appropriated	Funds expended	Average daily attendance
1947	47	$1,509,617		
1946	43	1,083,608	$1,267,705	3,723
1945	43	959,630	1,221,194	3,939
1944	55	1,054,755	1,214,896	3,725
1943	55	1,070,980	1,008,536	3,639
1942	56	1,142,855	1,018,785	4,493
1941	56	1,143,680	1,077,016	4,329
1940	54	1,154,030	1,110,776	4,192
1939	56	1,246,655	1,123,666	3,416
1938	57	1,272,955	1,151,878	2,796
1937	56	1,210,250	1,217,51[illegible]	3,487

The figures just presented indicate that the average daily attendance for all Navajo schools over the past 10 years has been approximately 3,773. If the same average is maintained for daily attendance during the fiscal year just ending, there will have been an expenditure of $400 per student. Over the past 10 years we have averaged approximately $300 per Navajo pupil per year based on average daily attendance.

Furthermore, if we were to take the total of money expended during the last 10 years on education on the Navajo Reservation, the average expenditure per student would be far greater than the average amount expended on students throughout the United States generally. For example in the school year 1944–45 the United States average daily attendance in elementary and secondary schools was 19,671,398 pupils, with an average expenditure per pupil of $125.41. I call this to the attention of the Senate in order to show that even though the number of Navajo students attending school is comparatively very small, the average expenditure per student by the Indian Office considerably exceeds the average expenditure per student throughout the United States.

FOOD PART OF COST

It would appear that the type of education provided for these Navajos who do attend school should be of extremely high quality insofar as expenditures are concerned. This, however, is reportedly not the case. Much of the purported per capita cost is for food for the Indian student.

STUDY IS NECESSARY

Conditions on the Navajo Reservation are such as to require much more money in order to maintain schools equal to the rest of the United States. The wide discrepancy between the amount needed to educate a Navajo and to educate other citizens of the country is so great that a complete study of Indian education should be made.

It can be easily seen that if the other 13,500 Navajo children are to be placed in school at a yearly cost of $300 to $400 per student, the cost on the Navajo Reservation alone would be tremendous. If the 13,500 Navajo children now denied education are to receive a minimum of school training we must appropriate an additional $5,000,000 directly to the Navajcs.

I am not presenting these figures as a basis upon which to argue for reduction of expenditures on Navajo education. On the contrary, I am convinced that this Government is obligated to do more for the Navajo Indians, but I am concerned with the heavy expenditures per pupil as compared with average per pupil expenditure in our public schools.

RECEIVE SMALL COMPARATIVE SHARE OF MONEY

Even though per pupil expenditure as based on average daily school attendance is high, other phases of Navajo economy have received comparatively small amounts of money. Reliable sources of information reveal that the Navajo Indians number approximately one-sixth of the total Indian population of the United States living on Indian reservations, but they receive about one-twelfth of the Indian Office appropriation. On a per capita basis, in 1940 the Indian Office averaged $126 yearly expenditure per Indian. The Navajo yearly expenditure was $64.

In the field of relief, in 1944 the Indian Office spent an average of $2.60 per California Indian in addition to the benefits the California Indian received under social security. In the same year, the Navajo Indians not eligible for social security benefits averaged 50 cents per capita for relief from the Indian Office.

The following figures from the fiscal years 1938 through 1945 will give some insight into Navajo expenditures:

TABLE II.—*Appropriations for the Office of Indian Affairs together with appropriations for the Navajo Indian Agency for selected years*

Fiscal year	All agencies	Navajo
1938	$43,092,691.00	$3,954,150.00
1940	44,263,905.60	3,919,145.00
1941	45,409,363.00	3,514,668.00
1942	48,941,061.53	3,670,750.51
1943	40,669,671.48	3,007,644.69
1944	31,775,143.70	2,871,196.70
1945	35,246,325.23	2,925,395.27

Money spent on the Navajo reservation has consistently decreased since 1938. Emergency expenditures also have decreased with curtailment of the CCC and other Federal agencies.

HAVE OBLIGATION TO NAVAJO

I feel that our obligation to the Navajo Indians is much greater than our obligation to feed and care for people not living within our country. Nevertheless, our obligation to the Navajos has a parallel obligation to the American taxpayer. We should make sure that every dollar expended is effective in promoting the advancement of the Navajo Indians. It is possible that much of the money which should be going directly to help the Indian is being siphoned into unnecessary personnel and Bureau expenditures. It is likely that a more fair distribution of Indian Office appropriations may be needed.

The conditions on the Navajo Reservations are serious and from a study of available information it appears that a complete study of that reservation should be made by the

Congress of the United States in conjunction with the States of Arizona and New Mexico.

I am amazed at appeals which come to me requesting support for foreign peoples who are comparatively in better economic condition than the Navajo people. I am in favor of diverting some of the requested aid to underprivileged American people, the Navajos.

LEGAL GUARDIAN OF GLENNA J. HOWREY

Mr. WILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert "$1,000"; and the House agree to the same.

E. H. MOORE,
JOHN S. COOPER,
J. HOWARD MCGRATH,
Managers on the Part of the Senate.

JOHN JENNINGS, Jr.,
ALBERT L. REEVES, Jr.,
FADJO CRAVENS,
Managers on the Part of the House.

Mr. WILEY. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

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

There being no objection, the Senate proceeded to consider the report.

Mr. HATCH. Mr. President, will the Senator explain the report?

Mr. WILEY. It is a report on a bill as to which the Senate allowed $500 and the House allowed $1,500; and the conferees have agreed on $1,000. It is a private bill.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

ORDER OF BUSINESS

Mr. WHITE. Mr. President, I move that the Senate stand in recess until 12 o'clock noon——

Mr. WILEY. Mr. President, will the Senator withhold the motion and yield to me, for a moment.

Mr. WHITE. I yield.

Mr. WILEY. There is a private immigration bill which the House has passed and has sent to the Senate, and which the Senate Judiciary Committee has reported.

Mr. WHITE. Mr. President, there are numerous bills in a similar situation.

Mr. WILEY. This measure is an immigration bill which calls for special treatment.

Mr. WHITE. Treatment on the bill is not required tonight; is it?

Mr. WILEY. I think it would be better if the Senate were to dispose of the bill at this time. Therefore I wish to ask unanimous consent for that purpose.

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

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Is not the pending business the calendar, by unanimous consent?

The PRESIDENT pro tempore. The Senator is correct.

Mr. WHERRY. It would be necessary to displace that order to get the unanimous consent requested by the Senator. Cannot the Senator take the matter up tomorrow, before we proceed with the calendar?

Mr. WILEY. Of course I could take it up.

The PRESIDENT pro tempore. The Senator could take it up if he could get the consent of the Senate, and not otherwise.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. Might not the Senator from Wisconsin finish his statement as to what the bill is about?

The PRESIDENT pro tempore. The Senator from Maine has the floor. Does he yield further to the Senator from Wisconsin?

Mr. WHITE. I decline to yield for that purpose.

Mr. WILEY. Very well.

RECESS

Mr. WHITE. I renew my motion that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 1 minute p. m.) the Senate took a recess until tomorrow, Wednesday, July 23, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 22 (legislative day of July 16), 1947:

UNITED STATES MARSHAL

Charles M. Eldridge, of Rhode Island, to be United States marshal for the district of Rhode Island, vice Neale D. Murphy, resigned.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion.

To be colonels

Lt. Col. Manly Broadus Gibson, Coast Artillery Corps (temporary colonel).

Lt. Col. John Harold Keatinge, Field Artillery (temporary colonel).

Lt. Col. George Allan Miller, Infantry (temporary colonel).

Lt. Col. Stockbridge Carleton Hilton, Field Artillery (temporary colonel).

Lt. Col. William Russell Philp, Field Artillery (temporary colonel).

Lt. Col. George Anthony Horkan, Quartermaster Corps (assistant to the Quartermaster General with rank of brigadier general).

Lt. Col. Charles Herman Unger, Cavalry (temporary colonel).

Lt. Col. Vennard Wilson, Cavalry (temporary colonel).

Lt. Col. Lewis Anderson Page, Infantry (temporary colonel).

Lt. Col. Alexander Oscar Gorder, Infantry (temporary brigadier general).

Lt. Col. Geoffrey Marshall, Chemical Corps (temporary colonel).

Lt. Col. Edward Maynard Fickett, Cavalry (temporary colonel).

Lt. Col. John Francis Roehm, Field Artillery (temporary colonel).

Lt. Col. Milo Victor Buchanan, Infantry (temporary colonel).

Lt. Col. Wilbur Reece McReynolds, Quartermaster Corps (temporary colonel).

×Lt. Col. Howell Redd Hanson, Field Artillery (temporary colonel).

Lt. Col. George Robert Hayman, Field Artillery (temporary colonel).

Lt. Col. Howard Everett Camp, Field Artillery (temporary colonel).

Lt. Col. James Couzens Van Ingen, Signal Corps (temporary colonel).

Lt. Col. Fred Currie Milner, Adjutant General's Department (temporary colonel).

Lt. Col. Charles Frost Craig, Infantry (temporary colonel).

×Lt. Col. Lloyd Smith Partridge, Field Artillery (temporary colonel).

Lt. Col. Karl Eugene Henion, Infantry (temporary colonel).

Lt. Col. Russell J. Potts, Infantry (temporary colonel).

Lt. Col. William Hoover Craig, Infantry (temporary colonel).

Lt. Col. Levi Monroe Bricker, Ordnance Department (temporary colonel).

Lt. Col. James Gaulding Watkins, Field Artillery (temporary colonel).

Lt. Col. Christopher Columbus Strawn, Quartermaster Corps (temporary colonel).

Lt. Col. William Fulton Magill, Jr., Infantry (temporary colonel).

Lt. Col. Alfred Joseph de Lorimier, Cavalry (temporary colonel).

Lt. Col. Everett Busch, Quartermaster Corps (temporary colonel).

Lt. Col. James Taylor, Infantry (temporary colonel).

Lt. Col. Frank Joyce Pearson, Infantry (temporary colonel).

Lt. Col. Peter J. Lloyd, Infantry (temporary colonel).

Lt. Col. Theodore Morton Cornell, Infantry (temporary colonel).

Lt. Col. Paul Vincent Kellogg, Quartermaster Corps (temporary colonel).

Lt. Col. Herbert Ludwell Earnest, Cavalry (temporary major general).

Lt. Col. Charles Spurgeon Harris, Coast Artillery Corps (temporary colonel).

Lt. Col. Arthur Richard Walk, Infantry (temporary colonel).

Lt. Col. Leslie Egner Toole, Infantry (temporary colonel).

Lt. Col. Paul Wolcott Rutledge, Coast Artillery Corps (temporary colonel).

Lt. Col. Ray Tyson Maddocks, Cavalry (temporary brigadier general).

×Lt. Col. Cecil Leland Rutledge, Infantry (temporary colonel).

Lt. Col. John Orland Lawrence, Cavalry (temporary colonel).

Lt. Col. John Johnson Albright, Infantry (temporary colonel).

Lt. Col. Alexander Adair, Infantry (temporary colonel).

Lt. Col. Harry John Collins, Infantry (temporary major general).

Lt. Col. James Van Valkenburgh Shufelt, Cavalry (temporary colonel).

Lt. Col. Henry Paul Hallowell, Infantry (temporary colonel).

Lt. Col. Hobart Raymond Gay, Cavalry (temporary brigadier general).

×Lt. Col. Thomas Jeffries Betts, Coast Artillery Corps (temporary colonel).

Lt. Col. Buhl Moore, Field Artillery (temporary colonel).

Lt. Col. Mordaunt Verne Turner, Cavalry (temporary colonel).

Lt. Col. Norman E. Waldron, Quartermaster Corps (temporary colonel).

Lt. Col. Adrian Robert Brian, Infantry (temporary colonel).

Lt. Col. Burton Loren Lucas, Infantry (temporary colonel).
Lt. Col. Morris Clinton Handwerk, Coast Artillery Corps (temporary colonel).
Lt. Col. George Stephen Wear, Infantry (temporary colonel).
Lt. Col. Walter Throckmorton Scott, Infantry (temporary colonel).
Lt. Col. John Wilson O'Daniel, Infantry (temporary major general).
×Lt. Col. John Gilbert White, Field Artillery (temporary colonel).
Lt. Col. Stanley Joseph Grogan, Infantry (temporary colonel).
Lt. Col. Leonard Roscoe Crews, Coast Artillery Corps (temporary colonel).
Lt. Col. Warner Beardsley Gates, Air Corps.
Lt. Col. Thomas Bennett Woodburn, Adjutant General's Department (temporary colonel).
Lt. Col. Charles William Higgins, Coast Artillery Corps (temporary colonel).
Lt. Col. Stanley French Griswold, Infantry (temporary colonel).
Lt. Col. Edmund Jones Lilly, Jr., Infantry (temporary colonel.)
Lt. Col. Charles Edward Dissinger, Cavalry (temporary colonel).
Lt. Col. Cornelius Edward Ryan, Infantry (temporary brigadier general).
Lt. Col. Thomas Francis Bresnahan, Infantry (temporary brigadier general).
Lt. Col. Samuel White, Field Artillery (temporary colonel).
Lt. Col. Gilman Kimball Crockett, Infantry (temporary colonel).
Lt. Col. Wallace Alan Mead, Infantry (temporary colonel).
Lt. Col. Evans Read Crowell, Coast Artillery Corps (temporary colonel).
Lt. Col. Robinson Earl Duff, Infantry (temporary brigadier general).
Lt. Col. Irvine Callander Scudder, Infantry (temporary colonel).
Lt. Col. James Chester Bates, Coast Artillery Corps (temporary colonel).
Lt. Col. Harry Edmund Pendleton, Coast Artillery Corps (temporary colonel.)
×Lt. Col. Paul Samuel Beard, Finance Department (temporary colonel).
Lt. Col. Edwin Allan Smith, Infantry (temporary colonel).
Lt. Col. Floyd C. Harding, Quartermaster Corps (temporary colonel).
Lt. Col. James Montagu Adamson, Quartermaster Corps (temporary colonel).
Lt. Col. Frank Albert Allen, Jr., Cavalry (temporary colonel).
Lt. Col. Bernard Franklin Hurless, Infantry (temporary colonel).
Lt. Col. Guy Orth Kurtz, Field Artillery (temporary colonel).
Lt. Col. Louis Joseph Compton, Field Artillery (temporary colonel).
×Lt. Col. Arthur Breckinridge Wade, Field Artillery (temporary colonel).
Lt. Col. John Hurst Rodman, Infantry (temporary colonel).
×Lt. Col. Thomas Wade Herren, Cavalry (temporary brigadier general).
Lt. Col. William Emanuel Goe, Quartermaster Corps (temporary colonel).
Lt. Col. Alexander Bull MacNabb, Cavalry (temporary colonel).
Lt. Col. William Leonard Ritter, Infantry (temporary colonel).
Lt. Col. Kendall Jordan Fielder, Infantry (temporary colonel).
Lt. Col Hugh Donald Adair, Infantry.
Lt. Col. Joseph Robbins Bibb, Field Artillery (temporary colonel).
Lt. Col. Russell Conwell Snyder, Field Artillery (temporary colonel).
Lt. Col. James Tolmie Watson, Jr., Signal Corps (temporary colonel).
Lt. Col. Eugene Hill Mitchell, Infantry (temporary colonel).
×Lt. Col. John Wesley Russey, Field Artillery.
Lt. Col. James Dennett McIntyre, Ordnance Department (temporary brigadier general).
Lt. Col. Bryan Lee Milburn, Coast Artillery Corps (temporary colonel).
×Lt. Col. Nyal L. Adams, Coast Artillery Corps (temporary colonel).
Lt. Col. Virgil Norberto Cordero, Infantry (temporary colonel).
×Lt. Col. Walter Shea Wood, Infantry (temporary colonel).
×Lt. Col. William Henry Quarterman, Field Artillery (temporary colonel).
×Lt. Col. Benjamin Brandon Bain, Infantry (temporary colonel).
Lt. Col. Stanton Louis Bertschey, Field Artillery (temporary colonel).
Lt. Col. Cheney Litton Bertholf, Adjutant General's Department (temporary colonel).
×Lt. Col. Ellsworth Young, Coast Artillery Corps (temporary colonel).
Lt. Col. Edward Reese Roberts, Field Artillery (temporary colonel).
Lt. Col. Albert Hugh Dumas, Infantry (temporary colonel).
Lt. Col. Robert Porter Bell, Infantry (temporary colonel).
Lt. Col. Edwin William Piburn, Infantry (temporary brigadier general).
Lt. Col. Kenneth Stoddard Whittemore, Infantry (temporary colonel).
Lt. Col. Jerry Vrchlicky Matejka, Signal Corps (temporary brigadier general).
Lt. Col. Frank Huber Partridge, Infantry (temporary colonel).
×Lt. Col. Derrill deSaussure Trenholm, Field Artillery.
Lt. Col. Michael Edmond Halloran, Infantry (temporary colonel).
Lt. Col. Carl Julian Dockler, Cavalry (temporary colonel).
Lt. Col. Milton Heilfron, Coast Artillery Corps.
×Lt. Col. Olin Coke Newell, Cavalry (temporary colonel).
Lt. Col. Paul Steele, Infantry (temporary colonel).

NOTE.—Dates of rank are omitted from this nomination. The nominees will be given dates of rank appropriate to the vacancies they will fill. The dates of rank are omitted in order to assure that the officers may be promoted to fill the vacancies on the proper date. If any of these officers should retire or die prior to promotion it would necessitate renominating the remaining officers in order to change their dates of rank to correspond with the vacancies.

IN THE NAVY

Rear Adm. Thomas L. Gatch, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

IN THE ARMY

The following-named persons, under the provisions of an act of Congress approved April 16, 1947 (Public Law 36, 80th Cong.), for appointment in the Regular Army in the Army Nurse Corps, in the grade specified, with date of rank to be determined by the Secretary of War pursuant to provisions of the mentioned act. These officers have been selected to fill existing vacancies in the grades for which they are nominated, and appointment in these grades will not act to exceed the number of positions authorized for such grades.

To be captains

Pauline E. Adams, N724078.
Lois H. Alfred, N703039.
Edith A. Aynes, N702750.
Mescal Baker, N702896.
Carrie E. Barrett, N702856.
Mary C. Bateman, N702880.
Martha L. Benston, N703913.
Irene C. Blochberger, N702966.
Ruby G. Bradley, N702770.
Marie E. Bradsher, N726626.
Eileen W. Brady, N702681.
Margaret N. Brannon, N702777.
Minnie L. Breese, N702914.
Margaret M. Bresnahan, N726000.
Kilie E. Bridger, N702758.
Ruby F. Bryant, N702771.
Nora P. Capps, N702430.
Minnie L. Carr, N702899.
Beatrice E. Chambers, N703354.
Margaret A. Creedon, N703851.
Thelma Crowell, N703092.
Mary K. Cuppy, N702845.
Caroline Davis, N703582.
Kathryn L. Dollason, N702897.
Eileen E. Donnelly, N702935.
Fannie C. Easley, N702634.
Alma O. Eidsaa, N736013.
Sara W. Entrikin, N702918.
Claretta Evans, N703808.
Frances Ewing, N702648.
Dorothy B. Fels, N722154.
Catherine M. Flatley, N702785.
Mary M. Flowers, N730314.
Lillian C. Girarde, N703461.
Laura E. Goodale, N702763.
Alice E. Greenawalt, N702865.
Edith S. Grimes, N702837.
Francis C. Gunn, N702741.
Margaret Harper, N736343.
Kathleen Harris, N702842.
Inez Haynes, N702718.
Bernice M. Hill, N702658.
Priscilla C. Hill, N703746.
Lorena Hoffman, N702895.
Luluah Y. Houseknecht, N730175.
Virginia Hughes, N703345.
Rhoda U. Jahr, N703290.
Naomi J. Jensen, N702632.
Elizabeth N. Johnson, N702768.
Katharine V. Jolliffe, N702532.
Doris A. Kehoe, N702816.
Laura C. Kelley, N702540.
Clara M. Kiely, N703302.
Marguerite M. Klein, N703004.
Anna Koltvet, N703472.
Helen A. Kornfeind, N703377.
S. Margaret Kowaleski, N730182.
Marilyn Kroll, N702931.
Agnes E. Kutac, N702686.
Harriet G. Lee, N703313.
Mary G. Lohr, N702907.
Margaret L. Lomen, N703602.
Agatha M. Martin, N702882.
Isabelle A. C. Mason, N703721.
Dorothy L. Matlock, N703561.
Pauline E. Maxwell, N703392.
Zita L. McCloskey, N703123.
Daisy M. McCommons, N702872.
Inez V. McDonald, N702933.
Hortense E. McKay, N702838.
Kathleen L. McNulty, N702800.
Elizabeth E. Mettie, N728218.
Helen E. Miller, N702862.
Anna E. Miser, N732020.
Eileen K. Murphy, N702949.
Ruth S. Murphy, N704101.
Frances L. Nash, N702827.
Esther V. Newkirk, N703731.
Lucile Newton, N703678.
Dorothy J. Odell, N730008.
Lily M. Ogden, N703208.
Marie L. Pace, N700552.
Ida E. Peschon, N702839.
Jeaninne H. Peterson, N736511.
Isa G. Pifer, N702782.
Helen Porter, N703385.
Mary F. Prucha, N702603.
Erma J. Rabou, N702819.
Clara M. Rachuig, N703247.
Ida S. Rider, N703122.
Rowena G. Roach, N703308.
Alice J. Robbe, N702736.
Miron L. Robbins, N702941.
Miriam C. Schaupp, N726364.
Ruth M. Schwing, N702805.
Vera F. Shaw, N702938.
Edith L. Shutt, N703523.
Ada M. Simpson, N702610.
Helene F. Sorensen, N702675.
Pearl Spearnak, N702873.
Helen A. Stack, N703024.

Mary M. Steppan, N703082.
Katrine F. Stone, N703196.
Mabel G. Stott, N702712.
Ruth M. Straub, N702908.
Anna C. Sweeny, N724481.
Edna Traeger, N702677.
Mildred Turner, N702925.
Cathern M. Ullom, N702590.
Madeline M. Ullom, N703031.
Artie M. Ussery, N703987.
Audrey Van Zandt, N702932.
Alice N. Waddill, N722326.
Mary M. Wagener, N703620.
Edith M. Wimberly, N703069.
Dora E. Witte, N734488.
Kathryn G. Witter, N702716.
Marian York, N 702451.
Dorothy N. Zeller, N702879.
Verena M. Zeller, N702847.

To be first lieutenants

Gertrude F. Allen, N703431.
Katherine V. Allen, N703728.
Virginia E. Anderson, N703621.
Myrtle E. Arndt, N703482.
Elizabeth Artz, N703926.
Lillie Avirett, N703991.
Mary C. Axmann, N703672.
Rosalie Bacior, N703829.
Mary E. Baggett, N703206.
Louise Bainbridge, N703389.
Ann B. Bakalar, N704024.
Katherine Ball, N703396.
Grace I. Bender, N728509.
Maude Benedict, N703115.
Anne A. Benton, N703049.
Bonnie J. Best, N704125.
Margaret N. Bishop, N736179.
Edith I. Blennerhassett, N720321.
Catherine G. Boles, N736192.
Mary R. Bonner, N703557.
Betsy Bradford, N720121.
Aileen E. Brimmer, N704070.
Juanita M. Bronson, N703183.
Frances L. Bryant, N703144.
Muriel Burchfield, N703460.
Lottie B. Burk, N703815.
Barbara P. Burnham, N704105.
Grace I. Burrus, N725062.
Ethel Burton, N722437.
Sara C. Butts, N703163.
Laura P. Byrne, N703444.
Helen E. Cameron, N703635.
Lilah M. Cameron, N703282.
Ruth L. Cameron, N704095.
Violet R. Campbell, N703159.
Peggy G. Carbaugh, N722000.
Eva L. M. Carter, N726533.
Eleanor Cassidy, N704137.
Jane C. Chadwick, N730019.
Rebecca Chamberlin, N703707.
Ruth E. Church, N730312.
Elsie M. Clise, N703619.
Barbara A. Clymer, N703770.
Madeleine D. Cochick, N703758.
Ethel Barbara Colahan, N724648.
Florence B. Combs, N703395.
Florence T. Connell, N703305.
Margaret E. Connor, N724079.
Hazel V. Cooley, N703914.
Catherine V. Coyne, N703221.
Ellen G. Crigler, N724018.
Lillie U. Crow, N703228.
Ruth L. Crowell, N704121.
Margaret P. Culbreth, N703440.
Lois B. Cullmann, N730015.
Elizabeth A. Darden, N702992.
Gertrude G. Davidson, N734348.
Kathleen E. Davis, N736753.
Bernice Y. Deason, N703414.
Grace Delaney, N728160.
Jewell Derryberry, N703012.
Lucretia M. de Schweinitz, N704009.
Grova N. Dickson, N734118.
Louise E. Dittmar, N703617.
Helen L. Doll, N704085.
Rhoda E. Donahoe, N730774.
Mary E. Donovan, N703280.
Kathryn M. Doody, N703477.
Annie M. Dorset, N724049.
Anna J. Dorsey, N728192.
Magdalene Drozd, N703109.
Mamie Dumas, N703309.
Claire P. Egan, N720151.
Naidene D. Evans, N703417.
Bessie Facuna, N703291.
Eleanor H. Faulk, N726369.
Ruth A. Fisher, N703420.
Hallie E. Fondren, N734156.
Marie E. Frese, N734259.
Marie C. Gaddis, N704039.
Florine T. Gallagher, N703243.
Mabel Galvin, N703875.
Helen L. Gardner, N703215.
Helen M. Garrison, N703355.
Julia F. Gawarecki, N722258.
Pauline H. Girard, N703489.
Rena M. Godwin, N703886.
Edith A. Graham, N703667.
Barbara A. Grass, N703732.
Pauline W. Grier, N703536.
Hortense S. Groh, N703107.
Revella Guest, N703126.
Estella M. Guilliams, N703566.
Martha C. Habib, N703276.
Louise M. Hackfort, N703137.
Geraldine C. Haglund, N726463.
Ruby M. Hammond, N704126.
Inez Harris, N702071.
Helen M. Heinrich, N703216.
Nellie L. Henley, N704097.
Helen M. Hennessey, N703674.
Elma E. Hennies, N732669.
Leona M. Henry, N703507.
Jane E. Herrin, N703718.
Irene S. Hertsgaard, N703920.
Sue I. Hester, N726232.
Estaiene L. Holloway, N703973.
Sarah B. Holmes, N728056.
Eugenia L. Holzknecht, N728067.
Hallie E. Hoover, N734199.
Frances L. Hubbard, N704083.
Maude A. Hudson, N703467.
Fay J. Hutton, N703517.
Ann T. Hyland, N704023.
Rose A. Iannotta, N703999.
Alberta T. Ingram, N703607.
Velma V. Jablunovsky, N704027.
Cecilia P. Jamula, N704093.
Bertha K. Janas, N704089.
Kazmiera A. Jeffer, N703210.
Leda E. Jelinek, N736274.
Bernice C. Johnsen, N736364.
Dorothy M. Johnson, N736820.
Mary E. Jones, N703922.
Florence E. Judd, N730212.
Katherine R. Jump, N724462.
Evelyn A. Kackman, N703888.
Theresa E. Kaufmann, N734427.
Alice E. Keisker, N722312.
Bertha I. Kellogg, N703865.
Evelyn A. Kelly, N703202.
Leila Kemp, N703831.
Josephine C. Kennedy, N720155.
Violet L. Keniston, N720224.
Blanche M. Kiernan, N703174.
Mary C. Kin, N730024.
Helen W. King, N703356.
Mary L. King, N703259.
Olive P. King, N722217.
Ruby L. Kinnaird, N732604.
Lois F. Kinnison, N703725.
Kathryn M. Kirkhoff, N724124.
Elizabeth A. Korn, N732117.
Dorothy E. Kraftschenk, N730460.
Sylvia May Kronemeyer, N730334.
Kathryn J. Kulig, N728134.
Marjorie W. Kydd, N703609.
Phyllis M. La Conte, N720507.
Marion L. Lamoreau, N703686.
Viola H. Laurie, N703869.
Mildred M. La Velle, N728072.
Frances I. Lay, N703161.
Beata M. Lieske, N703469.
Edna J. Linn, N703241.
Wealthy F. Litton, N703928.
Marie L. Lockhart, N704045.
Loretta L. Lokuta, N722137.
Esther M. Long, N734404.
Ruby E. McCain, N734492.
Iola R. McClellan, N703592.
Shirley M. McCorquodale, N703269.
Margaret M. McCray, N703903.
Dorothy R. McDermott, N703193.
Martha A. McFadden, N732133.
Sadie L. McGibboney, N703263.
Barbara R. McGill, N703948.
Mary A. McGill, N703785.
Marguerite M. McGrath, N730356.
Margaret J. McNulty, N720629.
Doris Maness, N703724.
Julia M. Martin, N703297.
Lorraine H. Martin, N703741.
Mary L. Martin, N736388.
Marian E. Martini, N736315.
Louise M. Mateer, N722585.
Helen G. Meikle, N703357.
Edith M. Mercer, N728467.
Elizabeth T. Merscher, N703372.
Dorothy L. Meyer, N703346.
Irene E. Micklick, N703603.
Annie M. Mills, N704111.
Marjorie Mirkin, N720501.
Jane E. Mobley, N703736.
Gladys Moore, N726197.
Lillian E. Moore, N703918.
Elsie Morgan, N704100.
Mary S. Morris, N703459.
Goldie Morrison, N703856.
Helen E. Morrison, N722138.
Doris V. Murchison, N704038.
Martha E. Nash, N703627.
Dorothy M. Newcomb, N703154.
Pearl G. Nicolls, N703081.
Evelyn M. Oberkirch, N722593.
Maureen P. O'Dwyer, N728114.
Lucille J. Orcutt, N703840.
Cora C. Overberger, N730339.
Philomena A. Pagano, N703390.
Jamie F. Palm, N722122.
Eunice P. Panzeri, N703963.
Mildred G. Parish, N732236.
Edna M. Parker, N726118.
Jean L. Parks, N736352.
Josephine C. Parrish, N703399.
Evelyn M. Patterson, N722105.
Macie E. Paul, N726061.
Phoebe M. Paul, N703409.
Florence M. Pecora, N704018.
Barbara H. Pensinger, N703817.
Sally M. Perkins, N703775.
Rosemary L. Perry, N704145.
Elizabeth A. Pesut, N703098.
Pauline F. Peterson, N732351.
Beatrice L. Pilgrim, N703932.
Flora V. Pittman, N703485.
Sarah M. Pollock, N703233.
Vivian R. Pool, N734250.
Katherine M. Powell, N736350.
Ethelyn M. Preecs, N703700.
Gladys E. Prestwood, N726184.
Margaret M. Price, N703325.
Cunegundes J. Przybilla, N703989.
Doris M. Quinn, N703825.
Jean C. Rancoilta, N704012.
Berneice B. A. Rappath, N732496.
Katherine C. Reed, N703734.
Mary F. Render, N703883.
Mary J. Reppak, N703227.
Marguerite C. Reutenauer, N703893.
Helen V. Richardson, N703710.
Edith V. Richman, N703541.
Martha Rifkin, N722674.
A. Inez Robinette, N726338.
Roberta M. Robinson, N703862.
Luella Rodenburg, N703651.
Agnes C. Roesle, N724000.
Theda W. Rogers, N703947.
Geraldine Rollins, N726337.
Josephine B. Rosicky, N704077.
Edna E. Ross, N703671.
Ramona M. Saar, N703957.
Wilma K. Sandberg, N703841.
Helen F. Sanderson, N704056.
Anna K. Schelper, N734048.
Elizabeth V. Schnebly, N703692.
Foy M. Scott, N703688.
Frances E. Scott, N734137.
Bernice M. Sebelien, N732628.
Marjorie Seekins, N720094.

Gertrude C. Seibert, N703568.
Azile Self, N703995.
Virginia M. Sessoms, N703162.
Elizabeth E. Shepherd, N703358.
Mary R. Sheppard, N726157.
Helen M. Shivers, N703792.
Gwendolyn M. Sickles, N734021.
Regina M. Sieleni, N703675.
Bernice C. Simmet, N730161.
Itaska Simmons, N734183.
Sophia C. Skiba, N724517.
Emma R. Smart, N703165.
Mildred E. Smith, N703465.
Agnes C. Sokol, N728353.
Grace H. Stakeman, N728577.
Joan M. Steen, N724900.
Mary F. Steuart, N703961.
LaVerne U. Stievenart, N703451.
Harriet A. Stover, N724314.
Kathryne C. Stuwe, N703419.
Marie E. Sutliff, N703649.
Alice O. Swenson, N703933.
Stella M. Sylak, N703535.
Ruth P. Taylor, N703178.
Madge M. Teague, N742092.
Mollie A. Tewell, N703496.
Jean D. Tewksbury, N730138.
Ida M. Thompson, N730080.
Joyce A. Thornton, N703895.
Elizabeth J. Thurness, N728169.
Evelyn F. Tinkle, N703542.
Margaret E. Tollefson, N703274.
Mary P. Toudouze, N734494.
Estelle M. Travers, N703213.
Ruth E. Tregea, N703203.
Marjory E. Truax, N722056.
Anne A. Tyler, N704019.
Eula M. Umbarger, N703866.
Mary T. Votava, N703436.
Joella Wallace, N703404.
Mary A. Ward, N703870.
Lelia H. Watson, N726335.
Ruth V. Watson, N720055.
Kathleen Waugh, N703108.
Betty J. Weddell, N703248.
Irene Wertenberger, N734489.
Ada V. Wester, N704146.
Gertrude E. Wuerdinger, N703590.
Mary H. White, N703427.
Geraldine Whitehurst, N703781.
Dorothy E. Whitsell, N703848.
Virginia M. Wickensheimer, N703511.
Kathryn H. Williams, N703366.
Margaret L. Willis, N703777.
Lucille A. Wilson, N722025.
Doris M. Yeasted, N703257.
Eunice F. Young, N703199.
Mary M. Younger, N703923.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 22, 1947

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunston-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou gracious Benefactor, who hast placed at our disposal all the blessings which are needed for each succeeding day, we pray that our minds and hearts may be encouraged by these assurances of Thy divine providence.

May those blessings become contributions in our hands with which we shall seek to meet more effectively the deep and desperate needs of mankind. May we have the mind and mood of the Master and daily authenticate the reality of His spirit within our souls by a life of service and sacrifice.

We pray that we may be coworkers with one another in lifting the nations of the earth into the loftier altitudes of amity and peace. May the civilization we are striving to build be one in which friendship prevails.

To Thy name we ascribe all the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3601) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 54 to the above-entitled bill; disagrees to the amendment of the House to the amendment of the Senate numbered 42; further inserts upon its amendments Nos. 1, 17, 18, 19, 42, 43, 50, and 59, and asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BROOKS, Mr. GURNEY, Mr. REED, Mr. BUSHFIELD, Mr. RUSSELL, Mr. HAYDEN, and Mr. TYDINGS to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

1. Department of Agriculture.
2. Department of Justice.
3. Department of War.
4. War Assets Administration.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 981) entitled "An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens."

CENTRAL VALLEY PROJECT

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, yesterday when the so-called Rockwell bill, H. R. 2873, was called on the Consent Calendar, its consideration was deferred upon request of the gentlemen from California [Mr. MCDONOUGH and Mr. PHILLIPS].

This bill in its original form was a barrier to further financing of the Central Valley project and other projects by the Federal Government. Due to the persistent efforts of a militant minority of the Committee on Public Lands, it is now the people's bill whereby the Central Valley and other projects can be financed; it will make possible annually the saving of 36,000,000 barrels of our fast-dwindling oil reserves, more than 10,000,000 barrels of which are now being used each year to develop electricity in the hydroelectric-power-producing State of California alone.

H. R. 2873 in its present form was unanimously reported to the House by the Committee on Public Lands and has the approval of the Department of the Interior.

TAXATION OF MUSICAL INSTRUMENTS AND PHOTOGRAPHIC APPARATUS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4259) to amend sections 3404 (d), 3406 (a) (4), and 3443 (a) (3) (A) (i) of the Internal Revenue Code.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. FORAND. Mr. Speaker, reserving the right to object, I have an amendment to the bill which I discussed with the gentleman from New York. I understand he is ready to accept it.

Mr. REED of New York. I accept it.

Mr. FORAND. I withdraw my reservation of objection, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, further reserving the right to object, we would like to know what this bill provides and what this amendment provides. It at least ought to be explained before we give unanimous consent to dispose of it.

Mr. REED of New York. The purpose of the bill is this: In 1942 Congress put a 25-percent tax on commercial photographic apparatus. It is the same as putting a tax on the saw or the chisel or the hammer that a carpenter uses with which he earns his daily bread. It is the highest war excise tax ever put on anything during the war. The result is that this tax has injured the commercial photographers and also the manufacturers of this apparatus. That is one approach to it.

The other purpose is to remove the war excise tax on musical instruments that are bought by religious or educational institutions. For instance, a small church may wish to buy an organ. The tax on a pipe organ under the present tax may be as high as $750. That is too much. Then, some of your schools have bands, and they buy these instruments for the children in these schools, and the idea is to take off the excise tax where the students buy them through the schools. These are the two propositions which are involved in the bill H. R. 4259 prior to the amendment now offered.

Mr. RANKIN. What does the amendment provide for?

Mr. FORAND. This amendment deals with the jewelry tax. It eliminates the tax on the first $25 on so-called jewelry which includes compacts, fountain pens, and other jewelry items enumerated in section 2400 of the Internal Revenue Code. You have two different types of compacts, for instance. Both are gold wash. One is tax exempt, and the other, because it has a small ornament on it,

is subject to excise tax. The same thing applies to hollow ware, fountain pens, pencils, things that the average person uses every day in the week. They have been classified as jewelry and subject to this tax because of the necessity of raising funds during the war.

Mr. RANKIN. Was this bill considered by the full Committee on Ways and Means?

Mr. FORAND. It was.

Mr. REED of New York. This is a unanimous report.

Mr. RANKIN. And there is no opposition to it?

Mr. FORAND. Not so far as I know.

Mr. RANKIN. And the purpose of the gentleman's amendment now is to add another classification?

Mr. FORAND. Yes. My amendment takes in jewelry, because modern jewelry today is something that every woman needs to add to her dress. It is a shame that they have to pay a 20-percent tax on those items.

Mr. RANKIN. Has that amendment been submitted to the other members of the Committee on Ways and Means?

Mr. FORAND. Practically every one of them; everyone we have been able to reach, and everybody has agreed. The Speaker, the majority leader, and the minority leader have also been consulted.

Mr. RANKIN. I will be frank with the gentleman; the man paying the highest tax in America today is the American farmer. It seems that he is the forgotten man these days. I do not care to fly in the face of the Committee on Ways and Means, but it seems to me that we ought to take up a general tax bill instead of doing it piecemeal.

Mr. FORAND. This tax bill will do a favor to the people of low income and will be helpful to all the workers in the jewelry trade.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. In this bill, do you take off all taxes on jewelry?

Mr. FORAND. On the first $25 of expensive jewelry. It takes the tax off all the so-called low-cost or costume jewelry, imitations, and so forth, that are classified now as jewelry.

Mr. RICH. They pay the tax, then, on anything over $25?

Mr. FORAND. They definitely do. When it gets over $25, it is considered a luxury. Below $25 it is considered a necessity.

Mr. RICH. Will there be no tax on photographic supplies?

Mr. REED of New York. Yes; absolutely. This is only on commercial cameras; that is all.

Mr. RICH. Does it take in any price camera? If a man wants to pay $75, is there any tax on that camera? Will that eliminate all the tax on cameras?

Mr. REED of New York. No; certainly not; only those weighing over 4 pounds, and that does not include the lens.

Mr. RICH. Who would carry a 4-pound camera?

Mr. REED of New York. These are commercial cameras. They are the stock in trade of the commercial photographers. Taxing them would be just the same as if you taxed the saw of a carpenter.

Mr. RICH. Have you discussed this with the President? He has been vetoing these tax bills. What do you think he will do with this? Do you think you have an opportunity to get this tax bill through?

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3404 (d) of the Internal Revenue Code (relating to manufacturers' excise taxes on musical instruments) is hereby amended to read as follows:

"(d) Musical instruments, but the tax imposed by this section shall not apply to musical instruments sold for the use of any religious or nonprofit educational institution for exclusively religious or educational purposes. The right to exemption under this subsection shall be evidenced in such manner as the Commissioner, with the approval of the Secretary, may prescribe by regulations."

SEC. 2. Section 3443 (a) (3) (A) (1) of the Internal Revenue Code (relating to credits and refunds) is hereby amended to read as follows:

"(1) Resold for the exclusive use of any State, Territory of the United States, or any political subdivision of the foregoing, or of the District of Columbia, or, in the case of musical instruments embraced in section 3404 (d), resold for the use of any religious institution for exclusively religious purposes."

SEC. 3. Section 3406 (a) (4) of the Internal Revenue Code is amended to read as follows:

"(4) Photographic apparatus: Cameras (except X-ray cameras and cameras weighing more than 4 pounds, exclusive of lens and accessories), and un-exposed amateur photographic roll films for still cameras and motion-picture cameras, 10 percent. For the purpose of this paragraph roll film less than 150 feet in length (or less than 25 feet if 30 millimeters or more wide) shall be considered amateur film and any person who purchases unexposed photographic roll film more than 150 feet in length (or more than 25 feet in length if 30 millimeters or more wide) and resells such unexposed film in shorter lengths shall be considered the manufacturer of film so resold."

SEC. 4. The amendments made by sections 1 and 2 of this act shall be applicable with respect to sales made after the date of enactment of this act.

SEC. 5. The amendment made by section 3 of this act shall become effective on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

With the following committee amendment:

Page 2, line 12, strike out "institution for exclusively religious purposes" and insert "or nonprofit educational institution for exclusively religious or educational purposes."

The committee amendment was agreed to.

Mr. FORAND. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND: After line 6 on page 3, insert the following new section to be numbered section 4, and renumber existing sections 4 and 5, sections 5 and 6 respectively; the new section 4 to read as follows:

"SEC. 4. (a) Section 2400 of the Internal Revenue Code is amended by adding the following sentence at the end thereof: 'The tax imposed by this section shall not apply to the first $25 of the price for which any article described herein is sold.'

"(b) The amendment made by this section shall be effective upon the first day of the month following enactment of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ELSAESSER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by Henry C. Link entitled "How To Sell America to the Americans." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, who is Mr. Link?

Mr. ELSAESSER. Mr. Link is president of the Psychological Corp. It is a very good statement.

Mr. RICH. Reserving the right to object, Mr. Speaker, if that article will sell America to the Members of Congress so that we will take care of America instead of all the world, I think it is well worth the money.

Mr. RANKIN. In what was that article published?

Mr. ELSAESSER. The United States Investor.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an article by Fred Brenckman relating to communism.

PANAMA CANAL

Mr. POTTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POTTS. Mr. Speaker, under an act of the Seventy-ninth Congress the Governor of the Panama Canal was directed to make a comprehensive review and study of Panama Canal expansion needs. Under the act he is required to report to the Congress through the Secretary of War and the President not later than December 31, 1947. The guesses are that the improvements will run all the way from $200,000,000 to $2,700,000,000. In contemplation of the Governor's report, the Subcommittee on the Panama Canal of the Committee on Merchant Marine and Fisheries, of which subcommittee I have the honor to be chairman, proceeded to the Canal in April of this year. As a result of that visit, the committee has filed its report with the House. It is Report No. 781. Anyone who is

interested in the history and background of the Canal and its contemplated improvements, running all the way from the present lock-level canal to a sea-level canal, will find it of tremendous interest.

EXTENSION OF REMARKS

Mr. ARENDS asked and was given permission to extend his remarks in the record.

INDONESIA

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the people of the United States and the people of the world must be appalled at the display of force now being employed in Java against the colonial peoples there and which is called police action.

The United Nations Charter in chapter XI deals with the relationships between the colonial powers and their non-self-governing peoples. It certainly seems that the Netherlands should have explored fully the possibilities of using the United Nations machinery to correct the situation in which it found itself, before resorting to military action. The least that could be done now is that the Dutch Nation should explain to the people of the United States and to the people of the world exactly why the use of force was required. The understanding of the peoples of the world should be clear, that the Netherlands, itself a small nation just relieved from the distress of occupation, is not willingly bypassing its first real opportunity to proceed under the United Nations Charter with respect to a non-self-governing territory.

ARCHBISHOP ALOYSIUS STEPINAC, OF YUGOSLAVIA

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, I do not believe that it should be necessary for me to recite to the Members of the House all of the particulars of the persecution and sham trial of Archbishop Aloysius Stepinac, of Yugoslavia.

The freedom-loving people of the world who respect all religions have been profoundly shocked at the harsh, unjust, and inhuman treatment that has been given to this great and humane priest. Long study by disinterested non-Catholic investigators and students of the actions of Archbishop Stepinac, as well as the persecution which was called a trial, has brought to light one of the most vicious conspiracies against Christianity that this world has ever seen. The entire record as compiled by these disinterested observers shows that the archbishop's life and motives, both during the war and in the troublesome period thereafter, were inspired and motivated by deep Christian principles, mainly, "Love thy neighbor as thyself."

In those hard, trying, and desperate days he was the sole source of refuge for the people of all faiths and political beliefs in his country. He gave shelter to all who were oppressed, regardless of their religious or political beliefs. He was the solitary island of sanity and peace in a wildly confused nation. He was guilty of no sin other than his recognition of the dignity of man and the necessity of preserving mankind's body and soul.

My colleague the gentleman from New York, Hon. JOHN J. ROONEY, has introduced a resolution into this House asking that the Congress and the President of the United States, through diplomatic channels, formally and vigorously protest to the Government of Yugoslavia the unjust incarceration of this saintly man and 16 of his brother priests.

Our Nation has just completed a great and cruel war. One of the alleged "four freedoms" for which we fought was freedom of religion. The nation Yugoslavia would not exist except for the free flow of American blood and American dollars during that conflict. Are we to learn now that that war was in vain and that the godless, atheistic hordes have prevailed over the forces of the Lord? Is recognized civilization to be sacrificed by Tito and his mob who consider man soulless and who feel that his body exists merely for their nefarious uses? Are these perverters of decency to be permitted to destroy the forces of good without challenge by governments which call themselves Christian?

This Congress is in its closing hours and I address myself particularly to the chairman of the Foreign Affairs Committee of this House and also to the members of the committee.

Gentlemen of the committee, there is ample time to act in the next few days. The people of all faiths residing in this country are looking to you for positive and immediate action in this case. In is your duty to report this bill out to the House so that we may have an affirmative vote showing the Nation's displeasure to the Yugoslavian Government. If you fail to act, I then ask all of the Members of the House, regardless of political party and regardless of faith to sign discharge petition No. 5 so that we may discharge the Foreign Affairs Committee from consideration of the Rooney resolution and take immediate action ourselves.

Gentlemen of the House, the petition lies on the Speaker's desk. It is my sincere hope that each and every one of you will see fit to affix your signature so that the world may know that this Nation honestly and sincerely believes in real liberty, the liberty that recognizes every man's right to worship his God according to his own conscience.

SPECIAL ORDER GRANTED

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and at the conclusion of special orders heretofore entered I may address the House for 15 minutes on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMERICA, HOLLAND, AND THE UNITED NATIONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and 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, it comes with poor grace for the gentleman from New York [Mr. JAVITS] to be attacking the Dutch Empire with reference to one of its colonial possessions after the fiasco that he went through here yesterday in sticking the nose of Congress into the affairs of the various sovereign States of this Union.

Another thing, it is not up to the Congress of the United States, and it is not up to the United Nations to be meddling in the internal affairs of every country in the world. That is exactly what we do not want.

I know there are some people who are clamoring to make the United States subordinate to the United Nations, to make us a subsidiary, if you please. They are preaching all over the country—they want to destroy the United States and set up this super-government, this Tower of Babel, with its confusion of tongues, to control our internal affairs.

No, as long as the Dutch Empire owns Indonesia, it is none of our business what transpires there, and as long as the United States flag flies over this country it is our business as to what happens here. And as long as we maintain the several States of the Union it is the business of the several States as to what happens, so far as their internal affairs are concerned and so far as State sovereignty is concerned.

So I submit that it comes with poor grace indeed from the gentleman from New York [Mr. JAVITS] after supporting that monstrosity on yesterday to arise here and attempt to speak for the United States in attacking Holland, a friendly country.

The SPEAKER. The time of the gentleman from Mississippi has expired.

APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE, 1948

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DIRKSEN, PLUMLEY, H. CARL ANDERSEN, HORAN, PHILLIPS of California, CANNON, SHEPPARD, and WHITTEN.

EXTENSION OF REMARKS

Mr. HARTLEY asked and was given permission to extend his remarks in the RECORD and include an editorial from the United States News by David Lawrence.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD.

Mr. FOLGER asked and was given permission to extend his remarks in the RECORD and include some extraneous matter.

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD.

INCOME-TAX LIABILITY OF MEMBERS OF THE ARMED FORCES DYING IN THE SERVICE

Mr. JENKINS of Ohio. Mr. Speaker, I am instructed by the Committee on Ways and Means to ask unanimous consent for the immediate consideration of the bill (H. R. 479) relating to the income-tax liability of members of the armed forces dying in the service.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

Mr. FORAND. Mr. Speaker, reserving the right to object, and I shall not object, I am heartily in favor of this bill, but I think the gentleman from Ohio should make some explanation of it. It is doing simple justice to some veterans' families.

Mr. JENKINS of Ohio. Mr. Speaker, this bill seeks to do two things. Both of these propositions have been unanimously approved by the unanimous vote of the Ways and Means Committee. Likewise, they have been approved by the Treasury.

In the first place, this bill seeks to correct an oversight which has been brought out as the law has been administered.

Under the present law, all the income taxes of a man in the armed services are remitted if he should die in the service and any taxes that he paid during the time he was in the service after Pearl Harbor are refunded to his estate. The present law does not provide for a rebate of any taxes that his estate or his family may have paid for him. This bill which I am asking to be passed provides that the taxes shall be refunded to anyone who might have paid them for the deceased serviceman. This is only doing the fair and equitable thing.

The second provision is that a time limit is fixed as to this plan of refunding taxes. Under the present law this practice of refunding these taxes shall continue until the President declares the war to be terminated. Instead of waiting for the President to take this action, this bill fixes the date as January 1, 1948. In other words, if any serviceman dies in the service after January 1, 1948, his estate will be compelled to pay all accrued taxes. The Treasury favors this provision of the bill because under the present law there are some servicemen who do not pay their taxes for they take the chance of having their estate relieved of making this payment in case they die in the service.

I think that under the circumstances this is a bill which should be passed immediately.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 421 of the Internal Revenue Code (relating to abatement of tax for members of armed forces upon death) is amended to read as follows:

"SEC. 421. Abatement of Tax for Members of Armed Forces Upon Death

"In the case of any individual who dies on or after December 7, 1941, while in active service as a member of the military or naval forces of the United States or of any of the other United Nations and prior to the termination of the present war as proclaimed by the President—

"(a) the tax imposed by this chapter shall not apply with respect to the taxable year in which falls the date of his death, or with respect to any prior taxable year (ending on or after December 7, 1941) during any part of which he was a member of such forces; and

"(b) the tax under this chapter and under the corresponding title of each prior revenue law for taxable years preceding those specified in clause (a) which is unpaid at the date of his death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment."

SEC. 2. If at any time prior to January 1, 1947, the allowance of a credit or refund of an overpayment of the tax for any taxable year specified in section 421 (a) of the Internal Revenue Code (as amended by this act) is prevented by the operation of any law or rule of law (other than sec. 3801), a credit or refund of the overpayment of such tax to the extent that the overpayment is attributable to the change in law made by this act may, nevertheless, be allowed or made if a claim therefor is filed before January 1, 1947.

With the following committee amendments:

On page 2, line 2, strike out "the termination of the present war as proclaimed by the President" and insert "January 1, 1948—"

Page 2, line 18, strike out "1947" and insert "1948."

Page 3, line 3, strike out "1947" and insert "1949."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIFTIETH ANNIVERSARY OF THE SPANISH-AMERICAN WAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution 108.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby created a joint committee to be composed of eight members, as follows: Four Members of the Senate to be appointed by the President pro tempore of the Senate; and four Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The committee shall serve without compensation and shall select a chairman from among their number.

SEC. 2. (a) It shall be the duty of the committee to prepare an appropriate plan for the participation in the observance and celebration in Cuba during the summer of 1948 of the fiftieth anniversary of the victories of the military and naval forces of the United States and of their Cuban allies in the war with Spain, resulting in the liberation of Cuba. In the preparation of such plan the committee is authorized to cooperate with official representatives of Cuba.

(b) The committee shall, not later than February 2, 1948, submit a report to the Congress setting forth the plan prepared pursuant to subsection (a) of this section and containing such recommendations for carrying out such plan as it deems advisable. The committee shall cease to exist within 30 days after the date of the submission of such report.

SEC. 3. The committee is authorized, without regard to the civil-service laws or the Classification Act of 1923, as amended, to appoint and prescribe the duties, and fix the compensation, of such employees as are necessary for the execution of its function. The committee may make such expenditures as are necessary to carry out the purposes of this concurrent resolution, including expenditures for necessary traveling expenses and subsistence expenses of the members of the committee and of employees of the committee.

SEC. 4. The necessary expenses of the joint committee herein authorized not exceeding $25,000 shall be paid one-half out of the contingent fund of the Senate and one-half out of the contingent fund of the House of Representatives on vouchers authorized by the joint committee and signed by the chairman thereof.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HUGH D. SCOTT, JR. Mr. Speaker, reserving the right to object, will the gentleman make a brief explanation of the bill?

Mr. McCORMACK. Mr. Speaker, this resolution provides for the appointment of a committee of four Members of the House and four Members of the Senate to report back on February 2 of next year to the Congress, recommendations in relation to the participation of our Government in the fiftieth anniversary of the Spanish-American War. The celebration in connection therewith will take place in Cuba. In other words, the Cuban Government is going to have a celebration and naturally our Government should participate. This committee, with an appropriation of $25,000, one-half to be borne by the House and one-half by the Senate, to be appointed if this resolution is agreed to, is to recommend back to us the manner and extent to which our Government shall participate in the celebration.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I withdraw my reservation of objection.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF TIME FOR CLAIMING CREDIT OR REFUND WITH RESPECT TO WAR LOSSES

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4257) to provide for an extension of time for

claiming credit or refund with respect to war losses.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That if a claim for credit or refund under the internal-revenue laws relates to an overpayment on account of the deductibility by the taxpayer of a loss in respect of property considered destroyed or seized under section 127 (a) of the Internal Revenue Code, relating to war losses, for a taxable year beginning in 1941 or 1942, the 3-year period of limitation prescribed in section 322 (b) (1) of the Internal Revenue Code shall in no event expire prior to December 31, 1948. In the case of such a claim filed on or before December 31, 1948, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in section 322 (b) (2) or (3) of the Internal Revenue Code, whichever is applicable, to the extent of the amount of the overpayment attributable to the deductibility of the loss described in this section.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RESIGNATION OF MEMBER

The SPEAKER laid before the House the following communication, which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 22, 1947.

Hon. JOSEPH W. MARTIN, Jr.,
The Speaker, House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I beg leave to inform you that on July 16, 1947, I transmitted to the Governor of Texas my resignation effective at midnight, July 31, 1947, as a Representative in the Congress of the United States from the Sixteenth District of Texas.

With great respect,
Your obedient servant,
ROBERT EWING THOMASON.

THE HONORABLE R. EWING THOMASON

Mr. RAYBURN. Mr. Speaker, under the circumstances I ask unanimous consent that I may proceed for 15 minutes and during that time that I may yield to other Members.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I assure you that this will be in no wise a memorial exercise for the next 15 minutes. I want to speak for a moment, and I know some others do, of how happy we are that we have been associated with and have known so intimately a man of the high character and the great ability of ROBERT EWING THOMASON.

It has been to me a source of constant inspiration to have had his association and to have enjoyed his loyalty, and I know his love. It has been reciprocated, because he is the type and character of man who not only gives loyalty but elicits it from other people.

His service in this House has been outstanding. He goes from us to a work and to a neighborhood that is more congenial to him, and his good wife, and we, everyone I know, wish him well, and that he will continue in the same vigor of health, the same happy mood that has attached us so well to him for so long.

I have known few men as good as he and none better. I have known many patriotic and outstanding Members of the House of Representatives, but I have never known one more patriotic, more outstanding in service, and love, and loyalty to his country than EWING THOMASON.

Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. Speaker, I ask unanimous consent that all those who are not fortunate enough to say something within the limited time at our disposal may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from New York [Mr. ANDREWS] is recognized.

Mr. ANDREWS of New York. Mr. Speaker, on occasions when other Members have left these Halls, I have been impressed too many times that such occasions have been too serious and solemn. I never regard them as such, and the little I am going to say may be in a light vein because I think of EWING THOMASON in a happy way. I think he is rather fortunate. EWING THOMASON and I came here to Congress at the same time, in the days of turmoil to those of us who were here at that time in 1932. I suppose it seems to every Congressman that he comes here in a time of turmoil, but we did come here at such a time and our service of 17 years here has been in a time of turmoil and throughout the last war.

EWING THOMASON and I served on the Military Affairs Committee together for 14 years. We now serve together on the Armed Services Committee. I can recall in the early days of the Military Affairs Committee when a bill was drafted by three of us. It became known as the Thomason bill. We respected EWING THOMASON as a member of the committee and in drafting that bill it became, as I said, the Thomason bill. It so happens that two of those draftees are now judges, the other being Hon. J. Joseph Smith, Federal judge of Connecticut.

I am glad that EWING THOMASON is leaving the House in good health, in good spirit, and with the friendship of a very large part of the membership on a personal basis. It has been a genial friendship and he is a good friend.

Moreover, during the long period of the war, no Member of this House or the Military Committee made a more direct contribution in ability, fidelity, and patriotism to the successful prosecution of the war. For those qualities and that contribution EWING THOMASON is known and will be remembered by those charged with the conduct of the war.

I am going to conclude my remarks by saying:

Here is to EWING THOMASON, here is to his good wife Abby. Here is to the State of Texas from which he came, and here is to the State of Texas that takes him back in a fine capacity.

Good luck and God bless you.

Mr. RAYBURN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, our friend the gentleman from Texas [Mr. THOMASON], after 17 years of service in the House of Representatives, leaves for Texas tomorrow night where he will assume another duty and responsibility among the people he loves and among the people who love him and who have honored him through the years.

Mr. THOMASON has had a long and distinguished career in the public service. His longest and most distinguished service has been here in the House of Representatives, where his leadership has been outstanding and his accomplishments of a very high order. Before his election to Congress he had already served the people of Texas in many capacities. He was prosecuting attorney of his home county, mayor of his city of El Paso, and speaker of the Texas Legislature, a position of no small honor.

It has been given to few men to serve mankind so well and so successfully. There is a reason for this—that reason can be found in his wholesomeness of character and personality, in the depth of his moral and intellectual integrity, in his innate sense of fairness, in his tremendous capacity for understanding his fellowman. All who know him recognize the fact that there is something about him which is indefinably fine—something which makes people love and respect him. These qualities have added greatly to his influence and stature among his fellows, and they will serve him well as he goes from these legislative halls to further honor and distinction in the judgeship of the United States district court for the western district of Texas.

I have unbounded admiration for EWING THOMASON. He and I have been intimate friends and confidants for years. I shall miss him very, very much. EWING, we salute you, we congratulate you, we wish you and your charming and delightful wife, Abbie Thomason, every happiness and success in your new field of endeavor. You will leave Washington tomorrow, but your colleagues will cherish happy memories of you as long as we shall live.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, since January 1935, I have been a member of the Military Affairs Committee of the House and more recently a member of the Armed Services Committee of the House of Representatives, during which time it has been my pleasure to continuously serve on this committee with my colleague, the Honorable EWING THOMASON, of Texas. During these many years we have become good friends and it is with regret that we see him leave the House of Representatives where since 1931 he has rendered such valuable service to his district and his country. However, one can easily understand why after 17 years of service an individual might

feel ready to leave this body since these last years have been particularly hard and trying years for any Member. During these years of service on the Military Affairs and Armed Services Committee of the House, EWING THOMASON has worked diligently and hard for the best interests of our national defense.

On matters political, there have been many times when I have disagreed with my good friend, but such disagreement was always based on honest differences of opinion on which every individual is entitled to stand. I have enjoyed working with you, EWING, and now as you step forth into your new job as judge of the Federal District Court for the Western District of Texas, and start out on your new work for which you are so eminently qualified and in which you have such great interest, I know I speak for the many Members on this side that we wish you all good health, prosperity, happy days, and Godspeed.

It was a pleasure to have served with you, Ewing, and I shall always remember you as a true and trusted friend and will personally miss you when you depart from these Halls. Again, my every good wish to your wonderful wife and yourself.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Speaker, if I had my way, of course, EWING THOMASON would remain in Congress. These are troublous times, and we need men of great capacity. EWING THOMASON is a man of ability. He has been devoted to duty. He has brought to bear upon the difficult problems of government a high order of ability, and what is more important than all else, he has given to the service of the American people great character and true integrity. It has been said that earnest devotion to one's highest conception of right is the sublimest expression of life. That is the standard of life which received EWING THOMASON'S devotion. Whether Mr. THOMASON'S efforts were devoted to the promotion of social welfare or to the assistance of the individual he was always in real earnest. I can pay no person a higher compliment than that he is thoroughly genuine and I say wholeheartedly that EWING THOMASON is genuine. He has always been very helpful to those new Members who have asked for his assistance and information in the field with which he was so familiar. Indeed, Mr. THOMASON always delighted to be helpful to his colleagues whether new or long in the service. My own reaction in view of EWING'S many kindnesses is well indicated by the last stanza of the poem by Robert Burns, entitled "Lament for James Earl of Glencairn." This is the stanza:

The bridegroom may forget the bride
Was made his wedded wife yestreen;
The monarch may forget the crown
That on his head an hour has been;
The mother may forget the child
That smiles sae sweetly on her knee;
But I'll remember thee, Glencairn,
And a' that thou hast done for me!

We will not say good-by to EWING THOMASON. We will say farewell. Come back and see us.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Speaker, I have known Mr. THOMASON for 5 years, and I can truthfully say that I have never seen him take a partisan stand on any question concerning our national security. We have dealt with these harassing problems in the Military Affairs Committee and the Armed Services Committee, and everything that I have seen him do in the way of talking or in the way of voting has been statesmanlike.

If I could point out what I consider the one distinguishing feature of his character and his personality, it is sound common sense. He has the capacity of getting along with people whether they differ with him or agree with him because he has an understanding and tolerant mind.

I know that he will be a tremendous success as a judge. He has the capacity of getting at the meat of a problem and has the courage to make the decision that he thinks to be right. I wish him success, which I know he will have, and I hope that I may see him again soon. My service in Congress has been enriched because of his association and friendship.

It has been said by someone that "behind every successful man is a noble woman." It happens that my wife and I have come to know Mrs. Thomason well and we both love and respect her. We shall miss her as much as we miss my colleague. We wish them both great happiness and good health, which they so richly deserve.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. Mr. Speaker, 1 minute is a very short time to pay tribute to a good friend and a great Congressman. In 1935 when I came to this body EWING THOMASON was here and it was my privilege to become acquainted with him. Our association here during these eventful years has ripened into a strong friendship. I prize that friendship greatly, and I deeply regret seeing him leave this body. We are losing a great Congressman. The Nation is losing a great public servant. But he carries back to his home town the friendship, love, and admiration of every Member of this body. EWING THOMASON has the capacity for making and keeping friends. I think that is due largely to the fact that he is honest, intelligent, and just, and always plays the game in public and private life by the rules. He has always been fair, just, and considerate in all his dealings with his colleagues on both sides of the aisle. So I join his many friends here in wishing him good luck, health, and the fullest measure of success as he goes back to his home to take up the important work of a United States district judge. He possesses every qualification to make a great jurist, and no doubt he will serve in that capacity with as great distinction as he has served in this body. I am happy to pay this tribute to my friend and to our colleague, loved by all.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I came here 17 years ago to the Seventy-second Congress at the same time our distinguished colleague, EWING THOMASON, came. I have watched with admiration his splendid career. We sustain a great loss in his going, but he goes to fill the best and most pleasant position a President of the United States can bestow upon a citizen, to be a United States judge for life in his own land and among his own people. He goes to administer the law, whose "seat is the bosom of God, whose voice is the harmony of the world. All things both in heaven and earth do her homage. The very greatest is not beyond her power and the very least is not beneath her care." It is an attribute of the Diety to administer justice, for the Lord is our judge. There is a new opportunity open to EWING THOMASON for distinguished service to the people and very great distinction to himself. We who know him best know that he will meet every requirement of this great position and that new honors, new distinctions, and new friendships will come to him. In his going I wish him and his fine wife every happiness and success and health and long life.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Speaker, among my most treasured possessions is a photograph of the Committee on Military Affairs of the Seventy-third Congress. As EWING THOMASON now retires to accept larger opportunities and assume greater responsibilities, he is the last one on his side to go—of those who were members of that committee with which I proudly served.

The surviving members on the Republican side are the present chairman, the gentleman from New York [Mr. ANDREWS], the gentleman from Missouri [Mr. SHORT], and the gentleman from Illinois [Mr. ARENDS]. I was very jealous of the chance to serve as a member of that committee. It was an educational opportunity to be associated with those men; among whom, outstandingly able, of unquestioned integrity, was the man who leaves us now for another field of service to administer equal justice under law, tempered with mercy.

For the discharge of the duties of the office to which he has been called he is preeminently qualified.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Speaker, our good friend, Congressman EWING THOMASON, was reared in my congressional district in Cooke County, Tex. This is the same county which produced former Congressman, now judge, Marvin Jones, and also the late distinguished Senator from Texas, Joseph Weldon Bailey.

Ewing grew to manhood in the small community of Cooke County known as Era. After finishing college, he returned to Gainesville where for 4 years he acted as prosecuting attorney. In 1911, he moved to El Paso which has since been his home, and to which city he returns

to become a Federal judge. Although EWING THOMASON moved from Cooke County a good many years ago, he is still universally loved by the folks of that section as a native son of whom they are exceedingly and justly proud.

EWING THOMASON'S thoughtfulness, concern, and friendship have meant a great deal to me since I came to Congress. He has always been a leader among the Texans in Washington, and many of us have sought and benefited from his counsel and advice. Among EWING THOMASON'S many admirable traits is a scintillating and perpetual sense of humor. We often charge him with needling us, but we all have enjoyed it tremendously. As Ewing often says, "I joke only with my friends." That, of course, includes everybody who knows him.

Mr. Speaker, the great State of Texas never had a better Congressman, and I predict our good friend will add luster to the Federal bench upon which he now goes. All of us are proud of him. We congratulate the President upon his selection of him as a new Federal judge for Texas.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, while this is a time of congratulations for our good friend, Judge EWING THOMASON, it is a moment of personal sadness to me.

I have had the proud pleasure of sitting next to Ewing on the Committee on Military Affairs of the House, and then subsequently on the Committee on Armed Services, over a period of many years. I have known Ewing as a legislator and I have known him as a friend. I have seen him cast his vote and then discussed the vote with him. I can say as one who sat next to him on those two great committees for many years that he has always conducted himself as a great legislator and a truly great patriot and a fine friend. As a member of the Military Affairs Committee of the House, he made such a contribution to the winning of the war as few men in this Congress have made.

I personally regret deeply his going. The Armed Services Committee will feel the loss of his calm counsel and wise judgment. He will make a just and sympathetic judge.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Speaker, I regret that EWING THOMASON is going to leave us. It happens that I have been rather closely associated with him because when I arrived here, going on 9 years ago, I was assigned to the old Committee on Military Affairs. We went through some very troublesome days back in 1939 and 1940 and 1941. He was the great leveling influence on that committee. He was the one who, when things got to going wrong, could generally bring us back on the right track, and those of you who served on the committee will recall that.

He is leaving us to become a judge of the district court of my own district. I wish for him every happiness and every success. I am sure that he will have it. I hate to see him leave here, but he is going into the judicial branch of the Government, and I am sure that he will enjoy that service.

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, no man alive can properly evaluate the great services rendered in the House of Representatives in time of peace and in time of war by EWING THOMASON. History will record his contribution. If Congress is great, and I truly think that it is, it is so because of such individuals as EWING THOMASON, who have tirelessly and unselfishly worked so devotedly for America.

EWING THOMASON wrote a record as a real national legislator. His conscientious approach to all public problems was measured on the need of the country, and his courage in facing each issue on its real merits without fear, marked him as a leader among leaders in the House.

Our great loss in losing . true friend and a good comrade will be the gain of the State of Texas. I wish to congratulate the judicial district of West Texas on their good fortune of having such a man serve as judge.

Mr. PATMAN. Mr. Speaker, the President of the United States, the Honorable Harry S. Truman, is to be congratulated for selecting the Honorable ROBERT EWING THOMASON for United States District Judge for the Western District of Texas.

The Members of the House of Representatives, with whom Congressman THOMASON has served for many years, regret very much that he is leaving us, but, at the same time, we realize that he is entering a field of great and useful service, which we know he will perform in an excellent manner.

Congressman THOMASON has demonstrated his unselfish service to the people by ably serving them as a member of the house of representatives in the State Legislature of Texas, as speaker of the house in the Legislature of Texas, as mayor of the city of El Paso, and as a Member of the House of Representatives of the United States Congress for the last 17 years. He is a man who has demonstrated his ability, sincerity, and honesty of purpose. He is also a man of judicial temperament and possesses the poise, along with real legal ability and knowledge, to make a wonderful United States district judge.

I desire to wish him continued health and happiness in his new place of great honor and distinction.

Mr. RICH. Mr. Speaker, it is with regret I learn of the resignation of our good friend R. EWING THOMASON, of Texas. We shall miss him greatly as a friend and as a fine Member of our body. He has served this country well and faithfully as a Representative. We congratulate his State and the Nation on the fact that he has been elevated to the judiciary. Certainly he will maintain the high standard of the courts and his administration of the office will be honorable and just.

Our association with the gentleman and his wife has been pleasant, as well as the fact he is a good friend of Mary Seely Graves, of El Paso, one of the grandest girls in the world and a good friend of the Thomasons and the Riches. We wish them all Godspeed wherever they go and during all their life.

Mr. EVINS. Mr. Speaker, I desire to join with the gentlemen of Texas and my other colleagues in the House in extending my congratulations and good wishes to Congressman EWING THOMASON, recently nominated by President Truman to become Federal judge of the Western District of Texas, and recently confirmed by the Senate.

Judge THOMASON was born in Bedford County near Shelbyville, Tenn., the district which I have the honor to represent in the Congress. Judge THOMASON has deep roots in Tennessee. He has many friends and relatives in my State and a host of friends and admirers who point with pride to his accomplishments and achievements, and who refer to EWING THOMASON with pride and admiration as a native Tennessean. I know that the people of Bedford County, middle Tennessee, and the State of Tennessee join with me in extending congratulations to Judge THOMASON and in wishing him every continued success, all happiness, and good luck.

As a new Member of the House I became acquainted with Judge THOMASON shortly after the convening of this the Eightieth Congress. It has not been my privilege to have known him as long as other Members of this body but I assure you that my friendship and admiration for him are equally as strong. He has been most helpful to me and I have looked to him as a counselor, adviser, and friend. I have admired his stand on public issues and have followed his devotion to the public welfare. I shall miss association with my friend and colleague Judge THOMASON but say again that I join with all of you in wishing him all happiness and success. I know that he will attain eminence as a jurist as he has attained eminence as a legislator and statesman. Tennessee congratulates Texas on its new Federal judge.

Mr. LYLE. Mr. Speaker, EWING THOMASON is a fortunate man. He has been privileged to bring happiness and contentment to his family, joy and inspiration to his friends, and strength and loyalty to his Government. Good government exists and develops only in relation to the capabilities and devotion to duty and energies of those entrusted as its public officials. Few men are privileged to leave indelibly the imprints of their character, justice, and wisdom on the annals of history. EWING THOMASON is one of those so privileged.

It is fitting we should recognize his contribution to our national life on this occasion of his resignation to accept further duties and responsibilities as a United States district judge. Perhaps his life and public service have created a pattern whereby those of us who follow can measure our conduct that we, too, may contribute to a better way of life. The years that lie ahead of EWING THOMASON as judge will verify the President's choice, and he unquestionably will not be just a good judge, but a magnificent and outstanding one.

Mr. BECKWORTH. Mr. Speaker, I share with all the other Members of the House the sincere regret that Representative EWING THOMASON soon will cease to be a Member of this body. We all shall miss him much.

The friendship and helpful attitude of EWING THOMASON have meant a great deal to me. Frequently I have discussed with him legislation as well as other problems one faces here. His judgment has always been helpful, his encouragement sustaining.

The work of EWING THOMASON as a member of the House Military Affairs Committee benefited our Nation very greatly during a most crucial period. His accurate facts in conjunction with the full confidence every Member of the House had in his statements and representations assured the passage of vital bills reported by his committee many times.

In the time I have been here in Congress it has been my privilege to know well a good many Members of Congress. I regard EWING THOMASON as an ideal man, citizen, and Member of Congress in every respect. He will make an ideal and a very outstanding Federal judge we all know.

Mr. ALMOND. Mr. Speaker, I know of no Member who more thoroughly enjoys and more richly merits the trust, confidence, and esteem of this, the greatest parliamentary body in the world, than the distinguished gentleman from Texas, R. EWING THOMASON. A man is measured here—by his colleagues—by the highest standards of personal and official integrity, of courage, sincerity of purpose, devotion to duty, and unwavering fidelity in the service of his country. That yardstick presents a challenge to the highest attributes of human character.

EWING THOMASON, through 17 years of constructive and patriotic service, has met the challenge and fully measured up to every requirement of lofty idealism and splendid statesmanship.

In running his course as an outstanding Member of this body he has fought the good fight and he has kept the faith.

Seasoned, mature, able, courageous, tolerant, industrious, with a passion for right and justice, he will grace the bench of the Federal judiciary with dignity and adorn it richly through those rare and enviable qualities of mind and spirit which have characterized more than a quarter of a century of conscientious and devoted public service.

Mr. Speaker, I shall ever remember and cherish EWING THOMASON'S fine friendship, and as he ascends to the bench I invoke upon him God's richest blessings for his health, happiness, contentment, and success.

Mr. GILLIE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I wish to make the following comments in regard to my very good friend and colleague the Honorable EWING THOMASON, of Texas.

I regret very much to see Ewing leave the House of Representatives, to enter upon his new duties in his home State of Texas. Congressman THOMASON has always been a great inspiration to me. In 1940, while I was serving with the First Cavalry Division at Fort Bliss, El Paso, Tex., he was most kind and gracious. He wrote to several of his friends in the State to make sure that I was given a royal Texas welcome.

To Ewing and those fine people I am deeply grateful for their friendships, which I made and cherish from my stay in El Paso.

I think it was Robert Burns who wrote in his farewell message to his friend Bonnie Prince Charlie, who was leaving for India, a fitting sentiment which is apropos to the warm thoughts and feelings that I hold for Congressman THOMASON. Robert Burns wrote:

Bonnie Charlie's noo awa,
Sailing o'er the bounding main;
Many a heart will break in twa
Should he ne'er come back again.

Will ye no' come back again,
Will ye no' come back again;
Better loved ye canna be,
Will ye no' come back again?

To Ewing, and your fine family: Good-by, good luck, and God bless you.

Mr. FERNANDEZ. Mr. Speaker, there is nothing more beautiful than the warm friendship between Members of the House who work together day in and day out, and nothing sweeter than the love and affection which all of us feel for our colleague, EWING THOMASON, and for Mrs. Thomason, a love and affection shared in full measure by the Representatives from New Mexico, past and present, and by the people of my State.

As indicative of the esteem in which Judge THOMASON is held in New Mexico, may I say that our newspapers, when reporting the vote of the New Mexico Representatives on important measures designed to promote the public welfare, invariably include him and say, "Mrs. LUSK, Mr. FERNANDEZ, and Mr. THOMASON, Democrat, Texas, voted 'aye.'" No three Representatives ever worked in closer harmony. When on rare occasions we disagreed, it was with regret but with a feeling of mutual respect for the respective opinions of each. We who were younger than he in point of service looked to him for advice, which was always freely and cheerfully given us; and now that he is leaving, we tender him our heartfelt and sincere thanks. Though we hate to lose him, though we will miss his affectionate and kindly smile, we congratulate him and his court on his selection by the President to become an honored member of the judiciary.

On behalf of my colleagues and my State, I say to you, Judge THOMASON, and to Mrs. Thomason:

I touch my heart as the Easterns do,
May the peace of Allah abide with you.
Wherever you come, wherever you go,
May the beautiful palms of Allah grow;
Through days of labor, and nights of rest,
May the love of Allah make you blest.
I touch my heart as the Easterns do,
May the peace of Allah abide with you.

Mr. PRICE of Illinois. Mr. Speaker, I join my very good friends in the Texas delegation today in their words of praise for our colleague the Honorable EWING THOMASON, of Texas, on the occasion of his impending retirement from this body to assume his new duties as judge of the Federal court for the Western District of Texas.

I am not given to emotional nor flowery language, but this is one occasion when I can say that to me EWING THOMASON is a beloved friend. I know no other Member for whom I have a greater degree of admiration or whom I hold in higher regard for his genuine honesty, his ability as a legislator, and his great quality as a leader.

The House loses a valued Member and the court gains a man who will do honor to the judicial branch. No appointment to the Federal bench could meet with such unanimous sanction as that which followed the announcement that Mr. THOMASON had been accorded this honor by President Truman.

I am a comparatively new Member, being in my third year, but I have known EWING THOMASON for a much longer period. I met him for the first time more than a dozen years ago when I was serving as a secretary to another good friend of Mr. THOMASON, the former Member from Illinois, the Honorable Edwin M. Schaefer. Mr. Schaefer early discovered the many fine traits in Mr. THOMASON'S character, and later when it became my privilege to enter Congress and be assigned to the Military Affairs Committee I quickly learned why Mr. Schaefer always thought so well of EWING THOMASON. No one who has ever served on any committee with the man could help but recognize his outstanding qualities.

As happy as I am to see this honor come to my friend, I deeply regret his leaving, because I shall miss his wise counsel and the helping hand which he has extended to me on more than one occasion.

Mr. POAGE. Mr. Speaker, 30 years ago ROBERT EWING THOMASON was a member of the Legislature of Texas. The next session he was elected speaker of the house. I was a freshman in college when I first met him. He has been my friend ever since, just as he was the friend of my father before.

EWING THOMASON was known all over Texas as a broad-visioned, progressive statesman long before he came to Washington. He is now so known all over the Nation.

I knew him as a friend almost 20 years before I came to Congress. In the more than 10 years I have served with him here, that friendship has been strengthened.

He leaves us to become judge of the Federal court in the Western District of Texas. While it is 672 miles from El Paso to Waco, that court holds sessions in my home town. We have a great judge on that bench from Waco. Doubtless Judge THOMASON will hold court in Waco only infrequently, but I want to assure you, Judge, that when you come to the heart of Texas officially, you will be just as welcome as you always are when you come unofficially.

We will all miss you here, but I am happy that your new assignment will bring you back to Texas, and especially to central Texas.

Best wishes, Ewing.

We welcome you, Judge THOMASON.

Mr. MICHENER. Mr. Speaker, our friend, EWING THOMASON, comes from the Mexican border and I come from the extreme north. Our districts are far

apart. He is a regular Democrat and I am a regular Republican. We often differ on political questions; however, there is no carry-over.

In rising at this time, I am not doing a perfunctory thing. I sincerely regret that our very able colleague is forsaking this turbulent forum of debate for the placid and serene courtroom. He has made an exceptionally good record here, and his ability, his temperament, his experience, and his common sense should make him an ideal jurist. Few, if any, men in the House are better known by his associates. His friends are limited by his acquaintances.

The Congress is losing one of its best, and the Federal judiciary is acquiring a new member whose decisions will be fair, just, and always intellectually honest.

Mr. and Mrs. Thomason will be greatly missed in Washington, and we wish them much happiness in the days that are to come.

Mr. KEFAUVER. Mr. Speaker, I cannot let this occasion pass without paying my personal regard to the life and character of our colleague, EWING THOMASON. When I read in the press of EWING THOMASON'S nomination to be United States district judge, I was, of course, happy that he had been named for this high position; but I must confess that my joy was mixed with sadness over the fact that he was leaving the House of Representatives.

I first had the opportunity of meeting EWING THOMASON when he was a member of the joint special committee investigating the Tennessee Valley Authority. I attended several public hearings of this committee and I was impressed by his thorough knowledge of the problems being considered, of his sense of absolute fairness, and of his courteous consideration of the witnesses who testified before this committee. Since I came to Congress in 1939 I have had many contacts with EWING THOMASON, both personal and in connection with legislative matters. I consider him one of the best-informed and most valuable Members of this great deliberative body. EWING THOMASON is a hard worker, he gets at the real issues in a controversy, he has definite convictions and always has the courage to express and stand by them. The Federal Legislature is losing a most valuable and personable Member.

While we all know that EWING THOMASON will make a great jurist, I personally hope he may be elevated to the highest post in the land; still we will miss his engaging smile and his warm friendship which association with him in Congress has brought to so many of us.

We in Tennessee take a great deal of pride in the fact that EWING THOMASON was born in the Volunteer State. In pointing out the distinguished Members of Congress to our friends and constituents we are always happy to call their attention to EWING THOMASON and to remind them that he is a native Tennessean and that he is proud of this fact.

I wish EWING THOMASON much success as a United States district judge. I know that he and his lovely wife will be happy to be among their thousands of friends at El Paso, Tex. I know, however, they will always appreciate the fact that they have countless friends among the Members of Congress and among the officials in the Government at Washington.

Mr. TEAGUE. Mr. Speaker, it is a pleasure and a privilege to say a good word in tribute to Judge EWING THOMASON. When Members of the House speak of their first year they always mention some older Member who gave them some good advice. This is my first year, and Judge THOMASON has been like a father to me. He has given much good advice which has been most helpful. Judge THOMASON is the kind of man who longer known is better liked. I sincerely regret that he is leaving the House of Representatives, but since he is going, I wish to say that it has been a pleasure to have been with him this year, and I wish for him and his family the best of luck, and may God bless them.

Mr. LUCAS. Mr. Speaker, my deep regret in EWING THOMASON'S leaving the House is tempered by the knowledge that he is going back to Texas, to live among his hills of home, and to perform another public duty of greatest importance to the people. His assumption of the judicial robes will simply utilize more of his seemingly unlimited talents, and as a judge, interpreting the laws which he has been so instrumental in enacting, he can take to the bench a deep conception of the legislative intent and thereby render a finer and more understanding quality of justice.

I am proud that I have been privileged to serve as one of his colleagues in this House. A poet has written that we are a part of all we have seen. I surely hope this is true, for I would certainly desire to have gained through this association with EWING THOMASON just a mite of his wit, his wisdom, and his understanding heart. I know that his friendship has brought me much pleasure and inspiration. His absence will be noted by all of us, I am sure, with much sadness, and we will envy those who in the future will enjoy his company and comradeship.

Mr. THOMAS of Texas. Mr. Speaker, the House will lose one of the ablest men it has had in many, many years when EWING THOMASON becomes United States district judge. As a Member of the House he had rendered an outstanding service to his district, his State, and the Nation. During the dark days of World War II—from 1939 through 1945—he carried a load for the War Department that few men in our national history have had placed upon their shoulders. Throughout those hectic, fearful days when we were trying to prepare for war, and when we were in it, without much to fight with, he showed vision, imagination, and courage that was an inspiration to all of us. He always added balance, good judgment, and foresight to every action of his great committee, the Committee on Military Affairs.

In his new job as United States district judge, his achievements will be equally brilliant, and will reflect credit to himself and to the United States judiciary. That same good common horse sense, balance, and vision will motivate every decision he renders. He is well adapted for this judgeship, not only because of his fine analytical mind, legal training, and experience, but also because of those human qualities that have endeared him to his people and to his colleagues.

Mr. Speaker, I lose the close, stimulating association with a personal friend which I have enjoyed for more than 10 years. However, my loss will be the gain for the splendid west Texas people whom he will serve in a judicial capacity. Good luck to Judge THOMASON and his family in this new undertaking.

Mr. COMBS. Mr. Speaker, I join with the host of friends and colleagues of the Honorable EWING THOMASON in wishing him much happiness in his new field of service. He has made a great contribution as a Member of Congress to good government and the enactment of sound laws. It has been a delightful pleasure to know him and to serve with him.

But as a lawyer I am thinking most, at this moment, of the distinguished service I am sure he will render as a member of the Federal bench. Ours is a government of liberty under the law and the bedrock of our institutions is the respect the American people have for the courts of our country and their faith in the impartial administration of justice.

We who know EWING THOMASON have no misgivings as to the character of service he will render in the high position to which he is going. He is a learned lawyer who can understand and interpret the law, but what is even more valuable he has a deep sense of justice and right. He will dispense justice without bias. Rich and poor, the powerful and the weak, will alike receive his just consideration. Added to all that is his vast capacity for human understanding and kindness which insures that he will never abuse the tremendous powers that will be lodged in his hands as a Federal judge by using them arbitrarily. A true gentleman and loyal friend, he will be a just and able judge. In leaving these Halls, he carries with him the affection and good wishes of us all.

Mr. JOHNSON of Texas. Mr. Speaker, this would be a better nation and a better world if all parents could feel that the highest calling to which their children could aspire would be that of public servant. Unfortunately, an attitude toward public service has developed in this country that has not been conducive to enlisting and retaining the best minds and hearts in Government service. The demagogs and the opportunists of this generation have done much to cause promising young citizens to avoid the highest calling that can come to an American. This is more true now than it was in the early days of our history. The leaders of that early era were more deeply revered than are public servants of today. Some parents feel that they prefer their children to go into the fields of medicine, law, agriculture, or engineering when they reach the age to determine their life's work. A certain amount of suspicion and distrust has been created because of the failure of a few public servants to live up to the confidence reposed in them. "Politics" and "politicians" carry a stigma and a taint to some that parents would like to see their children spared.

Our Nation needs and must have the most honorable, able, and energetic men and women in its Government positions of responsibility. Wise, courageous persons of integrity are more needed in Government service today than ever in our history. We are having difficulty recruiting people that possess these qualifications for these places. A competent administrator in the executive branch of the Government is experienced and equipped to do a job for the people that would pay four or five times as much if it were done for a private business. A good legislator must possess talents and ability that now command in private life several times his Government salary. A person qualified by temperament, training, and talent for the bench can earn much more than his judgeship pay in the private practice of the law. Thus today we find far too many of our most brilliant and promising young people uninterested in a career of public service.

I am glad for Texas and the Nation that EWING THOMASON did not feel that way when he finished Southwestern University at Georgetown, Tex., and the University of Texas at Austin, two great schools in the district I represent. I do not believe that many of the young men of today would feel as they do about Government service if all Government servants had measured up to the standard that EWING THOMASON set and achieved for himself.

Few persons in our country have been honored with positions of respect and responsibility in all three of the separate and independent branches of our Government. We can almost count the number on our fingers and toes. Chief Justice, Secretary of the Treasury, and Congressman, Fred M. Vinson; Justice, Secretary of State, and Senator, James F. Byrnes; and Chief Justice of the Court of Claims, Congressman, and War Food Administrator, our own beloved fellow Texan, Marvin Jones, are among the most outstanding. If every public servant in the executive branch of our Government could render the type and quality of service EWING THOMASON rendered as the mayor and chief executive of El Paso; if every legislator could serve as he served as speaker of the Texas House of Representatives and as a Member of Congress for 16 years, then the field of public service would be held in such esteem that mothers and fathers would want their children to enter it. EWING THOMASON'S rugged honesty, great intellectual capacity, sturdy character, and unusual political acumen have permitted him to make a great contribution to his country's history.

When I was a youngster in high school my daddy told me of his deep affection and respect for his colleague, EWING THOMASON, then in the Texas House of Representatives serving as speaker of that great body. When I arrived in the Nation's Capital as an inexperienced secretary in the dark days of the depression, EWING THOMASON was then taking the oath as a freshman Member. Through the years that have passed, I have looked to him for counsel and strength. He has not failed me. When he leaves this body more than a vacant seat remains. We will remember him as a colleague of absolute integrity and unquestioned ability that has seldom been equaled and never surpassed. We will remember his wife Abbie as the genuine person who can walk the path with a noble legislator, a firm and able administrator, and a generous and just judge. Those of us who know his two children, Bill and Isabelle, know that they are the kind of children who contributed to his service instead of detracted from it. Judge THOMASON has been the kind of public servant that every man in public life should be, and the members of his family have done their part toward helping him write that kind of a record.

EWING THOMASON'S good judgment was demonstrated in the choice of his efficient office staff, headed by the lovable and capable Mrs. Kate George. Mrs. George has served that congressional district competently and efficiently for almost 30 years. She was secretary to Congressman Claude Hudspeth, Mr. THOMASON'S predecessor. When I first came to Washington my father told me to meet Mrs. George. I did so, and I shall always be in her debt for the help and advice she has given me and my district throughout the years.

The entire combination, Congressman, wife, family, and staff, has added to the net result. They have inspired and stimulated all who have come in contact with them. They should serve as a model for the young to emulate and the old to respect and honor.

EWING THOMASON is a fine example of the best our democratic system produces, and no compliment great enough can be paid to the people who have elected him term after term. The honor is theirs and his.

Mr. ROONEY. Mr. Speaker, I wish to add a few brief, but nonetheless sincere, words to the remarks of the preceding distinguished gentlemen on our loss of the services of a man whom I have always considered one of the finest and ablest Members of this House, the gentleman from Texas, ROBERT EWING THOMASON. When I first was elected to this House during the Seventy-eighth Congress I became a member of the Committee on Military Affairs, of which Judge THOMASON was the ranking majority member. As a new Member I came to know Judge THOMASON for his kindliness and friendliness as well as for his valuable and patriotic work on that important committee during the late World War. I well remember his hearty handclasp on the day I first took the oath of office in the well of this House. I have greatly appreciated his friendship ever since. We know that he will serve as judge of the United States district court in the State of Texas with the same honor and the distinction that he has served the people of his district, his State, and his country for many years in the United States Congress. I wish him many, many years of good health and happiness in his new and exalted position of United States district court judge for the Western District of Texas.

Mr. WORLEY. Mr. Speaker, it is with deep regret, but also with a genuine sense of pride that we see our beloved friend, EWING THOMASON, leave the Halls of Congress. Few men have served his people with the same high fidelity and ability as has he. No man has ever enjoyed more genuine and universal affection from his colleagues. We will miss his earnestness, his never-failing good humor and cordiality, and his great devotion to principle.

But it is with pride we join in congratulating this fine man on his ascending the bench of another great department of this Government. His experience will stand him in good stead. His legal training and sound sense of justice will soon demonstrate his remarkable ability to attain the same high record of achievement in a judicial capacity that has marked his record as a mayor of his city, speaker of the house of representatives of Texas, and a Member of Congress. His record in each place has been an unusual one.

So our best wishes in his new undertaking go to Ewing, to his charming wife Abbie, and the other members of his fine family.

Mr. RAYBURN. Mr. Speaker, I yield the balance of the time to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I did not know until now what a man I am. I am almost persuaded that perhaps I have made a mistake, but it is a little late now, in view of my resignation, but I think you might have said something about it sooner.

I know from experience that in these closing hours of a busy session it would not be appropriate for me to trespass upon your time or indulge in a lot of free advice. I do appreciate, more than I know how to express, your generous refences to me and my service here. A man cannot serve in this historic body for 17 years and leave it without regret.

I have served under three Presidents and six Speakers—all great Americans. A man cannot be President and a man cannot be Speaker—the second most powerful place in the Government—without possessing a high order of character, ability, and patriotism. My acquaintance with these men has strengthened my faith in democracy and in the future of our Republic. I came here during the depression. I served during the war. I now know something about the terrible problems that confront you in this the postwar period. I have seen a nation and the world almost remade. But I am an optimist, and I have an abiding faith in the future of this country and its peaceful relations with other nations. I know the United States has no ulterior motives. I have an abiding faith, too, that with your experience, intelligence, and patriotism, backed by the spirit of the American people, you will find a solution of the terrible problems which now confront this Nation and the world, and restore to all peace-loving people prosperity and permanent peace. Civilization as we know it cannot survive another war in this atomic age.

I wish I could tell you how I feel on this occasion and how I am going to miss you. I approach my new duties with humility and keen sense of my responsibility. In my judgment, one of the greatest bulwarks of democracy today is respect for the courts, enforcement of

the law, and the fair and equal administration of justice. To that high purpose, my old friends, I pledge you the best there is in me.

So I leave you with regret and heartache. I shall not further trespass upon your time, but I do want you to know that from the bottom of a grateful heart I shall always hold you in affectionate regard. With me there has never been any middle aisle, as we call it, when it comes to friendship and esteem. We are not Republicans or Democrats—we are Americans. I hope you come down to El Paso to see me, and if you are ever unfortunate enough to find yourselves on the south side of the docket in my court I promise to temper justice with mercy.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to my close and devoted Republican friend the gentleman from Illinois.

Mr. ARENDS. I hope the gentleman will tell the other part of the Thomason team, representing 51 percent of the team average, and referring to your wife, Abbie, that we are sorry to see her go, too.

Mr. THOMASON. Thank you and I will take your message to her and to my children down in Texas, and I will try to preserve a copy of today's RECORD for my two new granddaughters in Texas to read in the years to come and discover what a man Grandpa was.

Anyway, as we leave for Texas tomorrow night, I will be thinking about you and our pleasant association over the years. This means I am bidding you an affectionate farewell. As we say down on the border "Adios," but not goodby. I will be seeing you later.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1948—CONFERENCE REPORT

Mr. HORAN. Mr. Speaker, I call up the conference report on the bill (H. R. 4106) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1948, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the statement of the managers.

Mr. HORAN (interrupting the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read unless there is a disposition to debate this report. I may say that we are completely unanimous in the subcommittee and have agreed with the Senate on all disagreements.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 7, 12, 15, 18, 21, 25, 26, 28, 29, 30, 31, 32, 33, 35, 36, and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 8, 10, 13, 14, 16, 19, and 23, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$388,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of sum proposed by said amendment insert the following: "$183,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$128,377"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$87,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That no part of these funds shall be expended for the care of children the income of whose parents, parent, or guardian exceeds $2,600 per annum"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$3,750,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 22, 27, and 34.

WALT HORAN,
KARL STEFAN,
RALPH E. CHURCH,
LOWELL STOCKMAN,
GEORGE ANDREWS,
JOHN E. FOGARTY,
Managers on the Part of the House.

HENRY C. DWORSHAK,
JOSEPH H. BALL,
MILTON R. YOUNG,
HARRY P. CAIN,
JOSEPH C. O'MAHONEY,
PAT MCCARRAN,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, submit the following detailed statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1, relating to the Executive office, appropriates $208,000, as proposed by the Senate, instead of $222,000, as proposed by the House.

Amendment No. 2, relating to the Office of the Corporation Counsel, appropriates $224,000, as proposed by the House, instead of $218,550, as proposed by the Senate.

Amendment No. 3, relating to the Assessor's office, appropriates $574,000, as proposed by the Senate, instead of $554,000, as proposed by the House.

Amendment No. 4, relating to the Collector's office, appropriates $299,900, as proposed by the Senate, instead of $291,900, as proposed by the House.

Amendment No. 5, relating to the Auditor's office, appropriates $388,000 instead of $392,850, as proposed by the House, and $383,900, as proposed by the Senate. It is the intent of the conferees that $2,500 of the increase over the budget estimate shall be used for the purchase of an additional bookkeeping machine.

Amendment No. 6, relating to the Board of Indeterminate Sentence and Parole, appropriates $56,600, as proposed by the Senate, instead of $40,600, as proposed by the House.

Amendment No. 7, relating to the Department of Weights, Measures, and Markets, appropriates $135,700, as proposed by the House, instead of $134,000, as proposed by the Senate.

Amendment No. 8, relating to the Office of Administrator of Rent Control, appropriates $100,000, as proposed by the Senate, instead of $107,000, as proposed by the House.

Amendments Nos. 9 and 10, relating to the Office of Recorder of Deeds, appropriate $183,500 instead of $175,000, as proposed by the House, and $196,000, as proposed by the Senate, and include a provision of the Senate allocating $21,000 of the appropriation to the purchase of photostatic equipment. It is agreed by the conferees that the modernization of the office, as suggested in the House report and made possible by new legislation, will be reflected in a considerably reduced budget estimate for the fiscal year 1949.

Amendment No. 11, relating to the Public Utilities Commission, appropriates $128,377 instead of $119,000, as proposed by the House, and $130,800, as proposed by the Senate. It is agreed by the conferees, and it is accordingly suggested, that the need for the People's Counsel be reviewed by the District Commissioners with a view to suggesting legislation for the elimination of this seemingly unnecessary office.

Amendment No. 12, relating to the Zoning Commission, appropriates $29,500, as proposed by the House, instead of $22,500, as proposed by the Senate.

Amendment No. 13, relating to capital outlay, public schools, appropriates $600,000 for furnishings and equipment, as proposed by the Senate, instead of $620,600, as proposed by the House.

Amendment No. 14 relating to capital outlay, public schools, appropriates $450,000 for school building and playground sites, as proposed by the Senate, instead of $880,000, as proposed by the House.

Amendment No. 15, relating to operating expenses, Health Department, appropriates $2,042,000, as proposed by the House, instead of $2,000,000, as proposed by the Senate.

Amendment No. 16, relating to operating expenses, Department of Corrections, appropriates $2,500,000, as proposed by the Senate, instead of $2,550,000, as proposed by the House.

Amendment No. 17, relating to administrative expenses of Public Welfare, appropriates $87,000 instead of $82,000, as proposed by the House, and $120,994, as proposed by the Senate. It is anticipated by the conferees that of the amount of $3,110,400 appropriated for agency services under Public Welfare, the amount of $50,000 will remain unexpended in the fiscal year 1948 as a result of the conferees not having made provision for reorganization of the administrative offices.

Amendment No. 18, relating to operating expenses, protective institutions, Public Welfare, appropriates $1,852,900, as proposed by the House, instead of $1,845,600, as proposed by the Senate.

Amendment No. 19, relating to St. Elizabeths Hospital, Public Welfare, appropriates $6,229,000, as proposed by the Senate, instead of $6,000,000, as proposed by the House.

Amendment No. 20, relating to day-care centers, Public Welfare, restores the language inserted by the House providing for a limitation on the type of care and increases the income maximum of parents from $2,000 to $2,600 per annum.

Amendment No. 21, relating to capital outlay, Street and Bridge Divisions, Public Works, appropriates $5,285,000, as proposed by the House, instead of $5,000,000, as proposed by the Senate.

Amendment No. 22 is reported in disagreement.

Amendment No. 23, relating to operating expenses, Sewer Division, Public Works, appropriates $1,140,000, as proposed by the Senate, instead of $1,154,000, as proposed by the House.

Amendment No. 24, relating to capital outlay, Sewer Division, Public Works, appropriates $3,750,000 instead of $3,931,000, as proposed by the House, and $3,500,000, as proposed by the Senate.

Amendment No. 25, relating to the National Guard, restores language inserted by the House providing for the compensation of the commanding general.

Amendment No. 26, relating to the National Guard, appropriates $68,600, as proposed by the House, instead of $65,000, as proposed by the Senate.

Amendment No. 27 is reported in disagreement.

Amendments Nos. 28, 29, 30, 31, 32, and 33, correct section numbers.

Amendment No. 34 is reported in disagreement.

Amendments Nos. 35, 36, and 37 correct section numbers.

AMENDMENTS IN DISAGREEMENT

Amendment No. 22, relating to Capital outlay, Refuse Division, Public Works, provides for an increased limitation in the construction cost of an incinerator and provides for an additional amount for the construction of a refuse transfer station, from funds already available. The managers on the part of the House move to recede and concur.

Amendment No. 27 under General Provisions, strike out language of the House relating to auditing procedures in the District Government. The managers on the part of the House will move to recede and concur with an amendment as follows:

"SEC. 2. Vouchers in payment of obligations incurred by the Health Department and Public Welfare pursuant to the appropriations contained in this Act shall be certified as lawfully payable in the department, board, or office responsible for the incurring of the obligations; thereafter the vouchers shall be audited before payment by or under the jurisdiction only of the Auditor for the District of Columbia and the vouchers as approved may be paid by checks issued by the Disbursing Officer without countersignature."

Amendment No. 34 under General Provisions clarifies House language pertaining to the investment and reinvestment of funds in United States Government securities. The managers on the part of the House move to recede and concur with an amendment changing the section number.

WALT. HORAN,
KARL STEFAN,
RALPH E. CHURCH,
LOWELL STOCKMAN,
GEORGE ANDREWS,
JOHN E. FOGARTY,
Managers on the Part of the House.

Mr. HORAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 51, line 20, insert "(at a total cost not to exceed $1,160,000), an additional amount for construction of proposed refuse transfer station (at a total cost not to exceed $706,000)."

Mr. HORAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 60, line 8, strike out lines 8 to 16 inclusive.

Mr. HORAN. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. HORAN moves that the House recede from its disagreement to the amendment of the Senate No. 27 and agree to the same with an amendment, as follows:

"SEC. 2. Vouchers in payment of obligations incurred by the Health Department and Public Welfare pursuant to the appropriations contained in this act shall be certified as lawfully payable in the department, board, or office responsible for the incurring of the obligations; thereafter the vouchers shall be audited before payment by or under the jurisdiction only of the Auditor for the District of Columbia and the vouchers as approved may be paid by checks issued by the disbursing officer without countersignature."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 34: Page 63, line 13, strike out lines 13 to 17 inclusive and insert:

"SEC. 8. The Commissioners are hereby authorized in their discretion to invest and reinvest at any time in United States Government securities, with the approval of the Secretary of the Treasury, any part of the general fund, highway fund, water fund, or trust funds, of the District of Columbia, not needed to meet current expenses during the fiscal year, to deposit the interest accruing from such investments to the credit of the fund from which the investment was made, and the Secretary of the Treasury is authorized to sell or exchange such securities for other Government securities, and deposit the proceeds to the credit of the appropriate fund."

Mr. HORAN (interrupting the reading of the amendment). Mr. Speaker, this is merely a clarifying amendment. I ask unanimous consent that the amendment may be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. HORAN moves that the House recede from its disagreement to the amendment of the Senate No. 34 and agree to the same by changing section No. 8 to section No. 9.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the calendar.

CLARENCE J. WILSON AND MARGARET J. WILSON

The Clerk called the bill (H. R. 718) for the relief of Clarence J. Wilson and Margaret J. Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clarence J. Wilson and Margaret J. Wilson, of Richmond, Calif., the sum of $7,500. The payment of such sum shall be in full settlement of all claims of the said Clarence J. Wilson and Margaret J. Wilson against the United States on account of the death of their minor son, Robert C. Wilson, who was killed on December 18, 1944, in Richmond, Calif., when he was run over by a United States Army truck. At the time of such accident the said Robert C. Wilson was employed by the United States post office at Richmond in delivering mail as a member of a crew working from such truck. He fell from the truck and the left rear dual wheels passed over his chest: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$7,500" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRAFF, WASHBOURNE & DUNN

The Clerk called the bill (H. R. 1534) for the relief of Graff, Washbourne & Dunn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Graff, Washbourne & Dunn, New York City, the sum of

$12,656.64. Payment of such sum shall be in full settlement of all claims of such corporation against the United States arising out of the completion of contract N120–s–15121 (dated December 29, 1941) and of contracts N120–s–15225 and N120–s–15227 (dated January 8, 1942), which contracts were completed at substantial loss to such corporation on the representation of the Navy Department that consideration would be given to adjusting the prices shown on the contracts, on completion, on a fair and reasonable basis: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$12,656.64" and insert in lieu thereof "$7,204,72."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNIE L. AND WILLIAM BENJAMIN TAYLOR

The Clerk called the bill (H. R. 1781) for the relief of Annie L. Taylor and William Benjamin Taylor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Annie L. Taylor, of Seaford, Va., the sum of $16,590, and to Capt. William Benjamin Taylor, of Seaford, Va., the sum of $625, for loss sustained when the fishing trawler *Joyce* was blown up and sunk as a result of contact with a mine or obstruction on August 22, 1945, near Ocean City, Md. The payment of such sum of $16,590 shall be in full settlement of all claims of the said Mrs. Annie L. Taylor on account of the loss of the fishing trawler *Joyce* and equipment and cash on board when sunk. The payment of such sum of $625 shall be in settlement of all claims of said Capt. William B. Taylor on account of personal property damage sustained by him in the loss of the fishing trawler *Joyce: Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$16,590" and insert in lieu thereof "$8,295."

Page 1, line 7, strike out "$625" and insert in lieu thereof "$315."

Page 1, line 11, strike out "$16,590" and insert in lieu thereof "$8,295."

Page 2, line 4, strike out "$625" and insert in lieu thereof "$315."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BELMONT PROPERTIES CORP.

The Clerk called the bill (S. 851) for the relief of Belmont Properties Corp.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PERSHING HALL, A MEMORIAL IN PARIS, FRANCE

The Clerk called the bill (S. 358) to provide for settling certain indebtedness connected with Pershing Hall, a memorial in Paris, France.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, from the Pershing Hall memorial fund to Julian M. Thomas, of Oakland, Calif., for legal services and expenses in connection with Pershing Hall, a memorial in Paris, France, the sum of $14,717.

With the following committee amendment:

Page 1, line 4, strike out "from the Pershing Hall memorial fund" and insert in lieu thereof "out of any money in the Treasury not otherwise appropriated."

The committee amendment was agreed to.

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

The title was amended so as to read: "An act for the relief of Julian M. Thomas."

A motion to reconsider was laid on the table.

MASSMAN CONSTRUCTION CO.

The Clerk called the bill (H. R. 2192) for the relief of the Massman Construction Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Massman Construction Co., Kansas City, Mo., the sum of $88,000, representing the amount of an item for the use and rental of equipment under a contract with the United States, which sum was inadvertently and mistakenly omitted by said company from its bid for the work done under its contract with the United States, contract No. W–1096–eng–7350, the work under the contract having been satisfactorily performed, and the United States having enjoyed the full use of such equipment in the reasonable sum of the amount claimed; the bid of the Massman Construction Co. having been $250,000 less than the nearest competitive bid and approximately $86,000 less than the Government's own estimate of the cost of the work without any profit therefor; and the said company having discovered the error in its bid within 13 days after the submission thereof and having asked the contracting officer of the United States that this amount be added to its bid or that its bid be rejected; and the contracting officer having refused and having insisted that the Massman Construction Co. sign the contract and proceed therewith or forfeit its bid bond in the amount of $200,000.

With the following committee amendment:

Page 2, line 15, after "$200,000", insert a colon and the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.'

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETROL CORP.

The Clerk called the bill (H. R. 3499) for the relief of Petrol Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Comptroller General of the United States is authorized and directed, for and on behalf of the United States of America, to enter forthwith into a written arbitration agreement with Petrol Corp., a Pennsylvania corporation. Such agreement shall contain the customary covenants used in arbitration agreements as mutually agreed upon by said parties thereto and shall provide for final determination by arbitration, notwithstanding any prior determinations or any statute of limitations, of the following:

(1) The amount, if any, by which the United States failed to reimburse Petrol Corp., in accordance with commitments made by Federal officials, for losses said corporation incurred by paying excessive war-risk marine insurance and purchasing residual fuel oils in aid of the war effort as requested and directed by such officials.

(2) The amount, if any, by which the petroleum supply programs and related rulings (which were approved by the United States for the purpose of compensating the petroleum industry for excessive costs and expenses its members incurred aiding the war effort, by maintaining, at the request of Federal officials, adequate petroleum supplies on the Atlantic Coast of the United States from September 1, 1941, to October 10, 1945), discriminated against Petrol Corp.

(b) In determining such amounts due Petrol Corp., the board or arbitrators shall consider among other things the following:

(1) The nature of the operations of Petrol Corp. as compared with the operations of other companies under said petroleum supply programs.

(2) The extent to which war compelled excessive costs and expenses of Petrol Corp. above its actual normal costs and expenses were not equitably reimbursed and compensated for due to—

(A) the use of War Shipping Administration tanker rates as normal tanker rates in computing compensation due under said petroleum supply programs in the case of nonintegrated marketing companies;

(B) the deprivation of Petrol Corporation of the benefit of its long-term purchase contracts in computing compensation due under said petroleum supply programs;

(C) rulings made by committees administering said petroleum supply programs denying certain claims of Petrol Corporation for compensation under said programs; and

(D) the use of profits from transactions between the United States and companies participating in said petroleum supply programs (which were not available to Petrol Corp. because of the nature of its opera-

tions) by said companies, to offset failure to reimburse and compensate fully under said programs for their excessive wartime costs and expenses.

SEC. 2. There is hereby established a board of arbitration to be composed of three members, one to be selected by the Comptroller General, one by Petrol Corp., and the third by the two thus chosen. Such selections shall be made as soon as practicable after the arbitration agreement herein authorized is executed. In the event that the two arbitrators thus chosen cannot within a reasonable time agree upon the third arbitrator, such third arbitrator shall be appointed by the Chief Justice of the Court of Appeals of the District of Columbia, acting in his individual capacity. The arbitrators selected, or a majority of them, may summon in writing any person to attend before them and to produce any book, record, document, or paper which may be deemed material as evidence in this matter in accordance with the provisions contained in section 7 of the United States Arbitration Act.

SEC. 3. The board of arbitration, after it determines the amount, if any, which the United States failed to reimburse Petrol Corp. as promised and the amount, if any, that the said petroleum supply programs and related rulings discriminated against Petrol Corp., shall make an award assessing against the United States the total of said sums as damages which said corporation suffered.

SEC. 4. The Secretary of the Treasury is hereby authorized and directed to pay Petrol Corp., from the general funds in the United States Treasury not otherwise appropriated, such sum of money as may be necessary to pay the amount of any award determined hereunder. The amount of such award shall be paid by the Secretary of the Treasury on the presentation of a copy of the award of said board of arbitration, duly certified by the arbitrators, or a majority of them.

With the following committee amendments:

Page 1, line 3, after the word "That", strike out "(a)."

Page 1, line 7, after the word "agreement", strike out "shall contain the customary covenants used in arbitration agreements as mutually agreed upon by said parties thereto and."

Page 1, line 9, after the words "provide for", strike out "final determination by"; line 10, after the word "arbitration", strike out "notwithstanding any prior determinations or statute of limitations."

Page 2, line 1, strike out "(1)" and insert "(a)"; and in line 8, strike out "(2)" and insert "(b)."

Page 2, line 17, strike out the bill through line 23, page 3.

Page 4, line 16, strike out the remainder of the bill and insert in lieu thereof:

"SEC. 3. The board of arbitration shall determine the amount, if any, which the United States failed to reimburse Petrol Corporation as promised and the amount, if any, that the said petroleum supply programs and related rulings discriminated against Petrol Corporation, and shall report the result of such determination to the Senate and the House of Representatives not later than 60 days after the completion of the arbitration proceedings."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM DUDLEY WARD-SMITH

The Clerk called the bill (H. R. 3088) for the relief of William Dudley Ward-Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admission at ports of entry of aliens as immigrants for permanent residence in the United States, the quota provisions of the Immigration Act of 1924 (43 Stat. 153), as amended (U. S. C., title 8, secs. 201-226), shall not hereafter be held to apply to William Dudley Ward-Smith. If he is found otherwise admissible under the immigration laws, an immigration visa may be issued and admission granted to William Dudley Ward-Smith under this act upon application hereafter filed. Upon admission into the United States of William Dudley Ward-Smith, the Secretary of State shall deduct one number from the quota of the Union of South Africa for the year in which the admission occurs or from the quota of the first available succeeding year.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. AKIKO TSUKADO MILLER

The Clerk called the bill (H. R. 2347) for the relief of Mrs. Akiko Tsukado Miller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of law, excluding persons of races ineligible to citizenship from admission to the United States, Mrs. Akiko Tsukado Miller, who is the wife of Lt. (junior grade) John J. Miller, United States Navy, 388550, a United States citizen, may be admitted to the United States for permanent residence upon meeting the requirements of Public Law 271, approved December 28, 1945, the so-called Soldier Brides' Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS H. DEAVER

The Clerk called the bill (H. R. 3111) for the relief of Louis H. Deaver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby directed to receive the claim of Louis H. Deaver, of Tuthill, S. Dak., who allegedly was permanently disabled as the result of an injury received in August 1921, while employed as postmaster at Cody, Nebr., and his claim is authorized to be considered and acted upon under the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1934 ed., title 5, secs. 767 and 770), notwithstanding sections 17 to 20, inclusive, as if said Louis H. Deaver were entitled to such benefits under the act: *Provided*, That claim hereunder shall be filed not later than 6 months after the date of the enactment of this act: *Provided further*, That no benefits hereunder shall accrue prior to the approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIDELITY TRUST CO., OF BALTIMORE, MD.

The Clerk called the bill (H. R. 3383) for the payment of claims of the Fidelity Trust Co., of Baltimore, Md., and others, covered by findings of fact made by the United States Court of Claims, dated June 5, 1944, and contained in Senate Document No. 229, Seventy-eighth Congress, second session.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PATENT IN FEE TO DANIEL BROKEN LEG

The Clerk called the bill (H. R. 3696) authorizing the issuance of a patent in fee to Daniel Broken Leg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Daniel Broken Leg, of Chadron, Nebr., a patent in fee to the following-described lands situated on the Rosebud Indian Reservation in the State of South Dakota: Allotment No. 4316, northeast quarter, section 33, township 100 north, range 78 west, of the fifth principal meridian, Tripp County, S. Dak.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM R. DOHNT, ADMINISTRATOR, AND OTHERS

The Clerk called the bill (H. R. 625), first, for the relief of William R. Dohnt, administrator of all and singular, the goods, chattels, and credits which were of Margaret E. Dohnt, deceased; second, Joseph A. Hauser, individually and as guardian of Florence Hauser, an infant of the age of 19 years; third, Richard Adams, Sr., individually and as guardian of Richard Adams, Jr., an infant of the age of 16 years; fourth, William P. Novotny, Sr., individually, and as guardian of William Joseph Novotny, Jr., an infant of the age of 18 years; fifth, William P. Novotny, Sr., individually and as guardian of Bernadette Novotny, an infant of the age of 20 years; sixth, Grace Swiadek, individually and as guardian of Stanley Swiadek, an infant of the age of 18 years; and seventh, Joseph F. Krotz, Sr., individually and as guardian of Joseph F. Krotz, Jr., an infant of the age of 18 years.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (a) William R. Dohnt, New York City, N. Y., administrator of all and singular, the goods, chattels, and credits which were of Margaret E. Dohnt, deceased, the sum of $15,951.60, in full settlement of all claims against the United States for injuries sustained by the said Margaret E. Dohnt, resulting from her being injured in an automobile collision with a United States Army automobile truck on January 8, 1944, as a result of which injuries said Margaret E. Dohnt died on January 9, 1944: *Provided*, That no part of the

amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

(b) Joseph A. Hauser, New York City, N. Y., individually, and as guardian of Florence Hauser, the sum of $25,000, in full settlement of all claims against the United States for injuries sustained by the said Florence Hauser, and the damages sustained by said Joseph A. Hauser, resulting from her being injured in an automobile collision with a United States Army automobile truck on January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contract notwithstanding.

(c) Richard Adams, Sr., New York City, N. Y., individually and as guardian of Richard Adams, Jr., the sum of $4,000, in full settlement of all claims against the United States for injuries sustained by the said Richard Adams, Jr., and the damages sustained by the said Richard Adams, Sr., resulting from the former being injured in an automobile collision with a United States Army automobile truck on January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

(d) William P. Novotny, Sr., New York City, N. Y., individually and as guardian of William Joseph Novotny, Jr., the sum of $4,000, in full settlement of all claims against the United States for injuries sustained by the said William Joseph Novotny, Jr., and the damages sustained by the said William P. Novotny, Sr., resulting from the former being injured in an automobile collision with a United States Army automobile truck on January 8, 1944, as well as the damages sustained by the said William P. Novotny, Sr., to an automobile owned by him and which was completely demolished in the said collision with the aforesaid United States Army automobile truck on said January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

(e) William P. Novotny, Sr., New York City, N. Y., individually and as guardian of Bernadette Novotny, the sum of $5,000, in full settlement of all claims against the United States for injuries sustained by the said Bernadette Novotny, and the damages sustained by the said William P. Novotny, Sr., resulting from her being injured in an automobile collision with a United States Army automobile truck on January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

(f) Grace Swiadek, New York City, N. Y., individually and as guardian of Stanley Swiadek, the sum of $2,500, in full settlement of all claims against the United States for injuries sustained by the said Stanley Swiadek, and the damages sustained by the said Grace Swiadek, resulting from his being injured in an automobile collision with a United States Army automobile truck on January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

(g) Joseph F. Krotz, Sr., New York City, N. Y., individually and as guardian of Joseph F. Krotz, Jr., the sum of $1,500, in full settlement of all claims against the United States for injuries sustained by the said Joseph F. Krotz, Jr., and the damages sustained by the said Joseph F. Krotz, Sr., resulting from the former being injured in an automobile collision with a United States Army automobile truck on January 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 8, strike out the figures "$15,951.60" and insert in lieu thereof "$1,764.43."

Page 2, line 22, strike out the figures "$25,000" and insert in lieu thereof "$2,518.54."

Page 3, line 10, strike out the figures "$4,000" and insert in lieu thereof "$1,074.94."

Page 3, line 23, strike out the figures "$4,000" and insert in lieu thereof "$949.42."

Page 4, line 16, strike out the figures "$5,000" and insert in lieu thereof "$777."

Page 5, line 5, strike out the figures "$2,500" and insert in lieu thereof "$851.05."

Page 5, line 18, strike out "$1,500" and insert in lieu thereof "$466.05."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES L. BAKER

The Clerk called the bill (H. R. 1131) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States of America, to hear, determine, and render judgment upon the claim or claims of Charles L. Baker, of Ophir, Alaska, for any losses and damage sustained by him by virtue of his arrest and imprisonment in the Territory of Alaska, arising out of any acts or actions of any employees or officers of the United States: *Provided*, That the action in the Court of Claims to establish such losses and damages may be instituted within 1 year from the date of approval of this act and the same right of appeal to the United States Supreme Court from any judgment of the Court of Claims shall be had as in other causes in that Court.

With the following committee amendment:

Page 1, line 6, after the name "Alaska", strike out the remainder of the bill and insert in lieu thereof: "against the United States for loss or damage alleged to have been sustained by him as a direct result of his arrest on or about November 4, 1937, and subsequent imprisonment for approximately 95 days in the Territory of Alaska, if such arrest and imprisonment were occasioned by wrongful acts or omissions of any of the officers and employees of the United States while acting within the scope of such office or employment: *Provided*, That the United States shall not be liable for punitive damages. Suit upon such claim may be instituted in the Court of Claims at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations, and the proceedings in such suit shall be had in the same manner, and be subject to the same provisions for appellate review, as in the case of claims over which the Court of Claims has jurisdiction by virtue of section 145 of the Judicial Code, as amended (28 U. S. C. 250). The judgment in any such suit shall constitute a complete bar to any action by the claimant by reason of the same subject matter against any officer or employee of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF W. H. RODGERS

The Clerk called the bill (H. R. 1155) for the relief of the estate of W. H. Rodgers, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the executors and trustees of the estate of W. H. Rodgers, deceased, late of Trousdale County, Tenn., the sum of $7,866. The payment of such sum shall be in full settlement of all claims against the United States arising out of damages to the Lowe farm, which was owned by the said decedent and situated 1 mile south of Hartsville in Trousdale County, Tenn., as a result of special field exercises conducted on such farm by the United States Army from August 1943 to April 1944. As a result of such field exercises (1) the hay crop on 47 1/10 acres of such farm was reduced by 143 1/10 tons (one-third of the normal output of those acres for 3 cuttings), and (2) the fences on the pasture fields of such farm were destroyed, necessitating the removal of 139 head of mules to a barn on such farm and the purchase of extra feed for such mules: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike "$7,866" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LEONA McMINN WINKLER

The Clerk called the bill (H. R. 1645) for the relief of Mrs. Leona McMinn Winkler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to Mrs. Leona McMinn Winkler, of Springfield, Mo., in full satisfaction of her claims against the United States for reimbursement for medical and hospital expenses incurred by her, and for compensation for personal injuries sustained by her, as the result of having been struck by a missile thrown by a wheel of a United States Army truck through the windshield of the automobile in which she was riding as a passenger on United States Highway No. 66, near Lebanon, Mo., on January 19, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$5,000" and insert "$2,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATTIE A. HORNER

The Clerk called the bill (H. R. 2891) for the relief of Mattie A. Horner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mattie A. Horner, of Richmond, Va., the sum of $500, in full settlement of all claims against the United States for personal injuries and medical and other expenses sustained by her as the result of a fall on December 22, 1944, at the naval air station, Fort Lauderdale, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$500" and insert "$176."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OSCAR AND ANNA CARLBLOM

The Clerk called the bill (H. R. 3754) for the relief of Oscar and Anna Carlblom.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $32, or such other sums as he has, or may hereafter, collect from Oscar and Anna Carlblom, of Lisbon, N. Dak., as income tax for the calendar year beginning January 1, 1944, and ending January 1, 1945, the said Oscar and Anna Carlblom having had no net income that was subject to taxation, their total net income being $489.96.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM D. McCORMICK

The Clerk called the bill (S 706) for the relief of William D. McCormick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, and notwithstanding any provisions of section 12 of the Immigration Act of 1924, as amended (43 Stat. 153), William D. McCormick, of Windsor, Ontario, Canada, who is of Scotch ancestry and the husband of Mary Rita McCormick, who has been lawfully admitted to the United States for permanent residence, shall be deemed to have been born in Scotland rather than in India, where his parents were temporary residents at the time the said William D. McCormick was born.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That in the administration of the immigration laws, William D. McCormick shall, upon application at a port of entry into the United States, be admitted for permanent residence without an immigration visa, provided he meets all the other requirements of the immigration laws. Upon his admission into the United States, the Secretary of State shall deduct one number from the quota for India for the year in which the admission occurs or from the quota of the first available succeeding year."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELFREIDA SAKOWSKY PASSANT

The Clerk called the bill (H. R. 648) for the relief of Mrs. Elfreida Sakowsky Passant, alias Elfreida Sakowsky, alias Elfreida Pogue.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, directed to cancel forthwith the outstanding warrants of arrest and deportation in the case of the alien Elfreida Sakowsky Passant, alias Elfreida Sakowsky, alias Elfreida Pogue, and is directed not to issue any further such warrants or orders in the case of such alien, insofar as such further warrants or orders are based on any act or acts which served as a basis for the warrants of arrest and deportation that are being canceled by this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILIBERTO A. BONAVENTURA

The Clerk called the bill (H. R. 1916) for the relief of Filiberto A. Bonaventura.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General of the United States be, and he is hereby, authorized and directed to cancel the outstanding order and warrant of deportation issued pursuant to the act approved February 18, 1931 (46 Stat. 1171; U. S. C., 1940 ed., title 8, sec. 156a), in the case of Filiberto A. Bonaventura, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act, Filiberto A. Bonaventura shall not again be subject to deportation by reason of the same facts upon which the present outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROMAN TOPOROW

The Clerk called the bill (H. R. 3243) for the relief of Roman Toporow.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, directed to cancel forthwith the outstanding warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of the alien Roman Toporow, of Los Angeles, Calif., and is directed not to issue any further such warrants or orders in the case of such alien, insofar as such further warrants are based on any unlawful entry of such alien into the United States prior to the enactment of this act. Hereafter, for the purposes of the immigration and naturalization laws, such alien shall be considered to have entered the United States on June 12, 1946, the date of his last entry, and to have been lawfully admitted to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Polish quota of the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. PEARL COLE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2012) for the relief of Mrs. Pearl Cole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., 1940 ed., and Supp. V, title 5, secs. 765–770, inclusive), the United States Employees' Compensation Commission is hereby authorized and directed to consider any claim filed with the Commission by Mrs. Pearl Cole for compensation under such act, within 6 months from the date of enactment of this act, on account of

the death of her husband, Jesse T. Cole, deceased, whose death in August 1936 is alleged to have been a result of injuries, with consequent disability, received on June 10, 1931, in the performance of his duty as a rural mail carrier in the civil service of the United States; and the Commission, after such consideration of such claim, shall determine and make findings of fact thereon and make an award for or against payment of compensation provided for in such act of September 7, 1916, as amended.

With the following committee amendments:

Page 1, line 9, strike out "United States" and insert "Bureau of."

Page 1, line 10, strike out "Commission" and insert "of the Federal Security Agency."

Page 2, line 2, strike out "Commission" and insert "Bureau."

Page 2, line 9, strike out "Commission" and insert "Bureau."

Page 2, line 13, after the word "amended." insert "No benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF GLENNA J. HOWREY

Mr. JENNINGS submitted the following conference report and statement on the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "$1,000"; and the House agree to the same.

JOHN JENNINGS, Jr.,
ALBERT L. REEVES, Jr.,
FADJO CRAVENS,
Managers on the Part of the House.

E. H. MOORE,
JOHN S. COOPER,
J. HOWARD MCGRATH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report.

The bill as passed the Senate appropriated to the legal guardian of Glenna J. Howrey the sum of $500 for personal injuries, resulting from an accident involving a United States mail truck in Pueblo, Colo., on December 27, 1943. The House increased the amount to $1,500, and at the conference a compromise of $1,000 was agreed upon.

JOHN JENNINGS, Jr.,
ALBERT L. REEVES, Jr.,
FADJO CRAVENS,
Managers on the Part of the House.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill S. 254.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the RECORD in connection with the bill H. R. 29, passed on yesterday, and include some material furnished by the Congressional Library.

NATIONAL MINERALS RESOURCES DIVISION, DEPARTMENT OF THE INTERIOR

Mr. WELCH. 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. 1602) to establish within the Department of the Interior a National Minerals Resources Division, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from California [Mr. WELCH].

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 116, noes 6.

Mr. RICH. 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. The Chair will count. [After counting.] One hundred and twenty-two Members are present, not a quorum.

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 342, nays 32, not voting 56, as follows:

[Roll No. 128]

YEAS—342

Abernethy	Boggs, Del.	Combs
Albert	Boggs, La.	Cooley
Allen, Calif.	Bolton	Cooper
Allen, Ill.	Bradley	Corbett
Allen, La.	Bramblett	Cotton
Almond	Brehm	Courtney
Andersen, H. Carl	Brooks	Cravens
	Brophy	Crawford
Anderson, Calif.	Brown, Ga.	Crosser
Andresen, August H.	Brown, Ohio	Cunningham
	Bryson	Curtis
Andrews, Ala.	Buchanan	Davis, Ga.
Andrews, N. Y.	Bulwinkle	Davis, Wis.
Angell	Burke	Dawson, Utah
Arends	Burleson	Delaney
Arnold	Busbey	Devitt
Auchincloss	Byrne, N. Y.	D'Ewart
Bakewell	Byrnes, Wis.	Dolliver
Banta	Camp	Dondero
Barden	Canfield	Donohue
Barrett	Cannon	Dorn
Bates, Ky.	Carson	Doughton
Bates, Mass.	Case, N. J.	Drewry
Battle	Case, S. Dak.	Eaton
Beall	Chadwick	Eberharter
Beckworth	Chenoweth	Elliott
Bell	Chiperfield	Ellis
Bender	Church	Ellsworth
Bennett, Mich.	Clark	Elsaesser
Bennett, Mo.	Clason	Elston
Bishop	Clevenger	Engel, Mich.
Blackney	Coffin	Engle, Calif.
Blatnik	Cole, Kans.	Evins
Bloom	Colmer	Fallon
Feighan	Kilburn	Price, Fla.
Fellows	Kilday	Price, Ill.
Fernandez	King	Priest
Fisher	Kirwan	Rabin
Flannagan	Klein	Rains
Fletcher	Knutson	Ramey
Fogarty	Landis	Rankin
Folger	Lane	Rayfiel
Foote	Lanham	Redden
Forand	Larcade	Reed, Ill.
Gamble	Latham	Reed, N. Y.
Gary	Lea	Reeves
Gathings	LeCompte	Richards
Gavin	LeFevre	Riehlman
Gearhart	Lemke	Riley
Gillette	Lesinski	Rivers
Gillie	Lewis	Rizley
Goff	Lodge	Robertson
Goodwin	Love	Robsion
Gordon	Lusk	Rockwell
Gore	Lyle	Rogers, Fla.
Gorski	Lynch	Rogers, Mass.
Gossett	McConnell	Rohrbough
Granger	McCormack	Ross
Grant, Ala.	McCowen	Russell
Grant, Ind.	McDonough	Sabath
Gregory	McGregor	Sadlak
Griffiths	McMahon	Sadowski
Gwynne, Iowa	McMillan, S. C.	St. George
Hale	McMillen, Ill.	Sanborn
Hall, Leonard W.	Mack	Sarbacher
	MacKinnon	Sasscer
Halleck	Macy	Schwabe, Mo.
Hardy	Madden	Schwabe, Okla.
Harless, Ariz.	Mahon	Scoblick
Harness, Ind.	Maloney	Scrivner
Harris	Manasco	Seely-Brown
Hart	Mansfield	Shafer
Hartley	Marcantonio	Short
Havenner	Martin, Iowa	Sikes
Hedrick	Mathews	Simpson, Ill.
Heffernan	Meade, Md.	Smathers
Herter	Merrow	Smith, Maine
Heselton	Meyer	Smith, Wis.
Hess	Michener	Snyder
Hill	Miller, Calif.	Somers
Hinshaw	Miller, Conn.	Spence
Hoeven	Miller, Md.	Springer
Hoffman	Miller, Nebr.	Stanley
Holifield	Mills	Stefan
Holmes	Mitchell	Stevenson
Hope	Monroney	Stigler
Horan	Morgan	Stockman
Howell	Morris	Stratton
Huber	Morrison	Talle
Hull	Morton	Taylor
Jackson, Calif.	Muhlenberg	Teague
Jackson, Wash.	Mundt	Thomas, Tex.
Jarman	Murdock	Tollefson
Javits	Murray, Wis.	Trimble
Jenison	Nixon	Twyman
Jenkins, Ohio	Nodar	Vail
Jennings	Norblad	Van Zandt
Jensen	Norton	Vorys
Johnson, Calif.	O'Brien	Vursell
Jonnson, Ill.	O'Konski	Wadsworth
Johnson, Ind.	Owens	Welchel
Johnson, Okla.	Pace	Welch
Johnson, Tex.	Passman	West
Jones, Ala.	Patman	Wheeler
Jones, Ohio	Patterson	Whittington
Jones, Wash.	Peden	Wigglesworth
Jonkman	Peterson	Williams
Judd	Pfeifer	Wilson, Ind.
Karsten, Mo.	Philbin	Winstead
Kearney	Phillips, Tenn.	Wolcott
Keating	Plumser	Wolverton
Keefe	Plumley	Wood
Kefauver	Poage	Woodruff
Kennedy	Poulson	Youngblood
Kerr	Preston	Zimmerman

NAYS—32

Buck	Hand	Rooney
Buffett	Harrison	Scott, Hardie
Butler	Jenkins, Pa.	Scott, Hugh D., Jr.
Coudert	Kean	
Crow	Kearns	Simpson, Pa.
Dague	Kunkel	Smith, Va.
Fenton	Lucas	Sundstrom
Fulton	McDowell	Taber
Gallagher	Pickett	Tibbott
Graham	Potts	Towe
Gwinn, N. Y.	Rich	Wilson, Tex.

NOT VOTING—56

Bland	Chelf	Dawson, Ill.
Bonner	Clements	Deane
Boykin	Clippinger	Dingell
Buckley	Cole, Mo.	Dirksen
Carroll	Cole, N. Y.	Domengeaux
Celler	Cox	Douglas
Chapman	Davis, Tenn.	Durham

Fuller	Kelley	Powell
Gifford	Keogh	Rayburn
Gross	Kersten, Wis.	Rees
Hagen	Ludlow	Sheppard
Hall,	McGarvey	Smith, Kans.
Edwin Arthur	Mason	Smith, Ohio
Hays	Meade, Ky.	Thomas, N. J.
Hébert	Murray, Tenn.	Thomason
Hendricks	Norrell	Vinson
Hobbs	O'Hara	Walter
Jones, N. C.	O'Toole	Whitten
Kee	Phillips, Calif.	Worley

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Cole of New York with Mr. Clements.
Mr. Clippinger with Mr. Deane.
Mr. Dirksen with Mr. Sheppard.
Mr. Thomas of New Jersey with Mr. Vinson.
Mr. McGarvey with Mr. Hobbs.
Mr. Gross with Mr. Hébert.
Mr. Smith of Ohio with Mrs. Douglas.
Mr. Hagen with Mr. Norrell.
Mr. Cole of Missouri with Mr. Murray of Tennessee.
Mr. Fuller with Mr. O'Toole.
Mr. Gifford with Mr. Powell.
Mr. Mason with Mr. Durham.
Mr. Meade of Kentucky with Mr. Cox.
Mr. O'Hara with Mr. Carroll.
Mr. Edwin Arthur Hall with Mr. Whitten.
Mr. Rees with Mr. Worley.
Mr. Smith of Kansas with Mr. Chapman.
Mr. Phillips of California with Mr. Bonner.

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. 1602, with Mr. HOWELL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, July 17, the Clerk had read the first section of the bill.

Are there any amendments to the first section of the bill?

Mr. BUCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us strip this bill of its flag waving and its buncombe and see what we have left.

Under existing free markets the prices of these commodities are up 81 percent, 131 percent, and 30 percent from wartime fixed prices. Free markets always have and always will bring adequate supplies. We do not need subsidies in free markets.

The requirements of the Army and Navy just have nothing to do with this bill. Nowhere in the bill is there anything to assure the Army and the Navy of obtaining anything from this marginal production. What the Army and Navy want they will get on the open market, and this in itself will stimulate further production without benefit of subsidies.

The third point is that we need no continuing operation of these marginal mines to safeguard our resources of copper, lead, and zinc. The history of mining is a history of opening and closing mines. As a matter of fact, reserves in the ground are safer than present production, since present production will immediately be dissipated.

So what do we have left? We have a plain and simple hand-out, a raid on the Treasury, for the benefit of some mine owners whose low-grade mines seem, from the debate that has already taken place, to be very strategically located.

Mr. Chairman, the taxpayers of my district do not want their tax money wasted in this manner. I suggest the taxpayers in other districts probably feel similarly.

Hold your hats, taxpayers; the sleigh ride is on.

Mr. Chairman, I yield back the remainder of my time.

Mr. STEVENSON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the southwestern part of Wisconsin, the Third Congressional District of Wisconsin, which I am honored to represent, is devoted to a great extent to the mining of lead and zinc. I have always been in favor of the premium-price plan for these materials since its inception in 1942, and was in favor of its continuation when the question came up again in 1945. I am in favor of the continuation of the premium-price plan as provided in H. R. 1602, which is now before the House for consideration. This bill extends the premium-price plan on copper, lead, and zinc for 2 years from June 30, 1947, and authorizes the Reconstruction Finance Corporation to administer the premium payments on these strategic minerals, which are very urgently required by our Government for industrial purposes as well as for our national defense. The bill authorizes payment of $35,000,000 each year. The Public Lands Committee and the Rules Committee are of the opinion that there should be encouragement to marginal mines and their owners and producers, and that exploration programs are desirable, and that these programs should be expanded and extended.

Our country is short on strategic minerals and metals. The mining of minerals and metals will create the discovery of more minerals and metals. Soviet Russia is now engaged in that very operation. Russia is offering premium payments and also individual awards to anyone who can discover minerals and metals of any kind anywhere in her entire empire. Russia realizes that the more minerals and metals are discovered and mined, the greater the opportunity to discover other lodes of minerals and metals for use in her national defense.

There are a great number of marginal mines in my congressional district in the southwest part of Wisconsin. If we do not continue their operations through this program, it means these mines must be closed down. We would then lose all the marginal resources in lead and zinc which we now have there. Once these mines are closed, they will fill with water and mud, which will cause them to cave in. Then it will be impossible, and beyond all reasonable cost, to go in and reopen them and get the mineral resources out.

It is very necessary for our industrial welfare that lead and zinc be produced and these marginal mines kept in operation. Most everything in the industrial line contains zinc, lead, or copper in some degree. It is a question whether or not the Congress wants to have a domestic mining industry in this country. If we vote this bill down, we will deal a death blow to our own domestic mining industry and, if we have to import these metals, the cost will be many, many times more than the amount appropriated for the premium-price plan. If you want proof brought to your attention very graphically, just try to go out into the business and industrial world today and buy metals consisting primarily of copper, lead, or zinc. Try to find some of these strategic metals for use of the public. You will then know how very important and necessary is the passage of H. R. 1602.

Our own Stock Piling Act will be wiped out if this bill is not passed by the House today. If you do not pass this bill, you will close the marginal mines of our country, permit them to be flooded, and thus pass up the recovery of those ores. If a mine closes and you cease to work it, the mine is flooded, the timbers break down, and it is impossible, except at extraordinary expense, to reopen the mine and start operations again. It certainly is not good common sense to let our national resources go to waste in that manner. We must get these minerals out of the ground. You cannot get lead and zinc from foreign countries except at a loss to our economy. The cost would be too great and, as I said before, much greater than the appropriations called for in H. R. 1602. If we do not keep these marginal mines open, the cost of all industrial commodities containing any amount of lead and zinc and copper will be out of the reach of the ordinary consumer.

Mr. Chairman, we are dealing with critical and strategic metals. There is an acute shortage of lead and zinc in the United States today. We have fought two wars in the last generation, and during that time we dug the lead and zinc out of the earth to such an extent that our country is faced with a strategic shortage in these metals today. There are many millions of dollars invested in mining machinery and equipment in the Third Congressional District of Wisconsin. My district made an enormous contribution to the winning of the last war. The Federal Government has invested millions to help open up marginal mines to increase their output. The whole Nation is affected if these marginal mines are not allowed to continue. Every man who drives an automobile has to buy a battery for his car. Every farmer knows that lead and zinc are necessary for and are contained in every piece of machinery and nearly every article on the farm. When you paint your house you pay a higher price for the paint because of the high price of lead. We are worse off now than we were at the time of Pearl Harbor. It is time we were stock piling lead, zinc, and copper which are so essential in peace and in war. For adequate safety in our national defense and for the preservation of our industrial life we must have a national stock pile and supply of all things containing these metals that are now in short supply. They are in the ground, but we must have a continuing mining and production of these metals, not dependent upon foreign sources.

Lead and zinc production from 1939 to 1944 was produced in 1,455 mines producing less than 500 tons per year in 1939. The number of these mines dropped to

800 in 1944. These are the mines that I am interested in. The only way you can develop lead and zinc is to dig for more lead and zinc. If our Government encourages the little miners and producers and marginal-mine production by providing incentives for them to find new ore, I assure you that hundreds of mines in my own district and throughout the United States will produce new ore reserves so vitally needed for our country in times of emergency and to maintain our peacetime industrial economy.

I have received many letters and telegrams from mine owners and producers in my congressional district during the past weeks informing me that many mines have been closed in southwest Wisconsin since June 30, and that thousands of people in that area have been, and are, very seriously and adversely affected by the expiration of the premium-price plan. It is absolutely necessary that this bill, H. R. 1602, be passed by the House today, so that it can be enacted into law before the Eightieth Congress adjourns.

Under the premium-price plan the producers of these metals in marginal mines are paid a premium price in order to get these metals out of the ground. Producers in southwest Wisconsin have spent years searching and prospecting for, and developing the lead and zinc mines in my congressional district. Prospecting and exploring and mining in marginal mines develop new ore bodies, and will bring forth new and greater stock piles of lead and zinc. No one is more entitled to encouragement from the Government than these producers and mine owners—those who develop new mines and mining. In my district they are the little fellows, hard-working miners and producers who need encouragement from their Government. Regardless of what we pay to mine and to produce these metals, every pound of lead and zinc produced in southwestern Wisconsin puts new wealth into circulation. Our national wealth and safety are based largely upon the raw materials, metals, and minerals that we take from the ground and grow on the land. Every ton of minerals and metals we produce in the United States benefits our economy to a much greater degree than would be the result if these metals and minerals were imported from foreign countries where labor is cheap and the standard of living very low.

If we encourage a flood of imports of minerals and metals from other countries there will come a day when our market will not stand the strain, and prices for our minerals will fall below the cost of production. Thus more and more of our mines will become marginal mines, which may have to shut down unless they are supported by the premium-price plan as provided in H. R. 1602. This bill is intended to stabilize the prices for these critical metals and minerals which are necessary for our own defense as well as for our industrial protection.

Under the Stock Piling Act, the Army-Navy Munitions Board can purchase domestic copper, lead, and zinc only when there is a surplus of those metals above the needs of industry; but industry is now faced with a grave shortage of these metals. On the basis of a 6-year-period average, it is estimated that industry will use 760,000 tons of lead and about 800,000 tons of zinc next year. Under normal production, we produce on the average only about 370,000 tons of lead and 645,000 tons of zinc a year. If we do not pass this bill, and thus curtail marginal mining, our country will face a greater shortage of these metals; and then, if an emergency should arise, our Nation will be in a far more critical situation relative to its mineral stock piles than it was at Pearl Harbor.

If our marginal mines are forced to close and thousands of miners thrown out of work, it will cost our Government an enormous sum for unemployment compensation and relief.

Mining production cannot be turned on and off upon the order of any Government agency or by act of Congress. For our own national defense and our national industrial development, we must have a continuous supply of these strategic metals and a continuing production of lead, copper, and zinc from our own mines. We should not be dependent upon foreign sources for these strategic metals.

The purpose of H. R. 1602 is laudable and patriotic. It will keep America independent and insure our national defense. The bill should be passed unanimously by the House today. It must be passed today.

Mr. BENNETT of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is absolutely necessary that H. R. 1602 be enacted into law without further delay. This bill, in effect, extends the premium price plan on copper, lead, and zinc for a period of 2 years from June 30, 1947, and authorizes the Reconstruction Finance Corporation to administer the premium payments on those urgently required strategic minerals. It authorizes payments not to exceed $35,000,000 in each of the ensuing 2 years.

Personally, I would have preferred to see the passage of H. R. 2455 which covered this problem of strategic minerals in its entirety. But since that is not possible at this session of Congress, it is imperative that we do continue the present premium price plan in order to preserve and protect our three principal strategic materials, namely, copper, lead, and zinc.

Our stockpiles are empty of these and other important strategic minerals. We appear to have no coordinated minerals policy. Those who believe we can fulfill all of our requirements from abroad are engaged in wishful thinking. Already competition for foreign supplies is developing, and although we should buy what we can for our stockpiles anywhere we can get the materials, for the present moment at least, the plain and disconcerting facts are that even those who advocate such a policy the most loudly actually have done nothing to build up defense stockpiles.

It looks, therefore, as though we would largely have to depend on two things: keeping alive all the mines we can and encouraging them to explore and develop new ore bodies, and store every pound of domestically produced material not urgently required for industry. It is true the pending bill does not provide for stockpiling. But the bill has its national security aspect aside from direct stockpiling. It will insure the continued operation of mines from which stockpiles eventually can be accumulated and will insure the steady production which is the backbone of a war effort.

The Select Committee on Small Business of this House has stated in a recent report that continuation of premiums is necessary in order to assure that existing mines will continue operation and that newly discovered ore bodies will be explored and developed. The committee also stated that other factors combining to threaten the life of the domestic mining industry, especially the marginal mines, are the rising domestic cost of mining, exhaustion of ore bodies during the war, and delayed development programs.

Mr. Chairman, the copper mines of Michigan are among the oldest in the Nation. These mines are deep and the cost of operation is high. There remains perhaps more than 50,000,000 pounds of copper in sight which will be lost to this Nation if H. R. 1602 does not pass. If they are permitted to continue operations it is entirely probable that new and important ore bodies may be found in the copper mines of Michigan which will extend their lives and add materially to the wealth of the Nation.

To quote again from the report of the Select Committee on Small Business, it appears that from a cost study of marginal mines made in May 1947, 270 mines producing 30 percent of the domestic mine production of lead, zinc, and copper cannot continue in operation on the basis of present costs and normal prices which later may reasonably be expected to prevail for these metals. We neither can afford to permit these mines to shut down because of the present needs nor because of the ultimate needs of this great Nation as later, when industrial demands lessen, this metal will be available for stock piling. As a matter of fact, in the ultimate analysis, most of the metal used industrially would be a secondary stock pile for war should the necessity become sufficiently acute.

"Accelerated prospecting and exploring, together with continued development and operation of existing mines," says the report from which I have been quoting, "is insurance against the loss of foreign sources of supply in wartime. Even though foreign sources were willing to continue supplying this country with ore, it would still be difficult because of the submarine menace. Witness the high mortality rate of even our coastwise tankers during the early days of the war, to say nothing of the dangers faced by trans-Atlantic slow-moving freighters." All this adds up to the fact that we must get out of domestic mines every pound of ore we can, however marginal, and at almost any cost. The loss of one battleship protecting a strategic metal supply line would cost more than this entire premium program calls for, in addition to the loss of life.

Mr. Chairman, we need a more comprehensive measure than this bill provides. We need to include other strategic and critical minerals and we need to integrate the operation of conservation payments with stock piling. But most of all, at the moment, we need to pass this bill in order to keep our mines open and provide a breathing spell in which Congress can prepare to pass a more comprehensive bill.

I am opposed to the payment of Federal subsidies except in cases where such a program is imperative to our national welfare or to the security and defense of our country. The present bill comes within that category. We cannot under any circumstances afford to get ourselves into the position that we were in during the last war when the copper shortage was so acute that it almost meant disaster. It will be much cheaper and safer to keep our marginal high-cost mines in operation on a peacetime basis than to try to do so under the pressure of war. Copper mines do not work automatically. Production cannot be turned on and off by merely pressing a button. The business of copper mining, particularly in the deep mines of northern Michigan, is a continuing process. The operation must be uninterrupted and continuous. Once a shaft is abandoned and filled with water, for all practical purposes it becomes useless.

The cost of this legislation is infinitely small compared to the immense benefits to be derived by keeping in production the small marginal copper mines throughout the United States. It is the best insurance that can be devised for a thoroughly sound national defense. It would be a great tragedy to discontinue so important a program during this critical period.

Mr. MURDOCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is some misapprehension in regard to the bill before us. I would like to comment on that and see if I cannot straighten out a matter or two.

I know the generally unfriendly attitude of the membership toward premium price payments and subsidies as a holdover from the war. Also I know the unfriendly attitude of the membership toward establishing any new agency of government. Both of these ideas are frowned upon, more so I think by the present Congress than by previous Congresses, but let me call your attention to the fact that in this bill we are not considering the establishment of a National Mineral Resources Division.

If one will glance at this bill and notice the first page title of the bill, "To establish within the Department of the Interior a National Mineral Resources Division," he is inclined right off to say that we do not want any more bureaus or anything of that sort. That is not what this bill is about. It is not what this bill does. True, that is the title of the original bill which was amended by the substitution of the Allen amendment. The Allen amendment is what is before us and it is an entirely different title which you may see by referring to page 8, where appears the amended title.

Do not be deceived. You are not voting now on whether we shall have a new bureau or new department of mineral resources. You are now deciding whether we are to give encouragement to domestic production, which is the real purpose of this bill.

Another thing, no fixing of price is established in this program in an OPA sense. It is true that the price established for copper, lead, and zinc is higher than we paid during the war, but it simply means that if the law of supply and demand forces the price up to a certain point as seems likely the market price will be so-and-so and there will be nothing paid out of the Treasury because the natural price is as high as that in the bill. It is only to bring the price up to the limit on copper, lead, and zinc so that the small operators are encouraged and enabled to produce, since there is a shortage and we cannot supply what we need for our domestic consumption. These prices are likely to continue high and there will be nothing or little taken out of the Treasury so long as that is the case.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman mean to say that under this bill the Treasury will not have to pay a support price? Where will the money come from if it does not come out of the Treasury of the United States?

Mr. MURDOCK. There is a shortage of copper in this country. In fact, there is a world shortage. We were told the other day how they could not get copper for all their domestic manufacturing, so that if the price of copper is forced up to 28 cents, the market will stand at that price or beyond and there will be nothing paid out of the Treasury in that case.

Mr. RICH. Oh, if that is the case. That is an "if." We have too many "ifs" here already.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Is it not true that copper has dropped to 24½ cents a pound and that foreign copper is coming into this country below 21½ cents a pound because they cannot find buyers for it?

Mr. MURDOCK. Not because foreign copper cannot find buyers. That is what I want to point out. The gentleman from New York the other day frankly stated that he was a stockholder or owned shares in the Anaconda Copper Co. I appreciate his reason for that statement. I happen to know about the Anaconda Copper Co. It has holdings in the State of Montana; it has, I understand, extensive holdings in Chile. I am not sure this bill would affect it, but there are a lot of people who would like to have copper shipped in here from South America, from Africa, or from Canada; there a lot of people who prefer to get all of our necessary supplies from abroad because some foreign copper can be produced cheaper by peon labor, even as cheap as 5, 6, or 7 cents a pound. But we cannot safely depend upon foreign sources for these strategic materials and metals not only in wartime but we cannot do so in peacetime either.

For example, during the war we needed bauxite to make aluminum. We can get it from South America and we tried to do so. I am told that 58 shiploads of bauxite were started on their voyage across the Gulf of Mexico to our own shores bringing needed bauxite. What happened? Perhaps we did not know the submarines were so active out there in the Gulf of Mexico. Only 5 of the 58 ships, I am told, reached our shores with that cargo. Heaven help us, what would our Nation have done had it not been for the bauxite in Arkansas, at home, to make these airplanes that we needed. I have always said the safe thing to do is to get what we must have abroad, if necessary, and at the same time see to it that such are also produced at home.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I move to strike out the last word.

ANOTHER NEW DEAL HANGOVER

Mr. Chairman, this is another New Deal hangover. These New Deal hangovers will haunt us for years, perhaps generations, to come.

The time was when no man could be elected from the congressional districts of southwestern Missouri, southeastern Kansas, and northeastern Oklahoma, which contain the so-called tri-State lead and zinc mining district, unless he advocated and worked for a high protective tariff on the importation of lead and zinc into this country. Everyone knew that it was absolutely essential if these mines were to operate, that they must be protected against the importation of cheaper ores or metals from abroad.

These operations are very extensive, and yet for the most part they are what we ordinarily designate as marginal operations. Collectively, during World War I these mines produced 40 percent of the zinc that was produced in the United States and some 10.5 percent of the lead, and I am told that similar figures prevailed during World War II. They have produced 26.3 percent of the zinc-lead of this country for the past 40 years. The production of lead and zinc from this area has been almost a lifesaver to this Nation in two wars. It makes one shudder to think what would have been the results if we had not had this production available.

Therefore, the element of national defense plays an unusually important role in the consideration of this bill. The production and the continued production of these ores from this area may determine our national security.

When the New Deal crowd took over, they frowned upon the protective tariff policy and almost destroyed it as an American program. They substituted numerous forms of premium payments and other types of subsidies. Ordinarily, protective tariffs are paid by the ultimate consumers of commodities,

while subsidies are paid out of the Federal Treasury by the taxpayers, regardless of what proportion of the taxpayers may be consumers.

It is my firm conviction, that a national economy built upon subsidies, subsidies to the producers, subsidies to the manufacturers, subsidies to the distributors, and subsidies to the consumers, will bankrupt any nation that pursues such an economy as a permanent program. Therefore, I have always been opposed to subsidy payments as a general or permanent policy. Neither do I like programs based upon expediences and emergencies. We have had entirely too much of that sort of thing during the past 15 years, both at home and abroad.

I have told the people of the tri-State district that I am opposed to any subsidy or premium-paying program that is designed as a permanent policy, and I have insisted that all who are interested in this situation attempt to evolve and suggest a program that will be a permanent solution to the very acute problem that confronts us in this area. Subsidies and premium payments are not the answer. The good people of the tri-State area are working hard to develop a plan that will protect these valuable resources, enable the production of these strategic and critical materials, and the protection of our national security.

In the meantime, the best thinking seems to indicate that the premium-payment plan should be continued temporarily, for 1 or 2 years, until the Small Business Committee of this House can give careful consideration to the entire situation and suggest a permanent program that will be for the best interests of all concerned and not jeopardize our national defense.

I might suggest that perhaps the situation in the tri-State district, in many respects, is the most unique that maintains in any mining district in the country. We have perhaps some six or eight thousand miners, employed in these mines, and in the operations connected with them. For the most part they are native red-blooded Americans of a very sturdy type. The operators generally have come up through the school of hard knocks. Many of the people in this area have lived there most of their lives and are experts in their line of work, but have not had any experience in other types of industry. Since the premium payments were discontinued on July 1, 1947, the unemployment lines have formed and are more extended day by day. The owners and operators of the mines, and the business people in these communities, and the home owners, stand to lose all their life savings.

From the physical standpoint these operations have what is known as the water problem, more emphasized than in most mining areas. There is an abundance of water in the levels at which the ores are found and large pumps must be kept in constant operation to prevent water encroachments and inundation of the workings. It is said that since some of the pumps closed down since July 1, 1947, the water level has risen 20 feet in many of the mines, forcing cessation of operations. If this continues much longer, it is admitted that many of the mines will never be operated again, for it will not be economically feasible for them to be dewatered.

The underground workings are more or less connected in this area. There is a veritable honeycomb and the water from one working may flood all of the others for miles around, after the pumps cease to operate.

Another aspect of the situation which I wish to call to your attention and which I think is worthy of most serious consideration is the fact that the Army engineers have been surveying the Tri-State area with a view to determining the feasibility and possibility of underground industrial installations. Please remember that these mines are located in almost the exact center of the United States. The depth of these workings is on an average of 250 feet below the surface. The formations and the rock in which the ore is found, and immediately above the same, is extremely hard, which will afford perhaps the best bombproof protection for any underground industrial installation in this country. If for no other reason, pending the further investigations and conclusions and recommendations of the Army engineers, these mining operations should be continued and these underground caverns preserved, as of possible invaluable security to our national defense.

Hence, only as a temporary program, and until the Small Business Committee of this House, with the collaboration of the operators of these mines, and of technicians capable of developing a permanent program, and to preserve our national security in the meantime, I shall vote for this bill and the premium payments on lead and zinc which it provides for a period of either 1 or 2 years, to be determined by this Congress.

I sincerely trust that these considerations may impel my colleagues to go along with this program temporarily, with a distinct understanding that it is not to be a permanent program and that the payment of subsidies is not the answer. It must be borne in mind that lead and zinc are among the most critical and most strategic of all metals and that we must have them and continue to produce them, almost regardless of cost of production, for they are not to be had on the open market and from abroad. Our whole economy will suffer if these mines are shut down and their operations discontinued, which will be the inevitable result if this or some similar measure should fail of passage before this Congress adjourns.

Mr. RICH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I note that a number of times some of the Members have referred to the gentleman from New York [Mr. BUCK] because he was honest enough to come in here and say that he owned some stock in some of the copper corporations. He was honest enough and gentleman enough to inform the committee just exactly what he had, so that nobody could cast any reflections against him. It is a wonderful thing to think that we have Members in the House that are so honest and honorable to do a thing like that. I respect him for it. I am glad he owns them. I wish I were so fortunate.

Then I listened to the same gentlemen who criticized and talked about tariffs; they want materials to come into this country free of duty. I wish some of the Members would look at the record they voted for in regard to eliminating tariffs in this country. I want to tell you that that is where it counts with me. If we are going to protect America, we have to protect America in everything, from the farmers, the manufacturers, the laborers, and guard against the improper importation of products which destroy our jobs and industry. It does not make any difference whether it is copper, lead, or zinc or other commodities. I am for the protection of America as to every item that we consider vital to our national welfare, to protect our economy and our high standard of living.

The OPA set the price on copper at 13 cents, but you now come in here under this bill and boost it up to 28 cents. It just does not make sense to me. Take lead. The price of the OPA was about 6½ cents, and now you are boosting it up to 18 cents. The price of zinc was about 6½ cents, and you boost it up to 18 cents. Why, it seems to me that you are a bunch of boosters when you come to boosting these prices so high. And then you talk about trying to bring prices down. It just does not make sense. Then there is this further fact, that you are going to dip into the Treasury of the United States to the tune of $70,000,000 to try to make up this deficit. Where will you get the money?

Now let me tell you this. I am a wool manufacturer when I am back home. Now, if I was a high-cost-wool manufacturer, would it not be a nice thing for me to come in and ask you to pay me a bonus on the things I manufactured, because I could not compete in manufactured things as cheap as somebody else? I have to be on my toes in my business to try to keep ahead of the other manufacturers; that is as it should be. We must take individual initiative, and that is the thing that we want in all industries of this country, whether it is mining or whether it is manufacturing or whether it is farming. People have got to be on their toes today to make things go and make ends meet, and I do not believe in paying any drones by way of a subsidy just to keep their plants in operation. I do not think it is American. I do not think that that is what this country was made great by, by paying drones. But, in the last 10 or 12 years it seems to me that the Government of the United States wants to pay everybody a big salary for not doing anything; for inefficiency. The law of supply and demand should be put in effect here to govern prices and supply. To be sure we have had a shortage after the war of lumber, of building materials, of metals—iron, coal, steel, copper, zinc, lead—so that eventually we will soon meet the demand. Be a little patient but do not pass this legislation.

We have got the people of America so now they think the Government ought to support them and they do not have

to work. You have to get out of that idea and get back to the old process of work, earn and save. Do you fellows know that it takes 10 pennies to make a dime? Do you know that it takes 10 dimes to make a dollar? That is what I was taught in school many years before many of you were born, and it is just as important today to remember that fact.

Why should we pay these subsidies? You are paying subsidies on too many items today. It is about time you stopped, if we are going to keep this country from wrecking itself. These subsidies are the worst thing that has come to America, yet you are trying to put through a bill here for the continuation of a lot of these things that we had during the war. You say we need it because we need to carry on the industry, you say we need it because the War Department wants it. The War Department never made any request for this legislation. You come in and talk as if the war were still on. The war is over. It has been over for 2 years. The President of the United States ought to declare the war over. The Members of Congress ought to know the war is over. Let us get back to sanity, hard work, and trying to economize in the operations of Government. Vote against this legislation.

Mr. SHAFER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support this legislation because it will serve to provide strategic and critical materials for our national stock piles. As chairman of Subcommittee No. 3 of the Armed Services Committee which is charged with the responsibility of stock-piling strategic metals, I am deeply concerned about the probability of closing the marginal mines of our country if this bill fails to become law.

My utter dislike of subsidies is well known jn this House. I do not like this bill, to tell the truth, but I am forced to support it because it will be the only legislation possible of enactment in this session of Congress that will insure the Nation against the closing of the small mines.

As I have stated before, we need the production of marginal mines. Reports of our domestic mineral position that have been issued by the Army and Navy Munitions Board and the Department of Commerce convince me that we must mine whatever marginal ore bodies that are already open and equipped so that this Nation will not lose 1 pound of recoverable metal in our domestic reserves.

This bill, as I read it, will stabilize prices to the mines for all strategic and critical minerals which we need for national defense and security without increasing the prices of those materials for domestic use.

In other words, regardless of a possible drop in copper, lead, or zinc prices, where there will be a loss of the American economy, mines will receive the necessary assistance to put copper, lead, and zinc where it belongs—above the ground. Prices of minerals must drop considerably before any of these marginal mines can be paid the subsidies provided for in this bill.

Mr. Chairman, I believe this bill should pass. I shall vote for it.

Mr. CELLER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, we are told that this bill will not increase the price of lead, copper, and zinc to the consumer. While it is true in the first instance that the consumer directly will not pay more, nonetheless the producer does get more. He gets the present price of 21½ cents per pound for copper, a very high price, 18 cents for lead, and 18 cents for zinc, plus the premiums involved in this bill, and the premiums go up to an aggregate of $70,000,000. In the long run, the American taxpayer pays for the increase, just like he pays for the increase on all other products which are subject to a subsidy, such as wool, potatoes, cotton, and so forth. Imposition of subsidies, especially upon copper, zinc, and lead, is quite consistent with a public-be-damned attitude. Consumers are not benefitted. They pay and pay through the nose. The beneficiaries of this bill are the large mine owners.

It is significant to know and to remind the Members of the House that in the production of copper and in the production of zinc there is a byproduct, a very valuable byproduct, called silver. What is our policy as to silver? We pay the domestic producers of silver the outrageous—and I say the word "outrageous" advisedly—90 cents per ounce, when the intrinsic value or the world price of silver is much lower than 90 cents and at one time went down as low as 25 cents an ounce. We are, therefore, paying a double subsidy to the producers of copper and the producers of zinc. We will be paying them the subsidy or premium embodied in the current bill and we also pay them a premium of fully 60 or more cents an ounce on the silver. Beyond that there are attempts in this body and also in the other body to increase the price of silver to the producer of over $1 an ounce—to $1.25 an ounce.

It took herculean strength to prevent a bill being passed in the last session of Congress which would have mulcted the American people at the rate of $1.25 per ounce for silver.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HILL. Does the gentleman mean to inform the House that the Treasury of the United States is paying out money for silver?

Mr. CELLER. Of course they are. They issue I O U's. They issue silver certificates. Those silver certificates must be redeemed at some time, and if anyone is so childlike and so naive as to believe that the American people do not pay for that silver, it is just too bad.

Mr. HILL. On the floor of this House in 1942 when we debated this very question that you are talking about today we had proof from the Committee on Appropriations that not a single dime was paid out of the Treasury of the United States for this silver support program that you are talking about. There is not a word of truth in that.

Mr. CELLER. Do not lay any flattering unctions to your soul that the American people must not at some time in the future redeem these certificates. They are I O U's and must be redeemed. If that were not the case, then why do they not take broomsticks or candles or hatchets or any other thing and issue silver certificates for those articles? Further, there is 3,000,000,000 ounces of surplus silver stored at West Point. Much of it can be used as a substitute for copper and for other strategic metals. But you do not allow such substitution. You want us to continue to worship silver as a "sacred cow." Talk about stockpiling. Here is a stock pile of silver. Use it. Let silver take its place as an ordinary metal. Let it compete in the market with other metals.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. ENGLE of California. Does the gentleman believe that this bill includes silver?

Mr. CELLER. No, it does not include silver except in the way that I have indicated—that many of these producers of zinc and the producers of copper already get a subsidy when they produce the silver, and silver is the byproduct of copper and zinc. If they get the subsidy in one direction, I do not think they should get a subsidy in another direction as embodied in this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. RICH. The gentleman knows that the price of silver used to be about 35 cents per ounce, and then for some reason we passed a law here making it 45 cents an ounce; then, last year they came here and asked for silver to be raised, and they raised the whole business to 92 cents an ounce. The American public has to pay that bill.

Mr. CELLER. Of course, the gentleman has not asked a question, but he has made a speech, and I am grateful to the gentleman for that explanation. Certainly ultimately the American public pays the bill.

Mr. RICH. These silver boys ought to know how the Government is helping their mines, too.

Mr. CELLER. See how the silver people are hoist by their own petard. They got ninety-odd cents for silver. What happened? That attracted silver from all over the world into the New York market, so we are now flooded with silver, and instead of the price remaining at 90 cents, the price in the general market has now gone to 60 cents. Yet the Treasury must under the Silver Purchase Acts pay ninety-odd cents for domestic silver.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Silver was melted and was sent to New York from all over the world, because we raised the price of

domestic silver to 90 cents. That price set the standard price for all silver with some startling results; the coins of India, the coins of Mexico, and the coins of many other countries were actually melted down, because they were not worth intrinsically the price of the coin in their own country. The silver in these coins was worth more in the United States, and so shipload after shipload came into the United States because of the rapacity and selfishness of the silver producers, the copper producers, and the zinc producers who had demanded the 90-cent price. But instead of the price remaining at 90 cents, because of a superabundance of supply the price dropped to 60 cents. It will go still lower. That only shows you that when we try in an artificial way to interfere with the old economic law of supply and demand, we get that very wretched result.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. WELCH. I take it for granted the gentleman has read the bill. Will the gentleman tell the House what this bill has to do with silver?

Mr. CELLER. The bill has a great deal to do with silver, in the sense that the man who produces copper and the man who produces lead, in most instances—not always—in most instances produces silver. He gets the gravy of 90 cents per ounce from the silver. Now you want to give him more gravy with this kind of subsidy.

Of course, we are in very short supply of copper, zinc, and lead. I would want to get more of that supply, but not at the expense of the American taxpayer by subsidy. For example, I mentioned the country India before. At the present time India has locked up in the sterling area bloc pool a balance of $5,000,000. India wants to spend those locked-up dollars in the United States. India is most anxious to buy and sell to and from us. We could easily procure from India the strategic materials like chrome, magnesium, lead, copper, and zinc for the goods India covets from us—autos, radios, refrigerators, machinery, and so forth. The sterling area bloc pool was supposed to be dissolved on the 15th of this month. If England keeps her word, India can use its favorable trade balance in dollars to buy goods from the United States. That would bind India closer to us—encourage trade. We could buy these much needed strategic materials from India, like zinc, copper, and lead. I would rather do it that way than at the expense of the American taxpayer, lining the pockets of some of these miners from the West who have been inordinate in their demands upon this Congress.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has again expired.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I favor the enactment of this measure for a number of reasons. I think its objectives with respect to the development of these industries, and so far as it will encourage research and development necessary to bring new mines into production of copper, lead, and zinc, are very worthy.

I remember when the last war came upon us that the little children of this country gathered aluminum pots and pans and the housewives of this country were induced to give up all of their aluminum cooking utensils. They were led to believe that it was necessary that we might build airplanes. I doubt whether any of that aluminum thus gathered went into the construction of airplanes, but I do know that the airplanes that were produced of aluminum made in this country—much of it made in my district—shortened the war and saved the lives of thousands of American boys. I also know that there is a shortage of copper, zinc, and lead in this country. There is a large zinc mine within 15 miles of my city. Zinc is carried in limestone. To get the zinc the limestone that carries it must be mined in vast quantities, then be crushed, and by a flotation process the ore is separated from the limestone. There is also a large copper mine and plant in Polk County, adjoining my district. We have to have copper in order to transmit our electric current and for many, many other purposes; and we have to have zinc in order that we may produce fencing wire of all kinds and that we may use it for many, many other purposes. We have to have all three of these metals for war. I hope we are not going to have another war, but ominous indications of the possibility of a fighting, shooting war are abundant.

We would be penny-wise and pound-foolish if we failed to provide the $70,000,000 carried in this bill to see that we continue to have an abundance of these three strategic materials. It is just a matter of being a realist.

The average zinc miner's wages are high. It is a dangerous calling. Those men who follow that hazardous calling are not going to accept any smaller wages than they are now getting. This bill will be in effect with respect to the subsidy paid for only 2 years and these subsidies will be payable on the zinc or copper ore and the lead mined within those 2 years. We cannot afford to take chances on this matter.

I want to compliment the able, patriotic members of the committee who have brought this measure before this House at this time. I think it is a public necessity. I think we would be unwise if we voted down this measure, because I know what farmers are paying for fencing wire. I bought two rolls of screen wire the other day. They cost me $70 and I was glad to get them at that. I wanted two rolls of barbed wire, and I had to comb my city of 200,000 with a fine-toothed comb, and I paid a price for those two spools of barbed wire, a price that would have bought half a dozen rolls before the shortage arose. We must have fencing, roofing, buckets, batteries, paint, scores of other utensils and implements. To obtain them we must have lead, zinc, and copper.

If we fail to pass this measure many marginal mines will be shut down, thousands of miners will be thrown out of employment, and there will continue to be a shortage of these vital metals. They are needed in our industrial life, on the farm, in the kitchen, and for the national defense.

We cannot afford to depend on foreign countries for these strategic metals. Lead, zinc, and copper obtained from foreign countries at the cost of shutting down our own mines and throwing American workingmen out of their jobs will be obtained at a cost too great to be paid.

This bill should be passed by this House.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. RANKIN. Mr. Chairman, it is unfortunate that this measure is brought before the House at this time. It means subsidizing the Copper Trust in this country. The next thing, I presume, will be a bill to subsidize the Steel Trust.

Mr. RICH. How about coal?

Mr. RANKIN. I am concentrating on the Steel Trust now, for the simple reason that the steel monopoly is holding back the steel needed to manufacture electric wire.

Let me show you what has developed in the last few years. You are talking about copper for electric wire, transmission lines, and rural power lines. They are not made out of copper, as a rule they are made out of aluminum with a steel core.

Where it takes 16 poles a mile to hold up a copper wire, it takes only about 12 poles a mile to hold up an aluminum wire with a steel core. I know as much about the wiring in the Tennessee Valley as any other man in Congress. You will hardly find a wire there that I know anything about, at least below 110,000 volts, that is not made of aluminum with a steel core.

Today the rural electrification program throughout this country is being slowed down, not for the want of copper, but for the want of steel to make the core for these aluminum wires. A man representing a great aluminum company said a day or two ago that he had been promised about five times as much steel in the next 30 or 40 days as he had been getting. The trouble with copper is that it has a great competitor today, and that is aluminum. Aluminum production is unlimited.

It may astound you when I tell you that an expert from one of the great aluminum companies of this country told me that since they have developed the process of manufacturing aluminum out of clay they have found that from 25 to 40 percent of all the clay in the earth is aluminum, and that there is enough aluminum in the first 10 feet of the earth's surface to cover the ground a foot deep all over the world.

It is the coming material for building construction. That is what is being used today to build these transmission lines, to build these rural power lines. It is aluminum wire with a steel core.

If you start subsidizing the Copper Trust, then next week you may be called upon to subsidize the Steel Trust and to subsidize every other monopoly in the United States.

The best thing we can do is vote this bill down and leave the situation as it is today, serving notice on these great monopolies that we are not going to encourage them by subsidizing their productions.

Mr. SHORT. Mr. Chairman, I move to strike out the requisite number of words, and I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Chairman, I have the highest respect for the gentlemen who are are opposing this measure, but I am forced to state frankly some of them have been misinformed, most of them are totally uninformed about this bill. Originally, I opposed this measure myself, when I knew nothing about it, but after much serious study I am convinced that this legislation is not only desirable but also necessary.

I repeat, we have no lead, zinc and copper in our stock pile today, though the last Congress over a year ago passed legislation, reported by the old House Committee on Military Affairs, with authorizations totalling $300,000,000, to create a stock pile. We subsidize wheat, potatoes and other farm products of which we have a surplus. We spent $80,000,000 subsidizing potatoes last year, and recently we destroyed thousands of tons.

Lead, zinc and copper are in a different category. We have an acute shortage of these stragetic and critical materials, not a surplus.

Mr. Chairman, there is not much I can add to what I said a few days ago concerning this legislation. I do hope that the Members will for a few minutes seriously think and analyze with me this premium-price plan, contained in H. R. 1602.

WHAT IS IT?

It is a systematic method of keeping the mining industry of the United States operating under cost conditions which are the highest in the industry's history, many of which have been imposed by governmental action. It was used successfully during the war to get out much needed metal. It is equally essential today for the same reason.

HOW DOES IT OPERATE?

Each mine unable to operate on market prices without additional help submits data on mining conditions and operating costs to a group of impartial experts who after careful scrutiny determine the amount in excess of the market prices necessary to keep such mine in operation. That amount expressed per pound of recoverable metal is the premium. Data has been accumulated on each mining district, and any attempt on the part of any operator to use the plan to take an unfair advantage of the over-all program in any district is promptly rejected; the operator is assigned a premium which is only sufficient to keep the mine operating. Allowances are also made in certain cases, approved by Government technicians, to those needing exploration and/or development premiums. A tabulation of six of the better class lead-zinc mining companies in the Rocky Mountain region shows an average margin before depletion of less than one-half cent per pound of metal for the group as a whole. Profit before depletion was approximately 1.5 percent on May 1, 1947—depreciated—market values of the stocks, and only 5.9 percent of ore values plus premiums.

DOES IT PROMOTE INEFFICIENT OPERATION?

No, in the tri-State area, for example, where the major part of the subsidized metal has been produced during the last few years, production before the plan was placed in operation was at the rate of four rock tons per man shift. Under the plan, efficiency has actually been increased to 10½ tons per man-shift. Like increases in efficiency could be cited in other areas which prove that the contention that this plan promotes inefficient operation is false and is probably made by major low-cost, high-grade mining operators who desire to close down the marginal mines of the Nation knowing full well that by such action one-third of the zinc and one-fourth of the copper and lead production in the United States will be cut off and the price of metals will thereby tend to rise, thus increasing the profits of such low-cost producers who are ineligible to receive premiums and ultimately making them more costly to the consuming public.

WHY HAVE A PREMIUM-PRICE PLAN WHEN THE MARKET PRICE OF COPPER, LEAD, AND ZINC HAS RISEN FROM THE WARTIME CEILING OF 12, 8.25, AND 6.5 CENTS, RESPECTIVELY?

Simply because under present cost conditions for which the industry is not responsible but which nevertheless prevail in the production of metals, the marginal or high-cost producers have received during the war and up to June 30, 1947, as much as 27 cents for copper, 14.75 cents for lead, and 16.5 cents for zinc, and many must continue to receive these prices in order to operate. While these ceilings are provided in the present legislation as the maximum amounts obtainable, the industry today is confronted with even higher costs not only from a production standpoint, but also from a transportation and marketing standpoint. To contend that these producers are advocating legislation which will enable them to get more for their metals than they are at present obtaining is false and untrue. Some large high-grade producers are receiving more for their metal on the open market today than they formerly received and are naturally inclined to want all marginal mines closed.

Premium price does not increase profits; it simply enables the producers to stay in business.

COULD TARIFFS BE ADJUSTED TO MEET DOMESTIC PRODUCERS' REQUIREMENTS?

No, the Eightieth Congress has removed the 4-cent duty on copper to help alleviate the metal shortages and encourage foreign producers to ship in metals produced with foreign labor and under cost conditions which are generally much lower than they are in the United States. In effect, this action by the Eightieth Congress has subsidized foreign producers at the expense of domestic producers and consumers. The fixing of a higher market price for metals without tariff protection has had the same effect. In fact, the premium-price plan is another form of tariff which might be called an internal tariff for the protection of domestic industry.

DO WE NEED METAL FROM MARGINAL MINES AS WELL AS RICH MINES?

Yes. All impartial estimates show that at best under present conditions we will not be able to meet the demands for metals necessary to keep our present day requirements. Estimates vary, but 1,200,000 tons of copper, 1,000,000 tons of zinc, and 1,000,000 tons of lead will certainly be needed this year; whereas, with all our present mines operating, we probably will not be able to produce over three-fourths of our estimated needs.

We will be compelled to import more metal, but in doing so, it should be remembered that there are world-wide shortages, that Europe has been devastated and so have parts of the Far East, and it is also true that metals in ever-increasing quantities are needed in other countries for rehabilitation and new construction projects.

Heavy demands for metals are being made and will be made for new industrial development projects in foreign lands. With all our mines operating, it is doubtful whether stock-piling programs as authorized by Congress can be carried out. Our Government has actually been releasing metals from our stock piles to meet consumer demand and keep domestic manufacturers in business. For example in March 1943, we had 275,000 tons of lead in Government stocks; today we have none.

WILL THIS LEGISLATION DEVELOP OUR NATURAL RESOURCES?

Yes. Our new mines and ore bodies are largely discovered by the small independent miners of America. These men need this legislation in order to develop and bring into production new mines. It is also true that ore begets ore; that all big mines were once small mines.

Operating mines often develop new ore bodies which may not be uncovered if mines are forced to shut down. General disintegration will then take place causing costly losses. America can become a have-not Nation if these marginal mines are shut down. How many new mines in America have those who oppose this legislation brought into production? The answer is, practically none. It is generally their policy to let the more venturesome small independent miners of America discover and explore new mines. Outright purchases may be made and development done by big miners, but we must encourage those who prospect for new mineral deposits. This legislation is antimonopolistic in that it enables free independent American enterprise in the mining industry to survive and gives it a real incentive to develop and produce more metal which America must have to continue to grow and prosper.

IS THIS PLAN NEEDED FOR NATIONAL DEFENSE?

Yes. If these mines are allowed to shut down and become inundated and disintegrated, if crews and working personnel are disbanded, if managerial know-how is scattered, America will be less prepared to meet an emergency than she was in the last war when many American boys lost their lives largely because of metal shortages needed to equip them with proper armament. It involves not only an economic loss to our entire economy to shut down our mines but it is particularly dangerous at this time in view of world-wide conditions. We should not forget that 54 out of 60 ships bringing ore and metal to our shores during the last war were sunk. Can we afford to rely on subsidized foreign production for our safety and security? Is it not possible for these supplies to be shut off almost overnight by foreign governments, especially of the dictator variety? Abandoned American mines cannot be reopened overnight in the event of an emergency.

COST OF PREMIUM PRICE PLAN VERSUS UNEMPLOYMENT COSTS AND TAXES LOST

Estimates show that total taxes which will result from keeping the mines operating and the savings in unemployment payments will more than offset the cost of premium payments required under this plan. Of 488 lead-zinc mines reporting to the United States Bureau of Mines in January 1947, 469, or about 96 percent by number, will require some subsidy payment on lead and zinc, or both, on their 1947 output. Can we afford, in the name of sound economy, to shut these mines down?

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. JENNINGS. Is it not a fact that the ability of farmers throughout the entire country to obtain fencing wire and roofing material depends upon the operation of these mines?

Mr. SHORT. Not only roofing material and wire fencing but every staple and nail. Everyone who paints a house depends upon the operation of these mines. Lead goes into paint. Anybody who drives an automobile has to have a battery, and you cannot get batteries today because of the shortage of lead. One could name a hundred other things.

Mr. JENNINGS. Nothing has been said about aluminum. I was forced not long ago to buy aluminum roofing material because I could not get galvanized roofing material and I paid three times as much for that aluminum roofing as I would have had to pay if I had bought the galvanized material.

Mr. SHORT. Every farmer who buys a zinc milk pail is affected by this legislation. Utensils in the kitchen of every housewife are made of these metals. We need this bill to mine these metals.

Mr. DURHAM. Mr. Chairman, I move to strike out the last six words, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WELCH. Mr. Chairman, I move that all debate on this section, and all amendments thereto, close in 15 minutes after the gentleman from North Carolina [Mr. DURHAM] has concluded.

Mr. PLOESER. Mr. Speaker, a parliamentary inquiry. What is considered "this section"?

Mr. WELCH. Section 1. We have not started on section 2.

The CHAIRMAN. The question is on the motion of the gentleman from California.

The motion was agreed to.

Mr. DURHAM. Mr. Chairman, I am down here again today with somebody else's business. I have no zinc, lead or copper mining in my area, but I do it from the standpoint entirely of directing my remarks to the national defense.

The gentleman from Missouri [Mr. SHORT], who just preceded me, has answered the question of whether or not this is a matter of subsidizing certain interests in this country. I do not believe it is in the interest of so-called monopolies, because, if you will review the payment plan used during the war and look at the record of the small mines of this country which contributed so much to our stock piling and to our national defense, you will find that their earnings during that entire period were a net of about 1.9 percent. I feel that if there is any other industry in this country that operated at that kind of a profit, I would like somebody to tell me.

They contributed their part. They were brought into this program by the necessity and urge of the national defense.

I do not like subsidies. I think it is one of the worst policies we can adopt, but when it comes to subsidizing something in the interest of our national defense, I am going to support it.

I am fully convinced, after studying this matter over a period of years, that the only thing to keep these people in an operating status is to at least help them. I happen to know something about the need for the material at the present time. The Army and Navy Munitions Board report to us every 6 months. That report will be here on the 23d of July. It will show to you, as the gentleman from Missouri [Mr. SHORT] has told you, that our stock pile is in a very precarious state.

I also happen to serve on the Joint Committee on Atomic Energy and have just come from a meeting of that committee. I happen to know something of the need for these materials for that work also. That report will be here in a few days, and you can draw your own conclusions.

That is my sole reason in appearing here and speaking and trying to stimulate what interest I can, and trying to help these small marginal mines. If you will study the mining operations, there is a vast difference in the operation of mines. Pockets appear in small pockets in certain mines and that operation is very expensive. There are other pockets that appear in large quantities, and are very easily mined, and the operation becomes less expensive.

To gather this extra material in and to add it to our stock pile in this country is not only important for our national defense but also to the people who use copper, zinc, and lead in the domestic economy. We all know today how difficult it is to secure any of these metals whether we go to the hardware store to buy roofing or any one of the many items into the manufacture of which these metals enter. They have become almost extinct in some parts of the country.

It is true that today we have developed methods in the transmission of electric power that releases us from dependence on copper lines entirely, a process developed for the use of steel. If this process had not been developed we would be in even worse condition today than we are.

We still must have these three metals for use as moderators for heat resistance. So far no other materials have been developed that are better moderators for heat than lead, zinc, and copper. We know what the problem is when we begin to try to develop fission material and we have some knowledge of what the heat-resisting materials have. We all have information that was developed from the Bikini test and other tests and there is much more, of course, we would like to talk about, but under the present set-up it is impossible to do so. I am not throwing that out as a scare at all or anything to be alarmed over, but I think it is necessary that we try to get all this material that we possibly can.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. SEELY-BROWN. Are the Army and Navy actively supporting this legislation?

Mr. DURHAM. I do not know whether they are or not. This bill, of course, did not come from our committee. If they are not supporting it, I assure the gentleman they should be with the knowledge I have of our stock-pile condition at the present time.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from New Jersey [Mr. KEAN] is recognized for 2½ minutes.

Mr. KEAN. Mr. Chairman, it so happened that I introduced the original amendment providing for premium payments, in the Banking and Currency Committee of which I was then a member. It was adopted by the committee and passed by this body, although my wording was changed somewhat at the other end of the Capitol. The plan was one which saved the taxpayers many millions of dollars during the late war and was proper in wartime; but if I had realized that attempts would be made to continue these programs in time of peace I never would have proposed the amendment.

Subsidies are dangerous medicine. Once beneficiaries get their noses in the trough it is hard to pull them out; and as the gentleman from Nebraska said, when will there be a better time to get back to fundamental American principles than right now at a time of high prices?

I hope the Members on this side of the aisle at least will not swallow, hook, line, and sinker this New Dealish legislation.

Mr. Chairman, I yield back the balance of my time.

Mr. BUCK. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and five Members are present, a quorum.

Mr. HARLESS of Arizona. Mr. Chairman, at the present time the world market on copper, lead, and zinc is at an all-time low so far as supply is concerned. This bill does more than actually support the production of copper in this country. It aids us in holding up the world supply. As a matter of fact, the price of copper would be materially higher than it is now if it were not for the premium-price plan. If you take away the premium-price production mines in this country you would materially jump the price of copper because the supply would be very much lower.

This is not a bill that has been sponsored by the Copper Trust, as some here would tell you; it is a bill to help the little man. In my State, for instance, it is the small or marginal miner who draws the subsidy. I can think of only one copper mine of any size at all that is drawing any premium in Arizona.

The price of copper on the world market now will go to at least 24 or 26 cents or maybe to 30 cents if the American producers do not hold it in check by abundant production. Therefore, this premium-price plan will save the consumers and taxpayers more than the cost of the premiums. It will save the American taxpayers money by holding the price of copper down. Every family in this country is affected by the price of copper because every family buys something that is produced from copper. I am more familiar with copper than I am with zinc and lead because our State produces so much of it. I bring that out because I want you to know the facts behind this matter.

This bill will not only bring about the production of more copper but it will hold the price down. We have many small mines that will close if this bill should fail to pass. If these mines close they will never open up again and ultimately we will not be able to have a stock pile of copper for the armed forces. Therefore, it is more than merely a price matter. It is a protection matter for the defense of our country.

Mr. Chairman, I urge that this bill be passed for our defense.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I would like to be for this legislation, but I cannot. I would like to assure that our Army and Navy do get stock piles of materials of which we were short during the past war, and which will be essential if we are unfortunate enough to get into war again. I would like to build up our stock piles of these materials, and if this bill gave any assurance whatever that the Army and the Navy would get 1 pound of strategic materials it otherwise would not get, I could support this proposed law.

But it does not do that. It does not assure the accumulation of any of these strategic materials as a part of our stock pile of strategic materials. I believe that the military and naval authorities do not want the bill amended to contain a proviso that the copper, lead, and zinc from those mines, which would receive a benefit under this bill, should go to the Army and Navy for a stock pile. I wish they would agree to that, and under such circumstances I believe that the bill could be supported much more strongly than it will be supported as it is now.

Basically, all that I can see in this bill is an attempt by fine men, representing their congressional districts well, men who are here seeking to have us pass legislation to help the wartime producers within their congressional districts. They seek to help a few from their districts whose war-time operations cannot compete in a peacetime economy. In my district and in your districts, wherever it may be in this country of ours, there were many, many industries which were operated during wartime that cannot be operated today. We have not brought bills in here urging that those industries, essential though they be during the wartime, be subsidized today in order to keep them going, and yet that is what this bill does. It selects a part of one industry, if you please, and it provides funds from the Federal Treasury which will keep those marginal industries operating during peacetime, at the very time when there are no trade restrictions upon importations of these materials. There are ample supplies in the world. They can come into our country today, substantially free of any limitations, and so long as the copper, lead, and zinc remain in our soil, they are an asset; they can be secured at any time necessary during war. They are being conserved. Consequently I think this Congress would make a sad mistake if we adopt and enlarge upon a policy of providing subsidies to maintain an industry which, while essential during wartime, should be allowed to produce in great excess today. Rather, we should encourage the importation of these materials today and allow the price level amply high to provide the impetus for supply and demand, that system of free enterprise in which we all believe.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from California.

Mr. ENGLE of California. Does the gentleman know that it would take from 3 to 5 years to get any metal production in this country at all after you close down the mines?

Mr. SIMPSON of Pennsylvania. The gentleman knows that these mines were reopened during the war in far less time than 3 to 5 years. The gentleman knows it will be many years until they are in such condition that they cannot be reopened, and I repeat, so long as copper remains in the soil here it is being conserved and is available whenever conditions require that it be produced.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. May I say that in my State two mines have recently reopened that have not produced since the Revolutionary War.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I simply want to say that I am supporting this bill for two reasons only. One is that we ran along here for some 7 or 8 years under the plans which brought into operation the international agreements which we became a party to, then there there came the Truman doctrine of March 11, and then on June 5 that doctrine was declared obsolete: We now have the Marshall plan. God only knows what our commitments are throughout the world today. Certainly we are moving directly across the path of Russia and toward war as fast as countries can move when they make some pretense of keeping out of war.

As far as I am concerned, I am not knowingly going to support a program which closes down lead, zinc, and copper mines in the United States. I am not going to support a program which at this time prohibits our people from bringing into this country from other parts of the world those strategic minerals which we so badly need; I want the imports to come in and I want the production to go ahead without any interference whatsoever, as strictly a national defense proposition to give us needed minerals for domestic use and defense stock-piling.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Does it make common sense for us to send money to European countries to explore and develop mines and deny our own mines the same thing?

Mr. CRAWFORD. It certainly does not. Here is the International Bank for Reconstruction and Development that has just floated a $250,000,000 debenture issue in this country, and our people are buying them for the specific purpose of doing what the gentleman from Illinois just said. We propose under that mechanism alone to send out of this country literally billions of dollars to expand and develop the national resources of the other parts of the world, and here we have those who propose at the same time to close down copper, lead, and zinc mines in the United States. If that is not a silly performance, I wish somebody would write me a formula for one.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New York, and I disagree with him entirely in his advocacy here today.

Mr. BUCK. Would the gentleman suggest subsidizing the iron mines and the steel industry?

Mr. CRAWFORD. I suggest subsidizing anything in this country that in this

troubled hour puts us in a defense position. I do not care what it is, because we have had some experiences along this line the last few years, but only provided it is necessary. If there is no necessity for the assistance, it should not be given.

I do not advocate throwing money away. I never did it and I am not going to start now. But if for national defense it is necessary to do what we here advocate, then let us go ahead and do the job. Certainly it is necessary for us to do something, with these obligations we are assuming today under the various commitments we are making almost every day.

Mr. ALLEN of Illinois. Why is it that some Members of this body are so anxious to take care of foreign producers, but when it comes to domestic producers they are all against it?

Mr. CRAWFORD. There are three tremendous companies operating in the world that primarily control 75 to 80 percent of all the copper produced in the world, and we have actual warning that those companies should be investigated under the 600-page report recently released by the Federal Trade Commission. I have had a resolution in here calling for that investigation to find out who is controlling this mineral production and these prices. If this Congress wanted to do its job properly, we would look into that matter and get at the very bottom of this thing. That is what we should do along with this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, it has been said here today that many Members are ably representing their districts, and they are. I come from an agricultural district. There is not a mine in it. I have spent 9 years here in Congress studying this subject, and I have come out thoroughly convinced that there is one interest in this Nation a little higher than one's district, and that is our national defense.

I heard the charge made here a while ago that there is a lot of flag-waving in bringing in the subject of national defense when we talk about this bill. If that is what I am doing now, I will be mighty glad and mighty proud to wave the flag.

The chairman of the subcommittee of the Committee on Military Affairs last year [Mr. DURHAM] has spoken to you about some of our experience in this field, some of the scares we had. We worked together in developing Public Law 520 in the last Congress, and we placed in there one provision that I regret is in there because it has done things to our stock pile. We put in there the provision that these purchases shall be made, as far as practicable, from supplies of materials in excess of current industrial demand. In spite of our asking originally for a $1,800,000,000 authorization for stock piles of strategic minerals, and later cutting that down to an open authorization and asking for a very humble appropriation of $300,000,000, the Government officials having charge of the program have not acquired anything because private industry has taken all of our stock-pile resources, and we now have practically nothing in our military stock pile.

What would happen if we had another Pearl Harbor today? I lived through the hazards of unpreparedness in World Wars I and II all too dramatically. I know what it means to send our sons out on the battlefield without adequate training because of the shortage of ammunition. I think we will have to find the right answer in the years ahead even more than we do now.

We have a new field of development in defense requiring even greater supplies of many metals. We must face the challenge of future crises without the delay necessary to develop and expand our mineral resources. I heard the statement made awhile ago that they no longer needed copper in the REA. I have not forgotten the Arkansas-Louisiana investigation of the Committee on Military Affairs into charges that they were hoarding copper down there. I was on that investigating committee. I know that REA was mighty hungry for copper and we desperately needed all available copper for ammunition manufacture. I was a friend of the REA, but I took them to task on that. Except for the Arkansas-Louisiana case, REA cooperated with the war program magnificently.

In the consideration of this bill let us keep our feet on the ground and keep the idea of adequate national defense uppermost in our minds. When we exhaust our domestic stock piles of critical and strategic materials we have no military stock piles, and that is the relationship of this bill to the field of national defense. I mean to stand by and support adequate national defense first, last, and always.

The Clerk read as follows:

SEC. 2. (a) That the premium price plan for copper, lead, and zinc is hereby extended for a term of 2 years from June 30, 1947, in accordance with the provisions of this act.

(b) Understanding any other provision of law, the Reconstruction Finance Corporation is authorized and directed to make subsidy payments for the fiscal years ending June 30, 1948, and June 30, 1949, with respect to copper, lead, and zinc, in the form of premium payments not to exceed in the aggregate $70,000,000 and not to exceed $35,000,000 in the fiscal year ending June 30, 1948: *Provided*, That (A) such premiums shall be paid on ores mined or removed from mine dumps or tailing piles subsequent to June 30, 1947, and before July 1, 1949, though shipped and/or processed and marketed subsequently thereto; that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1949, and (i) adjustments shall be made to encourage exploration and development work, (ii) premium payments for any particular metal contained in an ore shall be in addition to the amount received per unit by the producer of the metal, but no payment shall be made to a producer when the market price plus such payment would exceed the limits of the plan in effect June 30, 1947, which maximum limits shall not be reduced unless necessary in order to make individual adjustments of income to specific mines, and may be exceeded only when the Director shall determine special consideration is necessary for the stimulation of exploration of particular projects.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 7, line 5, after the first comma, insert "Manganese" and, in line 11, after the word "thereto", insert "*Provided*, That with respect to manganese ore (1) no payment shall be made to a producer when the base market price plus such payment would exceed $1 per unit (22.4 pounds) of contained metallic manganese, (2) payments shall be made only on marketable ores or concentrates containing in excess of 35-percent metallic manganese."

Mr. WELCH. Mr. Chairman, the committee accepts the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. PLOESER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PLOESER: Page 6, line 22, strike out sections 2, 3, and 4 of the committee amendment, and insert: "That, notwithstanding any other provision of law, payments may be made by the Secretary of the Treasury with respect to operations for the fiscal year ending June 30, 1948, in the form of premium price payments for copper, lead, and zinc: *Provided*, That such payments shall not exceed, in the aggregate, $40,000,000: *Provided further*, That premiums shall be paid on ores mined before July 1, 1948, though shipped and/or processed and marketed subsequently thereto: *And provided further*, That the Secretary of Commerce shall continue the premium price plan for copper, lead, and zinc in force on June 30, 1947, through June 30, 1948, on terms not less favorable to the producer than heretofore and (a) adjustments shall continue to be made to encourage exploration and development work, (b) adequate allowances shall continue to be made for depreciation and depletion, and (c) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines."

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that the portion of the committee amendment which the gentleman seeks to amend has already been amended, and that since we are considering a committee amendment and it has already been amended, this would be an amendment in the third degree.

The CHAIRMAN (Mr. HOWELL). The Chair is ready to rule on the point of order.

The Chair is constrained to rule that the Committee is considering a committee amendment as an original bill, under a special rule. Therefore, the Chair overrules the point of order made by the gentleman from South Dakota.

The gentleman from Missouri [Mr. PLOESER] is recognized for 5 minutes.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, first let me say that I propose to support this bill. I say that although whenever I support any sort of a subsidy I do it reluctantly and only because I think the situation is such that there is no other immediate solution for it.

The amendment which I propose does this: It changes the length of the subsidy-paying period to 1 year. It further pays the subsidies directly out of the Treasury, and it continues the present method of handling premium payments in the Department of Commerce.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. If the gentleman's amendment is adopted it will require an appropriation of $40,000,000 to make funds available so that the Department of Commerce can pay the premiums.

Mr. PLOESER. That is correct.

Mr. KEEFE. So that if the appropriation is not made at this session of Congress, until such appropriation is made the bill would be totally ineffective.

Mr. PLOESER. Well, there is no reason why an appropriation cannot be made at this session of Congress, and I am so informed by those in charge of the Appropriations Committee.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I refuse to yield until I finish my statement, and then I will be glad to yield.

The reason for removing this from the Reconstruction Finance Corporation and putting it directly in the Treasury is this: Within the last few weeks this Congress has cleaned up the RFC and taken from it all of its activities in the field of subsidy or premium payments. We have just completed the arduous task, for which the Banking and Currency Committee of this House should be highly complimented, of cleaning up the RFC and getting it back into a banking institution for extremely necessary loans which would not be made by ordinary banking institutions.

Now, here we come muddying up the RFC and putting premium payments right back in the place where we almost unanimously said we would not do it again. Now, it does not defeat this plan at all to pay it directly out of the Treasury. I believe it is the proper way to do it.

Either method requires an appropriation.

Three months ago, people representing the small mining interests of this Nation came to the Small Business Committee of this House and asked us to make a study of the condition of their industry. Under the very able chairmanship of the gentleman from Colorado, [Mr. HILL], as chairman of the subcommittee handling this particular subject, small mines and the industry are under study. It has been under way for 3 months and will continue until we have learned something worth while about what may be done to encourage prospecting and the development of new mines, and also discourage the monopoly control that apparently exists in certain branches of the mining industry. Because of the imminence of the expiration of the premium price program on June 30, our committee unanimously made an interim report in which we recommended that two steps be taken. We confessed in that report that our studies were not complete; neither had we found any other place in Government where a comprehensive study had been made of the situation.

We do not like subsidy programs, but at the same time we were perfectly willing to advocate one for another year until such time as studies could be completed. So we advocated two steps to be taken: First, the introduction of a bill, which was done by the gentleman from Colorado [Mr. HILL], doing exactly what I am doing in this amendment. In fact, the amendment I have offered is the Hill bill; and, second, amending the Critical Materials Stock Piling Act to authorize the Army and Navy Munitions Board to make contracts for the purpose of stock piling critical materials directly with marginal mines. It is true, whether the statement should have been made public or not, it has been made heretofore in these debates that we do not have any stock piles of copper, lead, and zinc, but it is further true that this bill—and I repeat that I am for it—this bill does not provide one ounce of either copper, lead, or zinc for any stock pile. It does enable the production at our present rate to continue, and by doing so it does a very vital thing in national defense in that it continues the operation of mines which, if closed down, may never again be reopened. So the bill does have a relationship to national defense in that it continues the operation of certain marginal mines which one day may be very vital to national defense.

As for a contribution to the stock pile, it makes no contribution whatsoever. The other legislation which was introduced and which has already been heard by a subcommittee of the Committee on the Armed Services would make a direct contribution to the stock piling by allowing the Army and Navy Munitions Board to make direct contracts with marginal mines for the purpose of stock piling.

A lot has been said about the attitude of the Army and the Navy. I personally believe that their attitude has been extremely narrow. In accordance with their interpretation of the Critical Materials Stock Piling Act they are planning a program of buying almost 100 percent foreign. I for one am in agreement with foreign buying, and I am in agreement with certain foreign buying for the purpose of stock piling, but there is not any man living who can tell us how much material we are going to need for the next war. There will be no one who will ever know prior to the war whether we have acquired sufficient amounts as a result of foreign purchasing to build a great enough stock pile. So regardless of foreign purchasing, it is absolutely essential that every reasonable marginal critical-material mine in America be kept in operation.

So I submit the idea of a subsidy, reluctant as I am to support subsidies, for 1 year until we can have a greater knowledge of the subject; and I furthermore am pursuing the course of trying my best to get to the floor for your consideration before adjournment this amendment to the Stock Piling Act which would permit the Army and Navy Munitions Board to make direct contracts with marginal mines.

I may say in passing that among experts in mines there is difference of opinion as to whether this should be for 1 or 2 years. So far as I personally am concerned it makes little difference. I say it should be long enough to allow us to know more about the subject; and that, of course, is a minimum of 1 year. But they are all generally agreed that an amendment to the Stock Piling Act is of importance not only to the national defense but also to the maintenance of these reasonable marginal mines; and the chairman of the Industry Advisory Committee to the Army and Navy Munitions Board has so advised that Board, whereupon they immediately recommended against it.

I am carrying out in this amendment that which was unanimously adopted by my Committee on Small Business at an interim point in our studies. Now, I do not propose or claim to know anything about the mining industry except that which has been revealed to our committee. I say here that their studies have been intelligent and the subcommittee has done a good job up until this time. They are pursuing the subject until this House, this Congress, and the Army and Navy too, if you please, can have a more intelligent report on the over-all situation concerning strategic materials and marginal mining than we have had up to this time.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. I am happy to know now at this minute that the gentleman is for this bill.

Mr. PLOESER. The gentleman, of course, has known it for months. As a matter of fact I have urged the gentleman for action many weeks ago.

Mr. ALLEN of Illinois. I have not known that for months.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, I had occasion to examine the gentleman's amendment which is at the desk and it concerns part of the bill which has been amended by my amendment. I wonder if the gentleman would agree that the issue is between whether or not manganese should be included in this bill and whether or not he would ask unanimous consent to modify his amendment by inserting manganese at the proper place with lead and zinc?

Mr. PLOESER. Personally, I have no objection, except I know no more about manganese than I do about most things in this world. I do not think I am sufficiently informed that I can say yes or no.

Mr. CASE of South Dakota. Maybe I can make a suggestion that will be helpful to the gentleman. When the Military

Affairs Committee of the House was considering the question of strategic materials, Col. C. T. Harris, testifying for the War Department, said:

> Naturally some materials have a higher importance and are more difficult to obtain than others. I place manganese at the top of the list. * * * There is no substitute for manganese. Without manganese the steel industry would produce a very inferior quality of steel and there is no substitute.

During the war our consumption of manganese went from 800,000 tons to 1,300,000 tons. After the premium price plan was discontinued our domestic production dropped from 241,000 tons to 140,000 tons. There were 56 producers out in California, for example, which went down to 10 after the premium price was discontinued. We are now dependent on sources of supply that are 4,000 miles away—Russia, Africa, India, and Brazil. That is the importance of it, I may say to the gentleman. Manganese is one item that is important to the national defense above all others, under the testimony of the War Department.

Mr. PLOESER. May I answer the gentleman?

Mr. CASE of South Dakota. Surely.

Mr. PLOESER. I always dislike holding myself out as an expert on a subject with which I am not too familiar and am not expert. I have no objection to the gentleman's amendment. But let me say that the recommendation he brings here does not answer the question as to whether this makes a contribution to the stock pile. The gentleman knows this bill does not. Furthermore, the gentleman knows, if he is going to take the testimony purely as a matter of fact that comes from the Army and Navy Munitions Board, he would not support this bill, because it was indicated, and even the new Secretary of War has indicated opposition to this proposition. All of those gentlemen speak as experts, including the gentleman from South Dakota, but I am not. I am just a Member of Congress.

Mr. CASE of South Dakota. If the gentleman will permit, this definitely will add to the stock pile for national defense, because it will encourage development of our domestic deposits. In my State alone there is one deposit of manganese which could meet all demands for a thousand years, if properly developed. I asked the gentleman whether or not he would make the two sections of the bill conform so the vote on his amendment would be solely on the issue he has raised. In order to produce steel in this country you need manganese. You cannot make steel without having manganese.

Mr. PLOESER. I understand the essential character of manganese.

Mr. CASE of South Dakota. If the gentleman wants the issue on his amendment to be voted on, and properly, before the House, he ought to include manganese, because it is already included in the body of the bill he is seeking to strike out.

Mr. PLOESER. If it will make the gentleman from South Dakota, who is obviously an expert on the subject, feel any better, I have no objection to the inclusion of it, and he may ask unanimous consent to do so. The gentleman may ask unanimous consent, but I still propose my amendment. I wish he would make his request first.

Mr. CASE of South Dakota. I am asking the gentleman—it is his amendment—if he will not make the request himself to modify his own amendment.

Mr. PLOESER. I will not object to the gentleman making the request to modify it.

Mr. CASE of South Dakota. With that understanding, I withdraw my reservation of objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. I have talked to many members of the Committee on Appropriations, including the gentleman from Wisconsin [Mr. KEEFE], and they say it is very unlikely that if this is taken out of the RFC, there will be an opportunity for the Committee on Appropriations to do anything about it. Now, it is important that we do it promptly in order to get to the Senate, and the best move that the gentleman can pursue to kill this bill is to do just what he has been doing by making it necessary that we go to the Committee on Appropriations here in the late days of the session asking for funds, and then going over to the Senate. So again I say if the gentleman wants to kill this bill in its entirety, there is nothing better he can do than to offer this amendment.

Mr. PLOESER. Is the gentleman saying that I am trying to kill this bill?

Mr. ALLEN of Illinois. Not purposely.

Mr. PLOESER. Answer me.

Mr. ALLEN of Illinois. That is the result of the gentleman's amendment.

Mr. PLOESER. Is the gentleman inferring that I am trying to kill this bill?

Mr. ALLEN of Illinois. Intentionally, no.

Mr. PLOESER. All right.

Mr. ALLEN of Illinois. But I am inferring that what the gentleman is doing will kill the bill.

Mr. PLOESER. Of course, I do not concur with the gentleman, because I have also talked to the chairman of the Committee on Appropriations, and he said that if this bill becomes law there is still a deficiency bill to go through in which it can be included.

Mr. ALLEN of Illinois. How about the Senate?

Mr. PLOESER. I guess I should not say what else he said, but he expressed disapproval of subsidies, which is his privilege.

Mr. ALLEN of Illinois. I have a statement in which the gentleman says that it is unlikely that it will pass the Senate at this late date.

Mr. PLOESER. That I said that?

Mr. ALLEN of Illinois. Yes.

Mr. PLOESER. No; I have not said that.

Mr. ALLEN of Illinois. The Wall Street Journal quotes the gentleman as saying that.

Mr. PLOESER. Well, the Wall Street Journal may be the mouthpiece of some others, but not mine. Why does not the gentleman explain that an appropriation is necessary in the gentleman's bill? It is.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from California.

Mr. ENGLE of California. I would like to ask the gentleman if it is not a fact that the Army and Navy Munitions Board is now empowered under the Stockpiling Act to make contracts with producers, and is it not a fact that the law specifically directs the Army and Navy Munitions Board to buy American wherever possible, and is a preferential right to domestic production?

Mr. PLOESER. The law also says that it should not interrupt the domestic supply, and the domestic supply now is short. The latest bids of the Army and Navy Munitions Board have been at prices under the market which, of course, means that they will not get any material; which, of course, means that they buy foreign. There are some incongruities.

Let me further say to my friend the gentleman from Illinois, it is not quite fair to make the implication that I am not supporting the bill.

Mr. ALLEN of Illinois. I cannot read the gentleman's mind what he is trying to do.

Mr. PLOESER. If the gentleman will let me continue until I yield to him, the Russell bill has been laying on the Speakers' desk for some time, quite some time, and the gentleman is the chairman of the Committee on Rules, and under the rules of this House could have called it up long ago. Now comes the Allen bill with an amendment which changes the Russell bill. I am happy for the change. But, anyone who was overly ambitious to get this done early, so there would be ample time for appropriations, had weeks to do so. In fact, I have urged the gentleman to act. The recommendation of the House Small Business Committee was prepared and many bills were introduced immediately upon the publication of that recommendation. That was on June 25. So, we have been aggressively pursuing the policy for almost 1 month.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Nevada.

Mr. RUSSELL. The bill the gentleman referred to, H. R. 2415, the Russell bill, was reported out of the Committee on Rules and did not come up on the floor of this House.

Mr. PLOESER. That is right. Because the gentleman from Illinois [Mr. ALLEN] did not call it up.

Mr. RUSSELL. The reason it did not come up on the floor of this House was the fact that it was opposed by the Department of the Interior and also some phases of the bill by several other departments and therefore, with my consent, this other measure was worked out in cooperation with the gentleman from Illinois [Mr. ALLEN].

Mr. PLOESER. I think the gentleman has suddenly done remarkably well. You

do not seem to be concerned about departmental support of this bill. It is a big improvement on the Russell bill.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Missouri may be modified by inserting the word "manganese" after the comma following the word "lead" where it appears in his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CHENOWETH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not wish to become involved in this friendly controversy between two very good friends of mine. I think it is obvious, however, that the adoption of the amendment offered by the gentleman from Missouri is going to complicate the issue before the House at this time. I share the opinion of my colleague from Illinois that the gentleman from Missouri is not trying to defeat the bill. I feel satisfied he is for this legislation, but I am also convinced his amendment is causing some confusion, as there appears to be an honest difference of opinion concerning the practical effects of this amendment, if adopted.

This bill continues the premium-price payment plan adopted during the war in order to insure an adequate supply of copper, lead, and zinc. The legislation authorizing this plan expired on June 30. The purpose of this legislation is to extend this premium-price plan for another 2 years. This is a simple extension and nothing more. This bill is quite different from the Russell bill which was reported out of the Committee on Rules some time ago. That measure provided for a new and rather complicated system of providing for these premium-price payments for the production of certain metals. That bill is not before us today. I think that the closer we stay to the simple extension of the present plan the clearer the issues are going to be before the House during the debate this afternoon.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the distinguished gentleman from Missouri.

Mr. PLOESER. The gentleman, of course, recalls that last year this premium-price plan expired and it was extended for 1 year. The unfortunate circumstance is that no one in this Congress made any effort to make a study of this situation as it affected these marginal mines so that we might have an intelligent report before the Congress this year. Are we going to continue in that vein, never learning, always subsidizing?

Mr. CHENOWETH. I am just as much opposed to subsidies as is the gentleman, but I am sure he does not propose the suspension without notice of the premium-price plan which was in operation up until June 30. I feel certain the gentleman does not advocate that such action be taken.

Mr. PLOESER. If I did advocate it, I certainly would not have recommended the program be extended for 1 year.

Mr. CHENOWETH. The gentleman has referred to the time limit which is another objection to his amendment. The committee bill extends the present plan for 2 years. The gentleman for some reason limits the extension to 1 year. You will recall that the Steagall amendment, providing a price-support plan for certain agricultural commodities, runs for another 2 years. I believe those engaged in the production of metals should be entitled to the same consideration as those who produce agricultural products, and that is what we are trying to do in this legislation before us today.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Nevada.

Mr. RUSSELL. Does not the gentleman from Colorado agree with me that 1 year would not be ample time to go in and develop new sources of minerals that are in the ground? What this bill is aimed at is not only taking out the marginal ores but going into the ground and developing new grade sources that will bring material out to this Nation at this time when we need it very critically.

Mr. CHENOWETH. I appreciate the gentleman's contribution. I think sometimes in discussing metals we forget that there are some very important and essential steps which must be taken before we have metals of any kind. First is exploration. We must explore for metals, and that is a rather costly process. These minerals must be located before they can be mined. This requires the skill of practical miners and capable mining engineers. It is a slow and tedious process. A great deal of money is spent and lost in looking for new deposits of metals. Then, after they are found, we must have development, which requires even larger investments of capital.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. ENGLE of California. If the amendment proposed is adopted, what possibility is there of a miner going out and undertaking exploration work and development work which might take a period of 4 or 6 or 8 months?

Mr. CHENOWETH. I would say there would be very little possibility that such work would be done.

Mr. ENGLE of California. He would not be inclined to do that, would he?

Mr. CHENOWETH. No; I think not.

Mr. ENGLE of California. That is because he would have perhaps 3 or 4 months under the premium-price program whereas if this 2-year program goes through, he will have 6 months or 8 months of the first year to do his development work, and then he can rely upon having an additional year in which to operate under the premium-price program.

Mr. CHENOWETH. I appreciate the contribution made by the gentleman, and he has called attention to another reason why the amendment should be defeated.

The plan which the committee has presented to you provides for a simple extension for a period of 2 years. If the amendment is adopted providing for a 1-year extension, the miner will not do the exploration work which the gentleman from California refers to. If the extension is merely for 1 year, those now depending on the premium-price plan to continue their operations will have to take necessary steps to close their mines on June 30, 1948. This will be the practical effect of the amendment now under consideration.

It is only after exploration and development are completed that production is possible. In other words a large amount of money must me spent before any ore is mined.

The miners of the West have been referred to as a greedy group. These accusations are made by those who have no knowledge of mining conditions. Those who are willing to risk their time and money to locate and produce these metals which are in such short supply should have our full support. We must have a strong domestic mining industry in this country. This was brought to our attention most forcibly during the recent war. Let us encourage our miners to continue to produce all of the metals possible.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Public Law 520 of the Seventy-ninth Congress is the law which authorizes the acquisition of stocks of critical and strategic materials. It should be perfectly clear that the Army and Navy Munitions Board charged with the responsibility of acquiring critical and strategic materials under the terms of this law may only acquire domestically produced materials under the language of the law, "in excess of current industrial demand." The industrial demand has at all times exceeded the production all along the line and, therefore, under the very terms of the act which it was contemplated would permit the Army and Navy to stock pile critical and strategic materials, they have not been able to do so.

The gentleman from Missouri says, and very properly so, that this provision of the law should be amended so as to permit the acquisition by the Army and Navy Munitions Board of stock piles at least of those materials which are produced as a result of the application of the premium payment plan.

I hope that legislation is adopted.

Let me say to you, my friends, that we are faced now with a critical situation. I have no zinc mines or any other mines in my district, and I do not own stock in any such mine and have no personal interest whatsoever in them, but like my friend the gentleman from Iowa [Mr. MARTIN], I do have a consuming interest in seeing that the national defense is protected and provided for. How are you going to do it—with a complete shortage of stock piles of copper, lead, and zinc, and manganese? How are you

going to do it? These marginal, high-cost producing mines produced a substantial amount of copper, lead, and zinc, that was produced during the war. They did it only because they were given assistance by the United States Government in the form of premium payments.

Now, there are people who stand here and say, "Oh, that was all right during the wartime, but this is peacetime." Why, gentleman, they cry, "Peace, peace," but there is no peace. We are still fighting this war. There is no peace in the world. No one can tell from day to day what tomorrow will bring forth requiring the utilization for the War and Navy Departments of critical and strategic materials. Let us not have such a short-sighted policy.

Down in the southwest corner of my State are some zinc mines. I have received telegrams from the operators of those small mines that they are all closed down now, and have been since the 1st of July. And they will remain closed down. They will continue to pump those mines and keep the water out at their own expense, hoping against hope that this bill will be passed, which will enable them to continue the operation. I say to you, if they do not get relief, those mines will close and they will be closed permanently; and they will be closed permanently all over this country. As a result we are going to lose for the War Department and the Navy Department and for the consumers of America a vast production from these small mines throughout the United States.

I want to address myself for just a moment to the amendment offered by my good friend from Missouri [Mr. PLOESER]. I know what he is trying to do and I am in accord with it. I was hopeful that some way could be worked out by which we could relieve the RFC from having anything more to do with premium payments, and we thought we did that. Now, here is an emergent condition. How are we going to make it possible to get those mines back into operation and provide these premium payments? If this bill passes the House, then it has to be passed by the other body. Having passed the other body, it has to be signed by the President. This is Tuesday. The House says it is going to adjourn by Saturday of this week. After it becomes law there must be a budget estimate submitted to provide $40,000,000 under the amendment proposed by the gentleman from Missouri [Mr. PLOESER]. That budget estimate has to go to the Appropriations Committee. Then it has to be scanned again, and there has to be an item of $40,000,000 inserted in the final deficiency bill. I know the hurdles that have to be passed in appropriation machinery.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. I happen to be a member of the Appropriations Committee, and therefore I think I can speak with some knowledge of the situation. I regret that the very mechanics of the situation, in my humble opinion, while I realize these things can be put through very rapidly, in view of the opposition that has developed on the floor to this legislation, I certainly doubt whether the appropriation could be put through before adjournment, in order to implement this program and permit these mines to continue operation. If they wait until next January the whole thing is going to fade out of the picture. Now, that is what it means.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. PLOESER. It is true that it is the common custom that we wait for a budget estimate, but there is nothing in the world to prevent this Congress from initiating its own appropriation. We do not need to wait for a budget estimate.

Mr. KEEFE. Well, that is very true, but the opposition could reflect itself in the Appropriations Committee just as well as on the floor, and the demand could come up, "There is no budget estimate for this." I can see what is in the offing in regard to this matter.

Mr. PLOESER. Will the gentleman yield further?

Mr. KEEFE. I yield.

Mr. PLOESER. The gentleman says he does not impugn my motives.

Mr. KEEFE. Oh, certainly, I do not. I have the highest regard for the gentleman. I have talked to the gentleman about this and I think his amendment is sound. We are confronted, however, with a very critical and emergent situation. If we were back a month ago I would be wholeheartedly with the amendment, but here we are faced with a termination date and adjournment in 4 days.

Mr. PLOESER. Mr. Chairman, will the gentleman yield further?

Mr. KEEFE. I yield.

Mr. PLOESER. I want to say that back a month ago I called to the attention of the author of this bill the fact that an error had been made about the RFC, and there was plenty of opportunity to change it before it was ever reported out of committee.

Mr. KEEFE. I may say to my friend that that is water over the dam. We are faced with the realities of the situation. It was not changed, and the change is proposed to be effectuated on the floor this afternoon. If it is so effectuated it means that this bill is dead and that the relief that is expected for these high-cost marginal operators of copper, lead, and zinc will not be forthcoming and they will be closed down, and most of them will stay closed down permanently, and you are going to lose that production.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. WOLCOTT. I notice in line 2 on page 7 of the bill that the Reconstruction Finance Corporation is authorized and directed to make subsidy payments; and then in section 5 there is the language:

> There is hereby authorized to be appropriated sums sufficient to carry out the provisions of this act.

Where does the Reconstruction Finance Corporation get the money to make subsidy payments except by an appropriation under the provisions of this act?

Mr. KEEFE. I presume there is a very sound reason for the gentleman's question in view of what has happened recently on the floor of the House during the adoption of the bill that was referred to by my friend from Missouri. I am frank to say I do not know. I assume it would require some examination of existing law to determine whether or not in view of the attitude taken when we passed the appropriation bill for Government corporations, and when we passed the bill that came out of the gentleman's Committee on Banking and Currency, whether or not there would still be available to the RFC the right and the ability to make these payments out of its own funds or from its own borrowing capacity. If it does not do so then we come to the same conclusion; but I assume that the people who drafted this bill had that fact in mind.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. PLOESER. This bill was introduced in one fashion. On July 1 it was reported out of committee with this amendment which changed the entire form of the bill, continued the premium-price plan for 2 years instead of setting up a new bureaucracy to finance a new price plan. When that came to my attention the RFC situation was called to the attention of the advocates of this bill, the author of this bill. The matter the gentleman from Michigan [Mr. WOLCOTT] has called to the attention of this Committee now is proof that probably there has not been too much thinking in the drafting of this bill. I do not know. I have tried to introduce an amendment to clear the thing up and make it workable; but I do not care, I own no mining stock in this world, I have no mines in my district. I do, however, have a very deep interest in the maintenance of these small mines, because they are small business and they are essential to the economy of this country; but they have been kicked around for the last few weeks and it is time somebody gave them something akin to workable legislation.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. I may say to the gentleman from Missouri that that argument may be perfectly sound but it does not touch the situation that confronts the Congress this afternoon.

If the gentleman's contention is correct, and the contention of the gentleman from Michigan is correct, this bill

is no bettter than a smelt even though you pass it because there will not be any money available. Do you think for one minute that even if his amendment is adopted and goes into this bill that you can get a deficiency appropriation of $40,000,000 prior to adjournment? I cannot see any possibility of it, and I admire the optimism of my friend as to the facility with which appropriations can get through; but as one member of the committee, and I happen to be a member of the Deficiency Subcommittee, I cannot see any possibility. So you are face to face with this situation: If you take the position assumed by the gentleman from Michigan that there is no authority in existing law for the RFC to provide the funds, then if you pass the bill it will be an innocuous piece of legislation. If you adopt the amendment it will still be an innocuous piece of legislation because there will not be any money to implement it. So it seems to me that we better take a chance and pass the bill in the language in which it has been submitted by the committee that, I assume at least, under the leadership of the gentleman from California has given some study to this proposition and I assume that the sponsors of this bill have not been so woefully ignorant and so woefully unprepared as would seem to be the case by the innuendos contained in the remarks of the gentleman from Missouri. If the bill is changed in its legalistic aspects, as my friend would try to have it changed, then it is as dead as a smelt because I cannot see where it would possibly get through the other body.

Mr. HILL. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it seems to me if we change the time of this bill here on the floor this afternoon, in the closing hours of the first session of the Eightieth Congress, we do kiss the bill good-by and it is out for good. I am convinced that if you are a friend of the mining industry of the United States, if you believe in developing the great resources of this Nation of ours, that have not been scratched, then you must vote against this amendment in its entirety.

Mr. Chairman, I am not one of these folks who stick their head in the sand and go up and down this broad land of ours telling the people that we are the greatest have-not nation in all the world. That is about the silliest propaganda that the gentleman now addressing you has ever heard.

Let me give you a few illustrations, and if I had the time I could talk 15 minutes, showing the great opportunities and the great resources that have not been scratched as yet, not touched as yet. We come before you this afternoon asking only one little thing; that is, continue this program that we started in the war for 2 years. We ask you to leave it exactly where it is. Where is the sound argument in opposition?

I agree with the gentleman from Wisconsin, who is a member of the Appropriations Committee and who knows full well that in the waning hours of the Eightieth Congress, in the rush to get out of here, there is not a chance in the world of this bill being passed in any other form. The bill will be absolutely sabotaged if we change it in any respect, in my personal opinion. Let us leave it alone, just exactly as it is. It may not be the best piece of legislation, but we have been working on this bill since the first day of this session. This committee has gone into every detail and tried to come up with something worth while, yet we have met a stone wall time after time. Even gentlemen on the floor of this House this afternoon tell you that we are working into the hands of the great Copper Trust. The very opposite is the truth and every man knows it who has given one minute's thought to the bill.

Here is a bill that comes up for consideration that has for its purpose keeping the submarginal mines in production. To save who? Not to save the mines, not for a single minute, but to save the people of this country should we get into another war. As was well said by the gentleman from Wisconsin, peace, peace, there is no peace. The war is not ended. We needed this submarginal mine production during the war and we need it now as we never needed it before.

Mr. Chairman, let me tell you something else. I have listened to all these debates and I have learned that some know as little about mining as they know about the silver question. Not a dime was paid out of the Treasury on silver and I defy any man to find where the Treasury of the United States paid out any money. The Government has always made money on silver. The same thing is true here. Why, you would imagine we were buying this lead, copper, and zinc. Who is talking about buying it? We are talking about paying the difference between what the mine owner receives, who produces it, and the market price. You would think we were buying the whole outfit and everything the mine contains. That is not true. We are only paying a little marginal difference. If the price goes up and this submarginal mine finds it is producing at a profit, then this Government of ours, under this premium plan, does not pay the producer a single cent. Has that been mentioned? It certainly has not. All you are doing here this afternoon is to pay that little difference between what the cost of production is and what the man gets for his ore that he mines. Now, there is nothing unreasonable about that. We have to support some of these prices. You are bringing in the wool bill, and you are going to support it, and my guess is that it will pass. There are several other support-price bills that you have passed in this House. We are going out of a war economy and we are coming into a peacetime economy. And the operation of our economy, as of yesterday, may be entirely out of line with the necessities and the requirements of today.

I hope you will vote this amendment down and pass this bill just exactly like it has been introduced, or we might as well write the entire mine-support program off the books.

Mr. WELCH. Mr. Chairman, I move that all debate on section 2 and all amendments thereto do now close.

Mr. WOLCOTT. Mr. Chairman, I demand to be heard on the motion.

The CHAIRMAN. The question is on the motion.

Mr. BUCK. Are they attempting to impose a gag rule here?

Mr. WELCH. Mr. Chairman, I desire to modify my motion and move that all debate on section 2 and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, it does not make any difference if this bill is passed in its present form. You have got to go to the Committee on Appropriations and get an appropriation for this money. I think, perhaps, that the Committee on Public Lands intended that Reconstruction Finance Corporation funds be increased by the amount of the subsidy and also that the Reconstruction Finance Corporation would be authorized to use the money raised in addition to its present loaning power for that purpose. But, now, let us take a ridiculous situation just to prove the point and assume that we provide that the Department of Labor be authorized and directed to make these subsidy payments, and then we authorize the appropriation of such sums as are necessary to carry out the provisions of this act. In that case the Department of Labor would be merely the agency for the expenditure of the funds appropriated through the Committee on Appropriations by the Congress. So, unless you expand borrowing authority of the Reconstruction Finance Corporation Act in this particular, because of the express prohibitions in existing law against the RFC using existing moneys for this purpose, you merely make the Reconstruction Finance Corporation the agency for the expenditure of any moneys which are subsequently appropriated under the authorization of this act.

Now, I called the attention of the gentleman from Illinois to this fact before he introduced this amendment and suggested that he take the Reconstruction Finance Corporation out of this picture, because we had just cleaned up the Reconstruction Finance Corporation. As a matter of fact, at that time I thought the legislation was coming to the committee which had always handled this legislation—the Committee on Banking and Currency—but I did not know that this bill to establish this bureau within the Department of Commerce was pending, and I did not think for a moment that there would be any attempt to bypass the committee that has always been handling this legislation which, in fact, set up originally the authorization to make these premium payments. I know that the gentleman did not intend to bypass the Banking and Currency Committee, but I think the Committee on Banking and Currency should have been consulted, and without express authority for the Reconstruction Finance Corporation to increase the amount of notes, bonds, or debentures which it could have

outstanding for this particular purpose, it would have to have an appropriation from this Congress to do the job.

Now, let us clean up the Reconstruction Finance Corporation in the manner suggested by the amendment offered by the gentleman from Missouri.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, now I have heard everything. I now hear distinguished Members on the Republican side talking about continued emergencies that justify continuing hand-outs.

On this matter of the production of copper, lead, and zinc, I am reliably informed that there is a 20-percent shortage in the labor supply at the highly producing mines. If it is really desired to increase production of these commodities, this bill should be defeated to permit miners now working in low-production mines to move over into the more efficient mines, where more copper, lead, and zinc can be produced per man.

We have had some rather remarkable things said this morning and this afternon with regard to this bill. Somebody, I believe my friend from Missouri [Mr. SHORT], said that this subsidy would actually save money for the consumer, that it would even save money on farmer's milk pails. Mr. Chairman, if we believe that, we should pay a subsidy on every commodity produced in America. Then, of course, we will accomplish the impossible feat of raising ourselves by our own bootstraps.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. CELLER. We have had subsidies for producers of all kinds of commodities. Is it not about time that we had subsidies for the consumers of the gentleman's district and my district?

Mr. BUCK. I agree with the gentleman.

One last point I wish to make, and I am addressing myself to the gentleman from Colorado. He has pointed out that if prices go up sufficiently the Government will not be required to pay subsidies on these commodities Prices on copper, lead, and zinc have been rising. Has he not given a good reason why this bill should be continued for 1 year only? Continue it for 1 year, and if prices go up, and the indications are that prices will go up, then the bill will be unnecessary beyond the 1-year period. If they do not go up, and it is the will of the House to continue subsidies, then the bill can be renewed a year hence.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Pennsylvania.

Mr. RICH. Take the price of copper, that under this bill would be 28 cents, when the OPA price was 13 cents. Can the gentleman see any reason why we should increase it now 15 cents a pound and make it 28 cents? Can the gentleman give me just one reason why it should be done?

Mr. BUCK. I cannot give any reason.

Mr. RICH. I wonder whether anybody else could. When you are talking to us about holding prices down, it does not seem sensible.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Missouri [Mr. PLOESER] primarily because of the impossibility of working out a really productive program on such a short time limit as he has provided in his amendment. We must face that as a real issue and decide it on the vote on this amendment. If we are going to preserve production or encourage production of the essential materials that are at issue in this bill, we are going to have to talk in terms longer than the time provided in the amendment offered by the gentleman from Missouri. I want sincerely to give these marginal mines the encouragement they must have to survive.

I was deeply impressed by the comment of the gentleman from Missouri [Mr. SHORT] when he told me that 40 percent of the production of zinc and lead in the southwest Missouri mines is from marginal mines. We just cannot afford to write off 40 percent of the production of lead and zinc. I was also impressed very much by the total number of mines that are marginal and cannot exist without this assistance, also given us by the gentleman from Missouri [Mr. SHORT]. The high percentage of mines that will pass out of production is appalling to me.

Another point made that interested me very greatly was the percentage of ships that brought in metals during the recent war that were sunk. I believe he said it was 54 ships out of 60.

I know how uncomfortable I was during the time we were hoping that these ships would come in with the supplies we needed. In my opinion, the soundest national defense in this field of minerals is in the development of our own production. We must look to the marginal mines to produce the big mines of the future.

I am glad that the gentleman from South Dakota [Mr. CASE] was successful in putting manganese in the bill by his amendment. We have been struggling for years to get greater domestic production of manganese. We have a very real problem in the production of manganese from our available supplies. Without giving too much information to our enemies, I suggest that you look up the resources of the world today of manganese and locate the principal sources and then assure me, if you can, that we can look to those countries for our future needs in manganese. We had better develop our own production and maintain our own self-sufficiency in that respect.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. PLOESER] as modified.

The question was taken; and on a division (demanded by Mr. PLOESER) there were—ayes 27, noes 71.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 7, line 2, strike out the words "Reconstruction Finance Corporation" and insert "Treasury of the United States."

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, the gentleman from California in making his unanimous-consent request to limit debate asked that all debate upon the pending amendments or amendments to the section terminate in 10 minutes. The Chairman when he put the question said that debate on all amendments to the section would close in 10 minutes. Is it my understanding that time for debate on the section and all amendments pending to the section has expired?

The CHAIRMAN. That is correct.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. BUCK) there were—ayes 40, noes 61.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. The Secretary of Commerce may select, employ, and fix the compensation of such engineers and other experts as may be necessary to carry out the purposes of this act without regard to the civil-service laws and the Classification Act of 1923.

Mr. PLOESER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have made this pro forma amendment merely to explain what the Committee of the Whole has done. This bill, the Allen bill, provides that the Reconstruction Finance Corporation, which has 1 year of life according to law, will pay subsidies for 2 years, according to this bill. I want to show you how carefully thought out this legislation is. Furthermore, it is necessary to get an appropriation bill before you have any money, because the bill specifically authorizes it, and I say again that you are paying subsidies for 2 years out of a corporation which has only 1 year of life.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. RICH. That is not very careful consideration of legislation, is it?

Mr. PLOESER. I just wonder if such careful consideration of the interests of the marginal mines is the apex of the ability of the Eightieth Congress.

Those who are truly interested want to see legislation properly drawn. It may be hoped that another body will make the necessary corrections.

I yield back the remainder of my time, Mr. Chairman.

The Clerk read as follows:

SEC. 4. To the end that the provisions of this act be carried out in the simplest manner, the Director of the Office of Premium Price Plan, with the approval of the Secretary of Commerce, shall prescribe rules and regulations governing the operation of the premium-price plan, except with respect to the methods of disbursement of premium payments. All such rules and regulations shall be published in the Federal Register.

SEC. 5. There is hereby authorized to be appropriated sums sufficient to carry out the provisions of this act.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Missouri [Mr. PLOESER] just gave you an idea of how carefully this legislation has been thought out. It seems to me, as a Member of the Eightieth Congress, that we ought to send this legislation back to the committee for further study. I am going to offer a motion to recommit this bill when the appropriate time comes, with the idea that they will give proper consideration to all the facts. I hope the membership of the House will let the committee have it and consider it for some time before they bring it back here, if they want legislation that is good for the American people and which will keep it from paying subsidies on all commodities from now until the day of judgment. Now is the time to stop them.

I yield back the remainder of my time, Mr. Chairman.

Mr. ALLEN of Illinois. Mr. Chairman, I move to strike out the last three words.

I will say to my good friend from Pennsylvania [Mr. RICH], I know, of course, and we all know what he wants to do with this bill. I would say that the bill is perfectly drawn. I have every confidence in the one who advised me in writing this bill. I think those who favor this bill, who are sincere about wanting it passed, will agree that we can send it to the Senate and if there is any little difficulty, it is much easier for them to iron out any imperfection, in the event there is one—which I deny—than to send it back to the committee and kill it for this session of the Congress.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. OWENS. Is what the gentleman from Missouri said true, that the RFC has but 1 year of life and we are giving them 2 years to pay?

Mr. ALLEN of Illinois. Not according to my best information.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. ENGLE of California. I understand with reference to the RFC, that the life of the RFC was extended for 1 year, that it will then be the duty of the Treasury Department to liquidate the business of the RFC, and this process of liquidation may go on for a good many years, at least until they clear up their existing legal obligations.

Mr. ALLEN of Illinois. That is definitely my understanding, and I repeat that those who are in favor of this bill can vote to pass it. Let it go to the Senate. Then if there be imperfections in it there still remain 2 or 3 days for action to correct them. I am sure the other body can take care of it.

If you vote to recommit this bill that definitely ends this matter for this session. It means the filling up of the mines, and it will take 7 years to dewater them.

Mr. PLUMLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the purpose for which the gentleman from Vermont arises is to suggest to this Committee that if you wish to have any legislation which will aid small business you will vote for this bill, and you will vote against the motion to recommit.

Subsidy smells bad when some try to daub this bill with that name, but subsidy or no subsidy, I am for encouraging small business and individual enterprise, as against the tremendous monopolies who have shown their teeth in an attempt in the premises to crush any and all possible competition.

Especially am I for it, this bill, because it involves national defense and the development and exploration of sources of supply of vital metals and minerals which we have, and should not have to purchase outside our limits, nor to buy from monopolies in our own country.

The mines which now need help were opened and operated during the war because the big boys who now fight this bill could not deliver.

We never again should be caught in such a trap. If this be inconsistency make the most of it.

Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

SEC. 6. This act shall be known as the "Premium Price Plan Act of 1947."

The CHAIRMAN. The question recurs upon the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. MUNDT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from South Dakota is recognized.

Mr. MUNDT. Mr. Chairman, the gentleman from Pennsylvania [Mr. RICH] has just announced that he intends to offer a motion to recommit H. R. 1602 to the Committee on Public Lands when we go back into the House, and since many Members were not here all through the debates I want to take this opportunity of urging the defeat of Mr. RICH's motion to recommit when and if it is made. H. R. 1602 is a highly important defense measure, as has been brought out by the gentleman from Iowa [Mr. MARTIN] and other speakers. We must not permit it to be defeated at this late hour by a motion of recommittal.

In modern warfare, Mr. Chairman, strategic metals and minerals are of vital importance to victory and success. The past drain upon our larger mines has been so long continued and so great that it is imperative we keep active the smaller and the marginal mines which find it impossible to operate without such premium payments as are provided in this bill.

In addition to maintaining activity in the hundreds of small mines in this country which would become idle were H. R. 1602 to be recommitted to committee or defeated, Mr. Chairman, I desire to emphasize another even more important contribution which is made by this legislation. As pointed out in Report No. 311 of the Public Lands Committee, this measure provides a stimulus for the exploration and development of new mines, new mining and treatment processes, and new domestic sources of strategic materials. Report No. 311 includes this significant statement: "Encouragement of exploration programs especially is desirable, and those programs already in force should be expanded and extended." Mr. Chairman, H. R. 1602 provides for this expansion and extension, and it gives tangible encouragement to those moving forward with this program.

For example, Mr. Chairman, as has been pointed out repeatedly on this floor on many occasions by my colleague the gentleman from South Dakota [Mr. CASE], the gentleman from California [Mr. ENGLE], by me, and by numerous others, manganese is one of the vitally essential critical materials required by the United States. It is a prerequisite in the manufacture of the steel which in turn is prerequisite to our whole industrial program. H. R. 1602 is now amended to include manganese. Thus for the life of this legislation manganese production in the United States will be given encouragement and stimulus. This is highly important to our economic welfare as well as our national defense. In large part we are now dependent upon foreign sources for our manganese. In time of war this might become a most alarming and crippling situation.

Manganese is found in small, isolated amounts in many places in the United States. In my own State of South Dakota we have what the experts tell us is the largest deposit of manganese in the entire world. For all practical purposes it is still an undeveloped asset due to the fact that it is of low grade, and under competitive conditions slow progress has been made in developing treatments of this product in order to bring it up to usable grades. Proper administration of H. R. 1602, however, can achieve great forward strides in the development of practical methods for treating the manganese as we have in South Dakota and in other parts of America so that it can be refined to usable grade.

Let me urge you all, therefore, in all seriousness, to join those of us who are supporting this legislation and to defeat Mr. RICH's motion to recommit.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HOWELL, 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. 1602) to establish within the Department of the Interior a National Minerals Resources Division, pursuant to House Resolution 268, had reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

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

The SPEAKER. The question is on the passage of the bill.

Mr. RICH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RICH. I am, sir.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. RICH moves to recommit the bill H. R. 1602 to the Committee on Public Lands.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 53, noes 115.

Mr. RICH. Mr. Speaker, I object to the vote on the ground 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 114, nays 273, not voting 43, as follows:

[Roll No. 129]

YEAS—114

Abernethy	Hale	Pickett
Andrews, Ala.	Hand	Poage
Banta	Hardy	Rains
Blatnik	Harness, Ind.	Rankin
Boggs, Del.	Herter	Reed, N. Y.
Brehm	Heselton	Rich
Buchanan	Hess	Rizley
Buck	Hoffman	Rogers, Mass.
Buffett	Jenkins, Pa.	Rooney
Burke	Judd	Ross
Butler	Kean	Sarbacher
Celler	Kearney	Schwabe, Mo.
Chadwick	Keating	Scoblick
Clark	Kennedy	Scott, Hardie
Clason	Keogh	Scott,
Cole, N. Y.	Kilburn	Hugh D., Jr.
Colmer	Kirwan	Seely-Brown
Corbett	Knutson	Simpson, Pa.
Cotton	Kunkel	Smathers
Coudert	Latham	Smith, Va.
Crow	Lodge	Snyder
Dague	Lucas	Springer
Devitt	McConnell	Stanley
Eberharter	McDowell	Sundstrom
Elsaesser	McGarvey	Taber
Elston	MacKinnon	Tibbott
Fallon	Mahon	Towe
Fenton	Maloney	Vursell
Fisher	Meade, Md.	Wheeler
Fogarty	Miller, Conn.	Whitten
Fulton	Miller, Md.	Whittington
Gallagher	Miller, Nebr.	Wigglesworth
Gamble	Morton	Williams
Goodwin	Muhlenberg	Wilson, Ind.
Gore	Nodar	Wilson, Tex.
Gossett	Norblad	Winstead
Graham	O'Toole	Wolcott
Grant, Ala.	Owens	
Gwinn, N. Y.	Passman	

NAYS—273

Albert	Blackney	Chenoweth
Allen, Calif.	Bloom	Chiperfield
Allen, Ill.	Boggs, La.	Church
Allen, La.	Bolton	Clements
Almond	Bonner	Coffin
Andersen, H. Carl	Bradley	Cole, Kans.
	Bramblett	Combs
Anderson, Calif.	Brooks	Cooley
Andrews, N. Y.	Brophy	Cooper
Angell	Brown, Ga.	Courtney
Arends	Brown, Ohio	Cravens
Arnold	Bryson	Crawford
Auchincloss	Bulwinkle	Crosser
Bakewell	Burleson	Cunningham
Barden	Busbey	Curtis
Barrett	Byrne, N. Y.	Davis, Ga.
Bates, Ky.	Byrnes, Wis.	Davis, Tenn.
Bates, Mass.	Camp	Davis, Wis.
Battle	Canfield	Dawson, Utah
Beall	Cannon	Deane
Beckworth	Carroll	Delaney
Bell	Carson	D'Ewart
Bender	Case, N. J.	Dolliver
Bennett, Mich.	Case, S. Dak.	Dondero
Bennett, Mo.	Chapman	Donohue
Bishop	Chelf	Dorn
Doughton	Jonkman	Preston
Douglas	Karsten, Mo.	Price, Fla.
Drewry	Keefe	Price, Ill.
Durham	Kefauver	Priest
Eaton	Kerr	Rabin
Elliott	Kersten, Wis.	Ramey
Ellis	Kilday	Rayburn
Ellsworth	King	Rayfiel
Engel, Mich.	Klein	Redden
Engle, Calif.	Landis	Reed, Ill.
Evins	Lane	Rees
Feighan	Lanham	Reeves
Fernandez	Lea	Richards
Fletcher	LeCompte	Riehlman
Folger	LeFevre	Riley
Foote	Lemke	Rivers
Forand	Lesinski	Robertson
Gary	Lewis	Robsion
Gathings	Love	Rockwell
Gavin	Lusk	Rogers, Fla.
Gearhart	Lyle	Rohrbough
Gillette	Lynch	Russell
Gillie	McCormack	Sabath
Gordon	McCowen	Sadlak
Gorski	McDonough	Sadowski
Granger	McGregor	St. George
Grant, Ind.	McMahon	Sanborn
Gregory	McMillan, S. C.	Sasscer
Griffiths	McMillen, Ill.	Schwabe, Okla.
Gwynne, Iowa	Mack	Scrivner
Hagen	Macy	Shafer
Hall,	Madden	Sheppard
Leonard W.	Manasco	Short
Harless, Ariz.	Mansfield	Sikes
Harris	Marcantonio	Simpson, Ill.
Hart	Martin, Iowa	Smith, Kans.
Havenner	Mathews	Smith, Maine
Hedrick	Merrow	Smith, Wis.
Heffernan	Meyer	Somers
Hendricks	Michener	Spence
Hill	Miller, Calif.	Stefan
Hinshaw	Mills	Stevenson
Hobbs	Mitchell	Stigler
Hoeven	Monroney	Stockman
Holifield	Morgan	Stratton
Holmes	Morris	Talle
Hope	Morrison	Taylor
Horan	Mundt	Teague
Howell	Murdock	Thomas, N. J.
Huber	Murray, Wis.	Thomas, Tex.
Hull	Nixon	Tollefson
Jackson, Calif.	Norrell	Trimble
Jackson, Wash.	O'Brien	Twyman
Jarman	O'Konski	Vail
Jenison	Pace	Van Zandt
Jenkins, Ohio	Patman	Vorys
Jennings	Patterson	Wadsworth
Jensen	Peden	Weichel
Johnson, Calif.	Peterson	Welch
Johnson, Ill.	Pfeifer	West
Johnson, Okla.	Philbin	Wolverton
Johnson, Tex.	Phillips, Calif.	Wood
Jones, Ala.	Phillips, Tenn.	Woodruff
Jones, N. C.	Ploeser	Youngblood
Jones, Ohio	Plumley	Zimmerman
Jones, Wash.	Poulson	

NOT VOTING—43

Andresen,	Fuller	Kelley
August H.	Gifford	Larcade
Bland	Goff	Ludlow
Boykin	Gross	Mason
Buckley	Hall,	Meade, Ky.
Clevenger	Edwin Arthur	Murray, Tenn.
Clippinger	Halleck	Norton
Cole, Mo.	Harrison	O'Hara
Cox	Hartley	Potts
Dawson, Ill.	Hays	Powell
Dingell	Hébert	Smith, Ohio
Dirksen	Javits	Thomason
Domengeaux	Johnson, Ind.	Vinson
Fellows	Kearns	Walter
Flannagan	Kee	Worley

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Harrison for, with Mr. Powell against.

Additional general pairs:

Mr. August H. Andresen with Mr. Cox.
Mr. Gross with Mr. Larcade.
Mr. Halleck with Mr. Flannagan.
Mr. Cole of Missouri with Mr. Bland.
Mr. Dirksen with Mr. Kee.
Mr. Fellows with Mr. Walter.
Mr. Mason with Mr. Boykin.
Mr. Gifford with Mr. Dawson of Illinois.
Mr. Smith of Ohio with Mr. Domengeaux.
Mr. Johnson of Indiana with Mr. Buckley.
Mr. Hartley with Mr. Murray of Tennessee.
Mr. Edwin Arthur Hall with Mr. Hays.
Mr. Clevenger with Mr. Kelley.
Mr. Fuller with Mr. Worley.
Mr. O'Hara with Mr. Vinson.
Mr. Clippinger with Mr. Dingell.
Mr. Kearns with Mr. Hébert.
Mr. Meade of Kentucky with Mrs. Norton.

Mr. O'TOOLE, Mr. FISHER, and Mr. MILLER of Nebraska changed their votes from "no" to "aye."

Mr. LEA, Mr. NORRELL, and Mr. SCRIVNER changed their votes from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BUCK) there were—ayes 175, noes 78.

So the bill was passed and a motion to reconsider was laid on the table.

REFUND OF TAXES ILLEGALLY PAID BY INDIAN CITIZENS

Mr. WELCH submitted the following conference report and statement on the bill (H. R. 981) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 981) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2 and agree to the same.

RICHARD J. WELCH,
WESLEY A. D'EWART,
A. M. FERNANDEZ,
Managers on the Part of the House.

ARTHUR V. WATKINS,
ZALES N. ECTON,
CARL A. HATCH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 981) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1: Provides for payment of interest at 4 percent, as proposed by the Senate, instead of 6 percent, as proposed by the House.

Amendment No. 2: Inserts a provision, proposed by the Senate, to restrict payment of fees to attorneys and agents in connection with refunds of taxes.

RICHARD J. WELCH,
WESLEY A. D'EWART,
A. M. FERNANDEZ,
Managers on the Part of the House.

Mr. WELCH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 981 just filed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The conference report was agreed to and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 364. An act to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes; and

S. 1185. An act to provide for the disposal of materials on the public lands of the United States.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3123) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 6, 16, 18, 39, 78, 104, 171, 177, and 179 to the above-entitled bill; agrees to the amendment of the House to the amendment of the Senate numbered 176, with amendments.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 27 and 34 to the above-entitled bill.

EXTENSION OF REMARKS

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD and include an analysis.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. O'KONSKI (at the request of Mr. HINSHAW) was given permission to extend his remarks in the RECORD and include a statement.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD.

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD.

Mr. SMITH of Wisconsin. Mr. Speaker, on yesterday I received permission to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $213, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. OWENS asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Chicago Daily Tribune.

NATIONAL SCIENCE FOUNDATION ACT OF 1947

Mr. WOLVERTON. Mr. Speaker, I call up the conference report on the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'National Science Foundation Act of 1947'.

"ESTABLISHMENT OF NATIONAL SCIENCE FOUNDATION

"SEC. 2. There is hereby established in the executive branch of the Government an independent agency to be known as the National Science Foundation (hereinafter referred to as the 'Foundation').

"MEMBERSHIP OF FOUNDATION

"SEC. 3. (a) The Foundation shall have twenty-four members to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members (1) shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations.

"(b) The term of office of each member of the Foundation shall be six years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, eight at the end of two years, eight at the end of four years, eight at the end of six years, after the date of enactment of this Act. Any person who has been twice appointed as a member of the Foundation shall thereafter be ineligible for appointment.

"(c) The President shall call the first meeting of the Foundation, at which the first order of business shall be the election of a chairman and a vice chairman.

"POWERS AND DUTIES OF THE FOUNDATION

"SEC. 4 (a) The Foundation is authorized and directed—

"(1) to formulate, develop, and establish a national policy for the promotion of basic research and education in the sciences;

"(2) to initiate and support basic research in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such basic scientific research;

"(3) to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such scientific research;

"(4) to grant scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences;

"(5) to foster the interchange of scientific information among scientists in the United States and foreign countries;

"(6) to correlate the Foundation's scientific research programs with those undertaken by individuals and by public and private research groups; and

"(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this Act.

"(b) In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education.

"(c) The members of the Foundation shall meet at the call of the Chairman but not less

frequently than once each year. A majority of the members of the Foundation shall constitute a quorum. Each member shall be given notice, by registered mail mailed to his last-known address of record not less than fifteen days prior to any meeting, of the call of such meeting.

"(d) The Foundation shall elect its chairman and vice chairman biennially, who shall also serve as chairman and vice chairman of the executive committee. The vice chairman shall perform the duties of the chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Foundation shall elect a member to fill such vacancy.

"(e) The Foundation shall render an annual report to the President for submission on or before the 15th day of January to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate. Such report shall include in full the report of the Executive Committee to the Foundation provided for in section 5 (e).

"CREATION AND POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE

"SEC. 5. (a) The Foundation shall elect biennially from its own membership an executive committee composed of nine members. The executive committee shall, except as otherwise provided by the Foundation, exercise the powers and duties of the Foundation. It is intended that the membership of the executive committee shall be representative of diverse interests and shall be so chosen as to provide representation, so far as practicable, for all areas of the Nation. In case a vacancy occurs on the executive committee, the Foundation shall elect a member to fill such vacancy. The executive committee may delegate or assign to officers, employees, and divisions, within the Foundation, any of its powers, duties, and functions.

"(b) The executive committee shall meet at the call of the chairman or at such times as may be fixed by itself, but not less than six times each year.

"(c) Five members of the executive committee shall constitute a quorum.

"(d) The executive committee may establish such advisory committees as may be necessary for the consideration of programs administered by the Foundation.

"(e) The executive committee shall render an annual report to the Foundation, summarizing the activities of the executive committee, making such recommendations as it may deem appropriate, and setting forth the recommendations of the divisional committees and special commissions. Minority views and recommendations, if any, of members of the executive committee, the divisional committees, and special commissions shall be included in such annual report.

"DIRECTOR OF FOUNDATION

"SEC. 6. The Foundation shall have a chief executive officer, who shall be known as the Director of the Foundation (hereinafter referred to as the 'Director'). The powers and duties of the Director shall be prescribed by the executive committee and shall be exercised and performed by him under the supervision of such committee. The Director shall be appointed by the Foundation and shall receive compensation at the rate of $12,000 per annum.

"DIVISIONS WITHIN THE FOUNDATION

"SEC. 7. (a) There shall be within the Foundation a Division of National Defense, and such other divisions as the Foundation may, from time to time, deem necessary. Each such division shall exercise such powers and perform such duties as the Foundation may prescribe.

"(b) Until otherwise provided by the Foundation there shall be within the Foundation, in addition to the Division of National Defense, the following divisions:

"(1) a Division of Medical Research;

"(2) a Division of Mathematical, Physical, and Engineering Sciences;

"(3) a Division of Biological Sciences; and

"(4) a Division of Scientific Personnel and Education, which shall be concerned with programs of the Foundation relating to the granting of scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences.

"DIVISIONAL COMMITTEES

"SEC. 8. (a) There shall be a committee for each division of the Foundation.

"(b) Each divisional committee, except the Committee for the Division of National Defense, shall be appointed by the Foundation and shall consist of not less than five persons who may be members or nonmembers of the Foundation.

"(c) The Committee for the Division of National Defense shall consist of members in a number which is a multiple of twelve, to be fixed by the Foundation, but which shall be not less than twelve and not more than thirty-six. One-half of the members of such committee shall be civilians appointed by the Foundation, and the remaining half shall be representatives of the armed services, designated in equal numbers, respectively, by the Secretaries of the principal branches thereof. There shall be within the divisional committee for the Division of National Defense an executive committee of not more than six, consisting of the chairman of the divisional committee, as chairman; two civilian members of such committee elected annually by the civilian members thereof; a member of such committee representing each of the principal branches of the armed services and designated by the Secretary thereof. Such executive committee shall perform such functions as may be prescribed by the Committee for the Division of National Defense with the approval of the Foundation.

"(d) The term of each member of each divisional committee shall be fixed by the appointing or designating authority. Each divisional committee shall annually elect its own chairman from among its own members, and shall prescribe its own rules of procedure, subject to such restrictions as may be prescribed by the executive committee.

"(e) Each divisional committee shall exercise and perform the powers and duties of its division, shall have the power and duty to make recommendations to, and advise and consult with, the executive committee and the Director with respect to matters relating to the program of its division, and shall have such additional powers and duties as the Foundation may delegate or assign to it.

"(f) The executive committee, after receiving the advice of the Committee for the Division of National Defense, shall establish regulations and procedures for the security classification of information or property in connection with scientific research (having military significance) under this Act, and for the proper safeguarding of any information or property so classified.

"SPECIAL COMMISSIONS

"SEC. 9. (a) Each special commission established by the Foundation pursuant to section 4 (a) (7) shall consist of eleven members appointed by the Foundation, six of whom shall be eminent scientists and five of whom shall be from the general public. The members of each special commission shall serve for such time as may be prescribed by the Foundation. Each special commission shall choose its own chairman and vice chairman.

"(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than one year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

"SCHOLARSHIPS AND GRADUATE FELLOWSHIPS; REGISTER OF SCIENTIFIC PERSONNEL

"SEC. 10. (a) The Foundation is authorized to award, within the limits of funds made available pursuant to section 14, scholarships and graduate fellowships for scientific study or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited nonprofit American or foreign institutions of higher education, selected by the recipient of such aid, for such periods as the Foundation may determine. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and such selections shall be made solely on the basis of ability; but in any case in which two or more applicants for scholarships or fellowships, as the case may be, are deemed by the Foundation to be possessed of equal ability and there are not sufficient scholarships or fellowships, as the case may be, available to grant one to each of such applicants, the Foundation shall award the available scholarship or scholarships or fellowship or fellowships to the applicants in such manner as will tend to result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia.

"(b) The Foundation shall maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States and its Territories and possessions. No individual shall be listed in such register without his consent.

"AUTHORITY OF FOUNDATION

"SEC. 11. The Foundation is empowered to do all things necessary to carry out the provisions of this Act, and, without being limited thereby, the Foundation is specifically authorized—

"(a) to prescribe such rules and regulations as it deems necessary governing the manner of its operations and its organization and personnel;

"(b) to make such expenditures as may be necessary for carrying out the provisions of this Act;

"(c) to enter into contracts or other arrangements for the carrying on, by organizations or individuals, including other Government agencies, of such scientific research activities as the Foundation deems necessary to carry out the purposes of this Act;

"(d) to enter into such contracts or other arrangements, or modifications thereof, without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes (41 U. S. C., sec. 5);

"(e) to make advance, progress, and other payments which relate to scientific research without regard to the provisions of section 3648 of the Revised Statutes (31 U. S. C., sec. 529);

"(f) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by sale, lease, loan, or otherwise, real and personal property of all kinds necessary for, or resulting from, scientific research;

"(g) to receive and use funds donated by others, if such funds are donated, without restriction, other than that they be used in furtherance of one or more of the general purposes of the Foundation;

"(h) to publish or arrange for the publication of scientific and technical information so as to further the full dissemination of information of scientific value consistent with the national interest, without regard

to the provisions of section 87 of the Act of January 12, 1895 (28 Stat. 622), and section 11 of the Act of March 1, 1919 (40 Stat. 1270; 44 U. S. C., sec. 111);

"(i) to accept and utilize the services of voluntary and uncompensated personnel and to pay the actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) of such personnel incurred in the course of such services; and

"(j) to prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific research shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor.

"PATENT RIGHTS

"SEC. 12. (a) Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing in this Act shall be construed to authorize the Foundation by any contractual or other arrangement to alter or modify any provision of law affecting the issuance or use of patents.

"(b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities and which is directly related to the subject matter thereof: *Provided, however,* That this section 12 (b) shall not be construed to prevent any officer or employee of the Foundation from executing any application for patent on any such invention for the purpose of assigning the same to the Government or its nominee in accordance with such rules and regulations as the Foundation may establish.

"INTERNATIONAL COOPERATION

"SEC. 13. (a) The Foundation is hereby authorized, with the approval of the President and through the Department of State, to cooperate in any international scientific research activities consistent with the purposes or provisions of this Act and to expend for such international scientific research activities such sums within the limit of appropriated funds as the Foundation may deem desirable.

"(b) The Foundation may defray the expenses of representatives of Government agencies and other organizations and of individual scientists to accredited international scientific congresses and meetings whenever it deems it necessary in the promotion of the objectives of this Act.

"APPROPRIATIONS

"SEC. 14. (a) To enable the Foundation to carry out its powers and duties, there is hereby authorized to be appropriated annually to the Foundation, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

"(b) The funds hereafter appropriated to the Foundation, as herein authorized, shall, if obligated during the fiscal year for which appropriated, remain available for expenditure for four years following the expiration of the fiscal year for which appropriated. After such four-year period, the unexpended balances of appropriations shall be carried to the surplus fund and covered into the Treasury.

"INTERDEPARTMENTAL COMMITTEE ON SCIENCE

"SEC. 15. (a) There is hereby established an Interdepartmental Committee on Science, to consist of the Director of the Foundation, as chairman, and the heads (or their designees) of such Government agencies engaged in or concerned with the support of scientific activity to a substantial degree as the President may from time to time determine. The interdepartmental committee shall meet whenever the chairman so determines, but not less than once a month.

"(b) The Interdepartmental Committee on Science shall gather and correlate data relating to the scientific research and scientific development activities of the Federal Government; and shall make such recommendations to the President, the Foundation, and other governmental agencies as in the opinion of the committee will serve to aid in effectuating the objectives of this Act and of other legislation providing for Federal support of scientific research and scientific development, and in preventing and eliminating unnecessary duplication of such activities by departments and agencies of the Federal Government.

"(c) The Interdepartmental Committee on Science shall submit to the President, for transmission to the Congress, an annual over-all report with respect to scientific research and development activities of the Federal Government and the activities of the Interdepartmental Committee in relation thereto, together with such recommendations as it may deem advisable; and the Interdepartmental Committee may submit to the President, for transmission to the Congress, such special reports and recommendations as it may deem advisable. Minority views and recommendations, if any, of members of the Interdepartmental Committee shall be included in such annual reports and in such special reports and recommendations.

"GENERAL PROVISIONS

"SEC. 16. (a) The Director shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed desirable by the Director, technical and professional personnel may be employed without regard to the civil-service laws or regulations, and their compensation may be fixed without regard to the provisions of the Classification Act of 1923, as amended. The Director, the Deputy Director hereinafter provided for, and the members of the divisional committees and advisory committees, shall be appointed without regard to the civil-service laws or regulations. Neither the Director nor the Deputy Director shall engage in any other business, vocation, or employment than that of serving as such Director or Deputy Director as the case may be; nor shall the Director or Deputy Director, except with the approval of the Foundation, hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this Act.

"(b) The Director may appoint with the approval of the executive committee a Deputy Director who shall receive compensation at a rate of not to exceed $10,000 per annum.

"(c) The Foundation shall not, itself, operate any laboratories or pilot plants.

"(d) The members of the Foundation, and the members of each divisional committee, special commission, or advisory committee, shall receive compensation at the rate of $25 for each day engaged in the business of the Foundation pursuant to authorization of the Foundation, and shall be allowed actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) when engaged, away from home, in the duties of their offices.

"(e) Persons holding other offices in the executive branch of the Federal Government may serve as members of the divisional committees, special commissions, and advisory committees, but they shall not receive remuneration for their services as such members during any period for which they receive compensation for their services in such other offices.

"(f) Service of an individual as a member of the Foundation, of a divisional committee, of a special commission, or of an advisory committee shall not be considered as service bringing him within the provisions of section 109 or section 113 of the Criminal Code (U. S. C., 1940 ed., title 18, secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves the Foundation or in which the Foundation is directly interested.

"(g) The Office of Scientific Research and Development is abolished, and its affairs shall be liquidated by the Foundation, which shall be its successor agency. The property, records, funds (including all unexpended balances of appropriations or other funds now available), and contracts (and rights and obligations thereunder) of the Office of Scientific Research and Development are transferred to the Foundation. Such abolition and transfer shall take effect thirty days after the Director has taken office.

"(h) In making contracts or other arrangements for scientific research the Foundation shall utilize appropriations available therefor in such manner as will in its discretion best realize the objectives of (1) having the work performed by organizations, agencies and institutions or individuals, including Government agencies, qualified by training and experience to achieve the results desired, (2) strengthening the research staffs of organizations, particularly nonprofit organizations, in the States, Territories, possessions, and the District of Columbia, (3) aiding institutions, agencies, or organizations which if aided will advance basic research, and (4) encouraging independent research by individuals.

"(i) The activities of the Foundation shall be construed as supplementing and not superseding, curtailing, or limiting any of the functions or activities of other Government agencies (except the Office of Scientific Research and Development) authorized to engage in scientific research or scientific development.

"(j) Funds available to any department or agency of the Government for scientific or technical research, or the provision of facilities therefor, shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part to the Foundation for such use as is consistent with the purposes for which such funds were provided, and funds so transferred shall be expendable by the Foundation for the purposes for which the transfer was made.

"(k) The National Roster of Scientific and Specialized Personnel shall be transferred from the Department of Labor to the Foundation, together with such of the personnel, records, property, and balances of appropriations as have been utilized or are available for use in the administration of such roster as may be determined by the President. The transfer provided for in this subsection shall take effect at such time or times as the President shall direct.

"(l) The Foundation shall not support any research or development activity in the field of atomic energy, nor shall it exercise any authority pursuant to section 11 (f) in respect to that field, without first having obtained the concurrence of the Atomic Energy

Commission that such activity will not adversely affect the common defense and security. Nothing in this Act shall supersede or modify any provision of the Atomic Energy Act of 1946."

And the House agree to the same.

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
J. PERCY PRIEST,
OREN HARRIS,
Managers on the Part of the House.

ROBERT A. TAFT,
GEORGE D. AIKEN,
H. ALEXANDER SMITH,
ELBERT D. THOMAS,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all after the enacting clause of the Senate bill and inserted an amendment in the nature of a substitute. The substitute agreed to in conference is substantially the same as the House amendment. Except for minor clarifying and clerical changes the differences are as follows:

In section 3 of the conference substitute there has been included a sentence from the Senate bill, as follows: "The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations."

In section 5 (a) the following sentence has been included: "It is intended that the membership of the executive committee shall be representative of diverse interests and shall be so chosen as to provide representation, so far as practicable, for all areas of the nation."

In section 9 (a), a sentence has been included authorizing the Foundation to prescribe the period of time for which members of special commissions, appointed by the Foundation, shall serve.

Section 12 (a), relating to the inclusion in contracts or other arrangements of provisions governing the disposition of inventions produced thereunder, has been made to conform, so far as language is concerned, with the provision as it passed the Senate. In substantive effect, however, it does not differ from the corresponding provision in the House amendment.

In section 16 (a) a sentence has been included, as follows: "Neither the Director nor the Deputy Director shall engage in any other business, vocation, or employment than that of serving as such Director or Deputy Director as the case may be; nor shall the Director or Deputy Director, except with the approval of the Foundation, hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this Act."

Section 16 (h) provides that in making contracts and other arrangements for scientific research the Foundation shall utilize appropriations available therefor in such manner as will best realize certain specified objectives. There has been added to these specified objectives the following, taken from the Senate bill with a clarifying change: "(3) aiding institutions, agencies, or organizations which if aided will advance basic research,".

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
J. PERCY PRIEST,
OREN HARRIS,
Managers on the Part of the House.

Mr. WOLVERTON. Mr. Speaker, the reading of the statement indicates that few changes were made in the bill as it passed the House about a week ago. The few changes that were made were of a clarifying nature and strengthen the bill. I have heard of no objection to the changes that have been made.

Mr. Speaker, I wish to express my appreciation for the cooperation shown in conference by the managers on the part of the Senate and my colleagues who served with me as managers on the part of the House.

Except for minor clarifying and clerical changes the conferees agreed on language substantially the same as that agreed upon by the Committee on Labor and Public Welfare of the Senate, and the Interstate and Foreign Commerce Committee of the House.

The substantive differences from the act as passed by the Senate relate to section 6 wherein the Senate receded from the amendment made on the floor relative to the Director of the Foundation and restored the original section as it existed in the committee bill. Again in section 14 the Senate floor amendment relative to mandatory distribution of funds was receded from and additional language was added to further assure representation by all areas of the Nation.

I think the Congress has taken a great step forward in passing legislation to establish a National Science Foundation. I trust the President of the United States will approve it for the welfare of our Nation.

Congress should be asked to make a deficiency appropriation of $200,000 at this session for the purpose of providing funds to conduct the organizational work of the Foundation prior to its presentation of a full-scale budget at the next session.

The detailed reason for this is as follows:

First. An organization is created without implementing funds.

Second. After the acts become law, it will be necessary for competent people in the scientific field to plan the organizational set-up and comb the Nation for a list of, say, 100 names suitable for the 24 members of the Foundation. These 100 names would then be submitted to the President who would select his appointments to be confirmed at the next session of Congress. He may make interim appointments to avoid the atomic-energy controversy.

Third. The organization work necessary will entail a survey of the manpower suitable for the membership of the Foundation and an informal conversation with these people to see if they would be willing to serve.

The clerical staff and temporary office space should be planned.

The Bureau of the Budget and the General Accounting Office should be contacted to correlate with them the accounting and budgetary procedures to be used to meet their requirements.

Fourth. Preliminary conferences should be held with public and private agencies to insure the Foundation of a favorable reception in the new field and provide for their cooperation in the divisional structure of the Foundation.

Fifth. A preliminary survey of the scientific scholarship and fellowship needs and facilities should be made with educational authorities.

Sixth. Planning of the special commissions in cancer, heart, and polio should proceed at the earliest possible date.

Seventh. It is suggested that if this deficiency appropriation can be put through before the end of this session, the Foundation will get under way 6 months sooner.

Eighth. When the Foundation members are named, the organizational structure will be ready to function and an intelligent survey of the appropriation needed for the first full year of the Foundation can be made to Congress at the next session. Otherwise, the job will be hurried and inadequate.

Ninth. This procedure would free the executive branch of the Government from political pressure for positions on the Foundation.

Mr. Speaker, I hope that the President will use the good offices of the National Academy of Sciences and Dr. Bush for this purpose. They have made some preliminary studies on the proposed Foundation and, as the scientific advisers to the Government, are equipped to carry on this organizational work during the recess of Congress.

Six months of invaluable scientific progress can be saved if organizational work is undertaken at once. When Congress reconvenes the Foundation could present a carefully documented budget covering its operational needs. This would probably be in the neighborhood of $25,000,000 for the first year.

It has been suggested that a $200,000 deficiency appropriation be made to the Foundation and that the National Academy of Sciences be asked to undertake the organizational work in order that the medical programs on cancer, heart, and polio be not delayed, and that national planning on postwar research get under way at the earliest opportunity.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New York.

Mr. MARCANTONIO. The bill still covers the possessions and Territories as it did when it passed the House?

Mr. WOLVERTON. Yes.

Mr. Speaker, if there is no desire on the part of anyone else to speak, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TEMPORARY CONGRESSIONAL AVIATION POLICY BOARD

Mr. HINSHAW. Mr. Speaker, I call up the conference report on the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That it is the purpose of this Act to provide for the development of a national aviation policy adequate to meet the needs of the national defense, of the commerce of the United States, both interstate and foreign, and of the postal service, and to provide for the formulation and clarification of national policies relating to or affecting aviation, including policies relating to the maintenance of an adequate aeronautical manufacturing industry.

"SEC. 2. There is hereby established a temporary Congressional Aviation Policy Board (hereinafter referred to as the "Board") which shall be composed of five Members of the Senate, not more than three of whom shall be members of the majority party, to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives, not more than three of whom shall be members of the majority party, to be appointed by the Speaker of the House of Representatives.

"SEC. 3. It shall be the duty of the Board to carry out the purposes of this Act, and, in so doing, to study the current and future needs of American aviation, including commercial air transportation and the utilization of aircraft by the Armed Services; the nature, type and extent of aircraft and air transportation industries that are desirable or essential to our national security and welfare; methods of encouraging needed developments in the aviation and air transportation industry; and the improved organization and procedures of the government that will assist it in handling aviation matters efficiently and in the public interest. The Board shall report to the Congress, together with such recommendations as it deems desirable, on or before March 1, 1948.

"SEC. 4. (a) The Board shall select a chairman and a vice chairman from among its members. A vacancy on the Board shall be filled in the same manner as the original selection.

"(b) The Board is authorized to employ such experts, assistants, and other employees as in its judgment may be necessary for the performance of its duties. The Board is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

"(c) The Board shall have the power to hold hearings and to require by subpena or otherwise the attendance of such witnesses, the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable.

"(d) For the purpose of carrying out the provisions of this Act the Board may seek information from such sources and conduct its studies and investigations at such places and in such manner as it deems advisable in the interest of a correct ascertainment of the facts.

"SEC. 5. There is hereby authorized to be appropriated such sums, not to exceed $50,000, as may be necessary to enable the Board to carry out its functions under this Act.

"SEC. 6. The members of the Board, and employees thereof, shall be allowed all expenses necessary for travel and subsistence incurred while so engaged in the activities of the Board."

And the Senate agree to the same.

Amend the title so as to read: "An Act to provide for the establishment of a temporary Congressional Aviation Policy Board."

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
A. L. BULWINKLE,
J. PERCY PRIEST,
Managers on the Part of the House.

OWEN BREWSTER,
A. W. HAWKES,
HOMER E. CAPEHART,
ED C. JOHNSON,
BRIEN MCMAHON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3587), to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate made two amendments to the bill passed by the House. One amendment struck out all after the enacting clause and inserted an amendment in the nature of a substitute. The other amendment changed the title of the bill.

The accompanying conference report contains the text of the substitute agreed to in conference, and the title of the bill is amended to conform to the provisions of the conference substitute.

THE BILL AS PASSED BY THE HOUSE

For the purpose of "formulating, unifying, and clarifying national policies relating to or affecting aviation, including policies relating to the maintenance of an adequate aeronautical manufacturing industry, and of monitoring and harmonizing the pertinent activities of the executive branch of the Government in accordance with such policies," section 1 of this bill as passed by the House established a National Aviation Council.

The Council was to consist of members representing agencies of the Government, referred to in the bill as "participating agencies." Each participating agency was to have one representative on the Council, such representative to be the head of such agency, but the member representing any agency was to designate an alternate.

The participating agencies specified were the State, War, Navy, Commerce, and Post Office Departments, the Federal Communications Commission, and the Civil Aeronautics Board. This section provided, however, that the President could from time to time designate as a participating agency any other agency of the Government which he found had a substantial and continuing interest in the field of aviation, and that he could terminate the participation of any agency.

Section 2 directed the Council to recommend to the appropriate agencies of the Government the adoption and carrying out of policies, plans, and procedures to aid in effectuating the purposes set forth in section 1, subject to certain limitations.

This section also authorized the Council to make recommendations to the President with respect to the establishment of policies, plans, and procedures or action which in its judgment would promote the public interest and aid in effectuating the purposes set forth in section 1.

The powers conferred under this section were to be exercised as to any particular matter only by unanimous concurrence of the representatives of the agencies participating. If the Council were unable to reach unanimous agreement it was directed that, upon the request of any member, the Council should submit such matter to the President.

Section 3 provided for an executive secretary of the Council, and authorized the Council to employ other personnel.

Section 4 authorized the Council to require reports and information from other Government agencies as to activities related to aviation. It also authorized the Council to utilize the services, information, facilities, and personnel of other Government agencies.

Section 5 provided for an advisory board of the Council, to advise the Council on matters arising under the act.

The advisory board was to consist of 10 members to be appointed by the Council for terms of 2 years. The members were to represent the general public and the public interest, but at least one member was to be drawn from each of certain specified fields of activity.

Section 6 provided for an annual report by the Council, with recommendations; and the Council was authorized to submit special reports and recommendations.

Section 7 contained a definition of the term "agency of the Government".

Section 8 authorized the appropriation of such amounts as were necessary to carry out the provisions of the act.

THE SENATE SUBSTITUTE AMENDMENT

The first section of the Senate amendment to the text of the bill declared that "it is the purpose of this Act to provide for the development of a national air policy adequate to meet the needs of the commerce of the United States, both interstate and foreign, of the national defense, and of the postal service and provide for the formulation and clarification of national policies relating to or affecting aviation, with respect to the maintenance of an adequate aeronautical manufacturing industry."

Section 2 created a Temporary National Air Policy Board to be composed of the Secretary of State, the Secretary of War, the Secretary of the Navy, the Secretary of Commerce, three Members of the Senate, three Members of the House of Representatives, and two members to be appointed by the President from individuals outside of the Government service.

Section 3 provided for a study by the Board of the status of the aviation industry in all its branches with respect to the maintenance of an adequate aeronautical manufacturing industry. It further provided for a report thereon, to be submitted within 5

months to the President and the Congress, together with recommendations.

Section 4 contained provisions with respect to the selection of a chairman and a vice chairman; the filling of any vacancies on the Board; the employment of personnel; the obtaining of assistance from Government agencies; and the holding of hearings and compelling by subpena the attendance of witnesses and the production of books, papers, and documents.

Section 5 authorized the appropriation of not to exceed $50,000 to enable the Board to carry out its functions.

Section 6 provided for the payment of a per diem allowance to those members of the Board designated by the President. It also authorized the payment of travel expenses of the Board while engaged in the activities of the Board.

Section 7 provided that nothing in the act should be considered as directing the Board (or any board established pursuant to its recommendations) to consider the consolidation or merger of the armed forces, and specifically directed that no consideration should be given to that matter.

THE CONFERENCE SUBSTITUTE

The substitute agreed to in conference provides, in section 1, that it shall be the purpose of the act "to provide for the development of a national aviation policy adequate to meet the needs of the national defense, of the commerce of the United States, both interstate and foreign, and of the postal service, and to provide for the formulation and clarification of national policies relating to or affecting aviation, including policies relating to the maintenance of an adequate aeronautical manufacturing industry."

Section 2 establishes a temporary Congressional Aviation Policy Board to be composed of five Members of the Senate, not more than three of whom shall be Members of the majority party, to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives, not more than three of whom shall be Members of the majority party, to be appointed by the Speaker of the House of Representatives. It will, therefore, be seen that, so far as the membership of the Board is concerned, the conference substitute follows the Senate amendment, except that no provision is made for appointment of members by the President or for inclusion of officers from the executive branch.

Section 3 provides that it shall be the duty of the Board to carry out the purposes of the act, and, in so doing, it is directed to study the current and future needs of American aviation, including certain specified matters relating to aviation. The Board is directed to report to the Congress, together with its recommendations, on or before March 1, 1948.

Section 4 relates to the selection of a chairman and a vice chairman; the filling of vacancies; the authority to appoint employees; the utilization of services, information, facilities, and personnel of Government departments and agencies; the holding of hearings; the authority to require by subpena the attendance of witnesses and the production of books, papers, and documents; the authority to make necessary expenditures; and the conduct by the Board of its studies and investigations at such places and in such manner as may be deemed advisable.

Section 5 contains the same authority for appropriations which was contained in the Senate amendment.

Section 6 provides that members of the Board and employees thereof shall be allowed all expenses necessary for travel and subsistence incurred while engaged in the activities of the Board.

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
A. L. BULWINKLE,
J. PERCY PRIEST,
Managers on the Part of the House.

Mr. HINSHAW. Mr. Speaker, the conference report is a modification of the Senate bill. I know of no controversy in the matter.

Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, the conference report now under consideration represents a compromise between the broader, permanent legislation by which the House authorized a National Aviation Council, and a much more limited bill passed by the other body and directed largely to the question of maintaining an adequate aeronautical manufacturing industry.

The substitute, developed within the framework of the two proposals before the conferees, is of a somewhat temporary character, and authorizes a joint congressional board to make a study and report to the Congress on or before March 1, 1948.

Such a study as is proposed and authorized should prove extremely beneficial to the Congress and the country.

I wish to make it very clear that it was the understanding of the conferees that the temporary joint board authorized by the bill, is not to consider nor report on, the broad questions commonly referred to as the sea-air bill, and the chosen-instrument bill.

Committees of both Houses have spent weeks holding lengthy hearings on these two highly controversial proposals.

In my opinion, any effort by the joint board to go into those subjects would result in the bogging down of its program, and in failure to accomplish the greater objective of the board.

The regular standing committees of the House and the Senate are thoroughly capable of dealing adequately with the policy matters growing out of the sea-air and single-instrument proposals, and I am glad the conferees on this bill understand that this board is not to engage itself in that field.

Mr. HINSHAW. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FEDERAL RESERVE BRANCH BANK BUILDINGS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 3592) to amend section 10 of the Federal Reserve Act, as amended, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the ninth paragraph of section 10 of the Federal Reserve Act, as added by the act of June 3, 1922, and amended by the act of February 6, 1923 (U. S. C., title 12, sec. 522), is hereby amended by changing the period at the end thereof to a colon and by adding the following proviso: *"Provided further*, That the cost as above specified shall not be so limited as long as the aggregate of such costs which are incurred by all Federal Reserve banks for branch bank buildings with the approval of the Board of Governors after the date of enactment of this proviso does not exceed $10,000,000."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the present consideration of a similar Senate bill, S. 1519.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the ninth paragraph of section 10 of the Federal Reserve Act, as added by the act of June 3, 1922, and amended by the act of February 6, 1923 (U. S. C., title 12, sec. 522), is hereby amended by changing the period at the end thereof to a colon and by adding the following proviso: *"Provided further*, That the cost as above specified shall not be so limited as long as the aggregate of such costs which are incurred by all Federal Reserve banks for branch bank buildings with the approval of the Board of Governors after the date of enactment of this proviso does not exceed $10,000,000."

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all after the enacting clause and insert the provisions of H. R. 3952 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3952) was laid on the table.

House Resolution 274 was laid on the table.

TERMINATING CONSUMER CREDIT CONTROLS

Mr. CHENOWETH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 275 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

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 joint resolution (H. J. Res. 222) terminating consumer credit controls. That after general debate, which shall be confined to the joint resolution and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CHENOWETH. Mr. Speaker, this resolution makes in order the consideration of House Joint Resolution 222 terminating consumer credit controls immediately upon the passage of the joint resolution. This is an open rule and provides for 2 hours of general debate.

This resolution comes to the House from the Banking and Currency Committee. It relates to what is known as regulation W of the Board of Governors of the Federal Reserve System. It is based on a Presidential Executive order issued August 9, 1941. It was purely a wartime measure and had for its purpose the restriction of installment buying.

Last December regulation W was revised. Restrictions on charge accounts and single-payment loans were eliminated. However, the control of installment loans on certain articles was continued. Included in the list are automobiles, stoves, refrigerators, washing machines, radios, and sewing machines. It will be noted that with the exception of automobiles the items covered are articles used in the furnishing of homes. I cannot see any good reason why such a regulation should be continued.

I have felt for sometime that these wartime controls should be abolished. It must be remembered that the war has been over for more than 2 years. Surely the time is here to get rid of these emergency regulations, unless it is contemplated they shall be made permanent. I am glad to see this resolution brought to the floor and I hope it will be adopted. The restrictions imposed by regulation W should be removed and these consumer credit controls terminated.

Mr. SABATH. Mr. Speaker, I cannot persuade myself that this resolution to eliminate all credit controls is in the best interest of our people or of the Nation.

Today more than 60,000,000 people are working, and the number is still increasing. While, in my opinion, the workers deserve more and better wages to offset price increases, at least the wages are fair and there was never so much money in circulation. People should be able to buy what they can afford for cash without being urged to buy on these "budget plans" with a high premium for extension of credit.

I am all too familiar with all these easy payment plans and budget plans for installment buying, and of the stranglehold of the chattel mortgage bankers and the commercial credit companies who discount the notes of the little people who, with small earnings, invariably can be pressured into buying goods on time because they do not recognize their own economic insecurity. Many economists have declared that excessive and unwise installment buying was one of the factors in plunging our country into the economic suffering and devastation of 1929.

PAY HIGH INTEREST FOR PRIVILEGE

Unfortunately, those who buy on the installment plan are forced to pay from 20 percent to 40 percent more for everything they buy on time, whether they realize it or not. When I oppose this short-sighted resolution I am trying to protect them from those shrewd installment merchants who so wrongly advertize throughout the Nation that their customers can buy on time for the same prices they would get on a cash basis.

Those statements simply are not correct. I have had a great deal of experience with the methods. You know and I know that even though the price tags may be the same, by the time the customer has paid all the fees and the interest on the contract he has paid through the nose for his purchases, and frequently has fallen into the clutches of the grim collectors for the commercial credit firms or the usurious small loan companies.

This system discriminates also against the small merchant—the little fellow who has no contracts with the big commercial credit concerns and no huge advertising budget to high-pressure the buying public. He cannot extend to his customers the same time contracts and consequently installment buying work always to favor the big merchants who can finance their sales by discounting the notes and installment contracts.

TOO SOON TO TAKE OFF ALL CONTROLS

Of course, I appreciate the fact that the paid spokesmen for the organized businessmen of the Nation say the merchants want no more Government restrictions on anything.

Well, they said that about OPA, and they said by repealing the Price Control Act and abolishing OPA the law of supply and demand would hold prices down and everybody would have enough of everything at no added cost. They said that abolishing OPA would mean that housewives could get more meat at lower prices, and that all foodstuffs would be more plentiful and no one would have to pay high prices for the abundant products.

But we all know that in spite of these easy promises from the industrial and mercantile leaders—who through their powerful and skillful lobbyists had been chiseling away at OPA to weaken it and finally brought about its end—that the moment the brakes of price control were off wholesale and retail prices shot up toward the sky, and are still trying to climb higher.

I know and you know that those promises were not made good, and it is too soon to take off the credit controls, for this resolution will just encourage inflationary pressures and increase unnecessary buying, with people of small means mortgaging their futures.

COUNSELS BUYING NECESSITIES ONLY

I know this Republican big interest resolution will be passed. You have the votes, and yes, the lack of a sense of interest in the little businessmen and the common people.

Nevertheless, I know what the situation means. I know what this resolution will do. The same kind of pressures forced the Federal Reserve System to end the 100-percent margin rule on stock buying, with the result that speculation began at once on the markets.

I think it would be better for all Americans who have to work for a living, and not too good a living, to desist from buying things they do not actually need just because they can buy on time, and paying exorbitant prices or credit charges, and thus fall into the clutches of some of these concerns without soul or sympathy or business ethics.

I repeat, Mr. Speaker, I do not believe that this resolution is in the best interests of our country nor of the millions of men and women who will be persuaded to buy improvidently on some "pay in 10 easy payments" plan.

Mr. Speaker, I reserve the balance of my time, and I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Speaker, I have asked for this time on the rule in order to tell the House that I expect to offer an amendment to this bill to empower the Board of Governors of the Federal Reserve Bank to extend for a period of 9 months the regulations they now exercise over the sale of new and used cars.

The reason for this amendment is that the car market, both new and used, is in a very chaotic state. The supply of cars, both new and used nowhere begins to meet the demand. If, by repealing this regulation now, we superimpose a reckless installment demand for cars, we will be contributing to a very bad and inflationary situation.

Mr. Speaker, in general I am opposed to regulation, as my voting record shows. But at a time when we have the greatest inflationary pressures in the history of the Nation, when the amount of cash outstanding exceeds $28,000,000,000, when the bank deposits of the country exceed a hundred billions, when the use of credit is already at an all-time high in this country, when the automobile market is in such state that new cars are selling at a premium of from $500 to $1,500 each, I believe it would be wise for this House to at least allow the Federal Reserve Board to continue some kind of brake on this situation. I think we fail our duty to our people if we do not do so.

I have a letter in my pocket from the president of one of the largest independent finance companies in this country. He suggests that regulations should come off of installment selling generally, but he declares that we should not take the regulations off in the sale of new and used cars. We have a chaotic situation in that industry already.

If we take off all regulation we are going to accentuate an ugly situation in that industry, add to bad practice, and we are going to prolong a situation that is not good for the free enterprise system. So I ask your support for the amendment when the proper time comes.

Mr. Speaker, I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Speaker, it is regrettable that so important a measure as this—and I do think it is tremendously important—should under the necessity of the closing hours almost of this session, have to be considered so briefly. I merely want to offer these observations.

The proposal before us is to remove all controls over consumer credit. We all want controls removed from everything possible and to get the Government out of the regulating business; that is natural. I am for removing all Government controls over consumer credit

as rapidly as it possibly can be done consistent with a sound national economy. But we must remember that we are still suffering from the aftermath, the economic upset, of the war. Some items in great demand are still in very short supply. With respect to about a dozen items, for example, automobiles, refrigerators, gas ranges, and the like, credit controls are in effect as prescribed by the RFC in what is designated as regulation W. The regulation, as you know, prescribes the amount of down payment that is required when these items are sold on credit, also the period of time over which installment payments may be spread. This regulation serves to limit consumer credit in the purchase of such items and to insure sound merchandising practices among the sellers.

Inflation of consumer credit is a most dangerous type of inflation. I would remind you that preceding the boom and bust of the late 1920's credit ran wild. Goods were sold a dollar down and a dollar when you catch the purchaser, to use the expression of that day. The result was that millions of people bought beyond their means of repayment and the merchants oversold on credit. This was a contributing factor to the crash of 1929 and added greatly to the severity of the losses sustained by our people as a result of it.

Following that crash many a little business house all over my section closed because they had oversold on credit. Here we are in a period of the greatest inflation in recent times when there are tremendous quantities of money seeking investment, preparing in one fell swoop to take off the control of regulation W affecting installment buying. This will invite unsound merchandising practices. One merchant will offer attractive terms. His competitor will feel it necessary to meet them in order to hold his business for the future.

I had a letter the other day from a small businessman down in my section expressing alarm at that prospect and he said:

Under that regulation—

Regulation W—

which requires the payment of at least 20 percent to one-third down in cash on certain articles in scarce supply, and the installments to be spread over a period of not to exceed 15 months, enables us to get enough payment on our goods and makes for sound business.

But—

Said he—

if you remove that regulation we small businessmen either must go out of business or be in competition with the big boys, oversell ourselves on credit and face possible bankruptcy.

That is what you will do to the small businessmen of this country if credit controls on certain items in short supply are too quickly removed. Present controls apply to only about a dozen items. The rules are flexible and can be removed by RFC when it is safe to do so, without any new law. But if by passage of this bill all credit controls are removed, we add to inflation now existing a new inflation of credit. If that happens and if the supply of scarce articles now under credit controls does not soon catch up with the demand, and there is no prospect that they will, we will find the little businessmen of this Nation oversold in order to stay in business. And when the crash comes you will have few little, independent businesses left in the Nation. The business will all be in the hands of the big chain boys and others who have sufficient resources to weather such a storm.

Some controls can be removed, no doubt. But to vote here to remove all controls now is dangerous. I cannot cast such a vote and I cannot but feel if this resolution becomes law we will invite a crash, a boom and bust. Much as we dislike controls, let us keep regulation W for the present.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I regret that I did not have the chance to hear the testimony on this bill and thus be able to obtain the views of all the experts who appeared before the committee. I regret I find myself in disagreement with my very dear friend from Michigan [Mr. WOLCOTT], chairman of the committee.

To me the price level in this country at the present time is something that should concern all of us. A few days ago I sent a letter to some of the businessmen in my district and said to them in substance that which I am now going to say. If I were today running a business, manufacturing and selling goods, I would move heaven and earth to cut my margin of profit or profit margin on my mark-up and to reduce the selling price of the goods. I would sell to cash customers in every possible way and discourage the extension of credit in every way that I possibly could so as to put my firm, my customers, and my product on as substantial a foundation as possible; all looking forward to being on a firm foundation to meet the economic storms ahead.

I think margins of profit and prices in this country at the present time are absolutely ridiculous and indefensible in light of what is going on. We have 60,000,000 employed in this country, including pay-roll employees and proprietorships; but what of it? What about our production? Our production is probably no more than it was to take care of the number of people we had in 1939, and I am now speaking in tonnages. We have perhaps six, seven, or eight million more people to consume that production so the increased standard of living is not very excitable even with all of the high wages, high salaries, and high prices that now govern.

Now, what does all this have to do with the extension of credit? We can go out here at this particular moment when goods are moving out of this country to all the ports of the world through our gifts and our so-called credits, the price levels still advancing; we can remove these credit controls now exercised by the Federal Reserve Board and further stimulate prices and further cut the buying power of the men and women who live on fixed incomes, and further destroy the buying power of the savings of our people heretofore accumulated; we can do that by stimulating credit, by expanding installment loans, by making credit easier to those who do not understand these great economic forces that are now running, and who will spend every dollar they can get or borrow, simply because they have the privilege of doing it and because somebody will sell them goods at high prices on a credit basis.

Someone has made the statement here this afternoon to the effect that this kind of movement at this time would run contrary to the interest of the small merchant, and I certainly agree in that statement. This bill would help firms such as the Household Finance Corp., I think, perhaps, the biggest extender of consumer credit in the country. The big boys will get in on it. I do not want to demagog between the big boys and the little boys. I simply take the position that this is no time to further inflate prices by taking the steps advocated by this bill, so I am just fundamentally in disagreement in doing this particular thing at this time. I am not trying to sell anybody a bill of goods. Everybody, perhaps, has had their mind made up on this bill, and I simply wanted to be recorded in opposition to it. If the committee would see fit to put through a bill to remove these controls, say, 1 year from now, depending upon what the price-and-supply situation is at that time, that might be a wise course to pursue, but to remove these credit controls at this particular time when there is such an excess demand for goods on the one hand, and to encourage those who have big inventories to continually withhold the inventories by demanding higher prices, I think is an unsound proceeding for us to take.

Mr. CHENOWETH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FEDERAL RESERVE BRANCH BANK BUILDINGS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the proceedings by which the bill (S. 1519) to amend section 10 of the Federal Reserve Act, and for other purposes, as amended, was passed be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 1519.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the ninth paragraph of section 10 of the Federal Reserve Act, as added by the act of June 3, 1922, and amended by the act of February 6, 1923 (U. S. C., title 12, sec. 522), is hereby amended by changing the period at the end thereof to a colon and by adding the following proviso: "*Provided further*, That the cost as above specified shall not be so limited as long as

the aggregate of such costs which are incurred by all Federal Reserve banks for branch bank buildings with the approval of the Board of Governors after the date of enactment of this proviso does not exceed $10,000,000."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERMINATION OF CONSUMER-CREDIT CONTROLS

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 222) terminating consumer-credit controls.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 222, with Mr. REES in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, regulation W of the Board of Governors of the Federal Reserve System, having to do with control of consumer credit, was promulgated under an Executive order, No. 8843, of August 9, 1941, which was issued under the authority contained in the Trading With the Enemy Act which, as you remember, was enacted during World War I. It was purely and simply a wartime measure, and served a very useful purpose during the war to control the demand for goods which were in short supply. Many claim that it is necessary at the present time to continue these controls as a hedge against inflation. Even the Chairman of the Board of Governors of the Federal Reserve Board before our committee and before the Senate committee argued quite logically for the continuance of these controls to prevent inflation, but the statements and arguments for the continuance of these controls on the part of the Federal Reserve Board are completely belied by the action of the Board itself. We should ask the Federal Reserve Board if in its opinion it is necessary to continue these controls to prevent inflation, why they have been voluntarily removed on all but 12 commodities.

Credit which emanates from the sale of jewelry, credit which emanates from the sale of clothing, goes into the same credit pool and affects the volume and velocity of credit just as much as credit emanating from the 12 controlled commodities. So the committee decided that these controls and these powers have outlived their usefulness so far as World War II is concerned; that they became highly discriminatory against many, many veterans who were not able to build up their savings during the war and who were prevented by these regulations from furnishing homes even after this Congress took such very definite action as it did in making the homes themselves available to the veterans on very easy credit. In many instances a veteran can get a home today without much, if any, down payment, but after he acquires the home, then we find that we have prevented him, unless he has savings, from buying the refrigerators, the electric ironers, and the other household appliances mentioned in group B on page 2 of the report—sewing machines, washing machines, and so forth—things which are considered more or less necessary in the equipment of a modern home. So we decided it would avail a veteran nothing to give him an unlimited supply of credit with which to buy a home if we did not also remove the restrictions upon the furnishings for his home.

The gentleman from Nebraska says that he will offer an amendment to continue these controls on new and used cars. He should have in mind that under these controls a person who does not have the credit cannot buy a car at any price. Credit controls under regulation W do not have anything to do with the price of a car.

Under these controls, the veteran who wants to buy a car must pay in many instances $500 down and pay as high as $80 a month. A fellow who has some bonds or other savings can cash in his bonds or draw on his savings and get his $500 very easily. He can take the money from the savings that he has accumulated during the war as a result of high prices and high salaries, and the monthly payments of $80 do not hurt him very much. It is the fellow who was not able to save during the war because of low income that this discriminates against. The purpose of regulation W was to prevent an increase in the volume and velocity of credit to a point where through the acceleration of the velocity of credit there would be a cheapening of the value of our currency. In that respect, it has outlived its usefulness and becomes just an irritating control which should be removed if we are going to see justice done to all purchasers. It does not effectively slow up the demand for commodities any more. You can go to a bank today or you can go to a finance company and borrow the down payment, anything to the contrary, notwithstanding. You can borrow from the bank the down payment which you have to make on these commodities.

Suppose you have $500 in your pocket to make a down payment on a house. You go to the bank and you want to borrow $500 to make a down payment on household equipment. The bank says, "No, we cannot lend you this $500 with which to make a down payment on your household furnishings." So you take the $500 you have saved up to make a down payment on your house and you buy your household furnishings with that, and you borrow from the bank the $500 to make the down payment on your house. Also so long as you can buy a $500 diamond ring for 50 cents down and 50 cents a week for the rest of your life, it is perfectly silly to think that we are slowing up the acceleration of credit in any respect whatsoever by the continuance of these controls on only 12 commodities of the hundreds of thousands of commodities which are sold on credit in the United States.

I yield to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Is it not true that under the present regulations a veteran or anybody else can buy a car or any one of the other items mentioned in this report with a down payment of one-third and 15 months to pay?

Mr. WOLCOTT. That is right. But because the period of amortization is limited to 15 months, the monthly payment is so large that the average GI cannot buy the car and meet his payments.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HARRIS. I understand that the Federal Reserve refuses to terminate this order on its own initiative.

Mr. WOLCOTT. Yes; but it does not take an arbitrary attitude. In fairness to them, I must say that they have been very fair about this. And also, in that connection, the President has taken a very statesmanlike attitude in respect to this subject. He says in substance in a letter presented to the committee that he did not think he would be justified in continuing these wartime controls indefinitely into peacetime unless the Congress acted affirmatively to continue the controls, and if Congress did not act affirmatively to continue these controls in peacetime, then he would, on his own initiative, relinquish them or, in effect, rescind regulation W.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. The categories under control were reduced from 36 to 12 on December 1, 1946, by the Board of Governors?

Mr. WOLCOTT. That is right.

Mr. BROWN of Georgia. Only 12 categories are now under regulation?

Mr. WOLCOTT. That is correct.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BUCHANAN. Is it not a fact that regulation W is now in effect under Executive order under the Trading With the Enemy Act?

Mr. WOLCOTT. That is right.

Mr. BUCHANAN. And unless the Congress sees fit to continue this, the Federal Reserve Board does not feel, nor does the President in his letter to the Chairman of the Board feel, that they should assume the responsibility.

Mr. WOLCOTT. That is his attitude. I might say, to clarify this point, that this does not disturb the authority of the Trading With the Enemy Act to put these controls on again. But the President must make a new proclamation of a new emergency or we must be in another war before they can be again exercised.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VORYS. Can the gentleman give us any idea as to the volume of credit

involved? That is, the volume of possible inflationary effect involved with referance to these 12 items, as opposed to the hundreds of thousands of things that are not so controlled?

Mr. WOLCOTT. I cannot tell you the correct amount because the total amount of credit outstanding is not known. It would be a gigantic job to get it all together, but there is a relatively small amount of credit now under the control of regulation W.

Mr. VORYS. Then, is it not a fact that this is a measure, at present, of exercising controls over what veterans and others should spend and what they should buy, and discouraging them from buying certain things, rather than a matter of credit?

Mr. WOLCOTT. Yes. It operates, in effect, only as the Civilian Production Board controlled the allocation of materials. They think by exercising these controls that they can slow up the demand for these commodities.

Mr. VORYS. It is an example of a benevolent Government taking this method of telling certain poor people what they think they ought to buy? It seems to me it is time for this power to be taken away from the Government.

Mr. WOLCOTT. Yes, the objection is that, benevolent as the Government may be, they are at the same time discriminating against those whom the Congress does not want to discriminate against.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has again expired.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield to me?

Mr. SPENCE. I yield.

Mr. CRAWFORD. Suppose I am manufacturer A, with 100,000 refrigerators in my warehouse, which I am holding to get the price. I face the proposition where I sell those at a diminishing price, or if the Congress came along and removed all controls, so that I can sell them at an inflated price by reason of the fact that the customer is enabled to get credit: Does not this proposition encourage the manufacturers to maintain high prices and, perhaps, even to advance prices?

Mr. SPENCE. I do not think so. It probably would enable him to sell more refrigerators because more people would have credit to buy them which, I think, would be agreeable to both the seller and the purchaser.

Mr. Chairman, I have been one of those in favor of strict controls while the emergency existed. I think a great part of the perplexing problems that now present themselves to us have been due to a chiseling away and a weakening of the Price Control Act so it was no longer effective to consummate the purposes for which it was intended. I believe the present conditions with reference to housing and the cost of living is going to cause us great trouble. The weakening of the Rent Control Act made a travesty of it and it will not accomplish the purposes which were stated in the title but will rather encourage imposition on the tenant and ill relations between the landlord and tenant.

I have been in favor of controls during the emergency, and there still exist conditions which make for inflation; but I have also been in favor of the greatest personal liberty of the individual to spend his money as he pleased without direction from Washington unless control were absolutely necessary. We all know that credit is not based on capacity to pay, because many men who have plenty of money are poor credit risks. It is based upon character, and the best loan that can be made is a loan made to a man of character. He will pay.

It seems incongruous that credit should be regulated from Washington, that the man who has lived in his community all his life and established a credit and built up a character that justifies that credit should have his credit controlled from Washington. Such a condition should not exist unless there is the greatest emergency and it is absolutely essential to preserve our economy.

It is said that some of our veterans may be imposed upon if restrictions on credit are removed. That argument would mean that you should continue these controls indefinitely, because the improvident will always be imposed upon. It is said that the loan shark will take advantage of the veteran. I do not think there is a more contemptible character anywhere than the loan shark. Sir Francis Bacon says, "He who collects usury earns his bread in the sweat of another man's brow and ploweth on Sunday"; but how can you protect by law the improvident from imposition?

Is this an inflationary measure? There are thousands and thousands of articles that can be bought on credit but the Federal Reserve has exercised its authority on 12 major articles of household use that people need to furnish their homes.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself two additional minutes.

I cannot conceive how the repeal of this authority at this time can be inflationary or weaken the economy of our Government. Men as a rule are more apt to extend their credit far beyond their means for other than necessaries. A man will be more apt to expend beyond his means on the purchase of a diamond ring or a fur coat than on a frigidaire. Credit used for these and hundreds of other luxuries is not regulated at all. Down payments and credit for the items upon which the Federal Reserve now exerts its authority under regulation W are a few necessary household articles which everyone who rents or purchases a home will need and which are absolutely necessary for the comfort and happiness of the family. Why should we be so anxious that the veteran and others should be properly housed and give them every opportunity to purchase a home under most favorable credit conditions and prevent them from using their credit to furnish that home? If you pass this act, the President may tomorrow declare an emergency and put back these controls.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I would like to quote from the testimony of Joseph Padway, general counsel of the American Federation of Labor, the following:

> The regulation as it stands now, in the postwar conditions, is discriminatory. People with a lot of money can get the things that they need, while those with less money, such as wage earners have found it in many instances impossible to obtain the things they need.

He further stated:

> Others have been compelled to cash their savings bonds in order to obtain things they cannot obtain otherwise, whereas if there were no regulation W, or regulations of that nature, they could retain those savings and holdings and obtain their credit and pay out over a period of time for the articles they need and still have their savings and their bonds.

Mr. SPENCE. The statement of Mr. Padway is obviously true. The regulation is discriminatory.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, these controls from Washington nullify the usefulness and the effectiveness of the character a man has built up in his community. It is a government of men and not laws, because the Federal Reserve can select by whim or caprice particular articles that it thinks consumer credit should not be exerted upon except under conditions prescribed and it seems to me that it is entirely incongruous that that condition should exist unless it is absolutely essential to our economy. I do not believe it is.

I realize that the forces of inflation still exist, but this is such a trivial thing. The exertion of this authority on 12 classes of articles would be like attempting to sweep back the tide with a broom. It is a restraint upon the people. The man who feels he is entitled to credit and the merchant who says he will give him the credit feel they are imposed upon because of this regulation. I cannot see how any harm will come to our economy or how it will affect in any degree the inflationary conditions that now exist. I think it is a restraint that should be removed from the people. The regulation is entirely incapable of enforcement in peacetime and a regulation or a law that is not obeyed by the people weakens our Government for government is obedience by whatever name it is called.

Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I cannot quite agree with either side that has expressed itself on regulation W here today. I do not think that repeal of regulation W is going to bring about uncontrolled inflation. Neither do I feel that the repeal of regulation W, effective now, is in good public policy. I am forced to agree with my chairman and with the ranking Democratic Member that it is a most difficult regulation to enforce.

It is a most difficult regulation to see that it is observed 100 percent.

In the last 2 weeks I have talked to more than two or three hundred businessmen, most of whom are well established retailers dealing in household appliances, furniture, and things of that nature, and I would say that more than 66⅔ percent of them are in favor of retaining regulation W for a little while longer.

They are, however, far from unanimous, and the hearings before the committee were far from conclusive that the general retail element of this country wanted to junk this almost last remaining inflation control that is still in the law.

I believe, not that you could describe the repeal of regulation W as being a force that would bring about uncontrolled inflation, but I believe you can truthfully say that it adds a few more pounds of steam pressure under an already overloaded boiler. I feel that with advancing wage cost and advancing living cost now current, that to take away this last vestige of control over selling on any kind of terms that the merchant advertises, would open up again a multitude of unsound selling practices.

Much can be said about the inequity of regulation W. You can buy gas ranges and you can buy electric refrigerators and other kitchen equipment that is attached to the house and finance that over a period of 20 to 25 years under FHA as the law now stands, but if you go into a store and buy on retail credit you are limited to a certain number of months and you are required to put up a maximum down payment of 20 percent on those appliances.

By repealing regulation W, however, I do not believe that the drive has been by the consumers to be allowed to purchase these things at a lower down payment.

Rather, I feel that the drive comes from merchandising men and loan-company men who feel that by cutting loose on unsound advertising, lending, and merchandising practices, the practices, if you please, of 1929, of advertising $300 or $400 worth of merchandise for $5 or $10 down and 24 or 36 months to pay, in a drive to pile more and more volume into that year's business, will overload the consumers of this country beyond their ability to pay. These consumers' income already, in real purchasing power, is being greatly cut down by the high cost of the necessities of living.

Throughout this country the newspapers have repeatedly called our attention to the fact that on thousands of used-car lots new automobiles are now selling from $500 to $1,000 above the manufacturer's list price. That is in the face of the fact that a down payment of 33⅓ percent is required to buy these "gray" market automobiles.

Now, if you reduce this down payment, if you reduce it down to 5 or 10 or 15 percent, the final ultimate result of these "gray" market automobiles will jump another $500, or perhaps another $1,000. Many, many people of this country desire merchandise that they have not been able to get during the war, and the price is no object to them. If they can buy on a little bit down, they will buy the cars regardless of price, and they will sign away their next year or 2 years' pay check in order to have the thing that they feel they must have at the moment.

You will be borrowing on next year's purchasing power and perhaps the year after next year's purchasing power, income that today is needed for sustaining an adequate living standard in the face of high living costs for the necessities of life. And you are adding more fuel to the fire of inflation. You will build up to the ultimate boom and bust that will come when you have these consumers overloaded with long-time, unsound installment credit.

I wish we could find a happy solution of this thing to insure the people of this country and to insure the merchants of this country that we do not want a permanent long-range Federal regulation of consumer credit. We are all against that. The businessmen of the country are all against permanent regulation of consumer credit, but I think that today automobiles, electric appliances, such as washing machines, electric refrigerators, electric mangles, and things of that kind, almost everything that yet remains on the regulation W list, with the one sole exception of furniture, are in extremely short supply.

As a long-time merchant, may I say that a 20-percent down payment is not an unreasonable down payment to expect on furniture, nor is 15 months an inadequate time on furnishing a house. I have been in business a long time, and I know that whenever you go in for unsound installment selling and financing, whenever you stretch the length of the terms far beyond the economic soundness of installment credit, someone must pay the bill for these unsound terms. You are going to find the customer is loaded with an excessive financing charge and is going to bear a pretty heavy expense for that additional unsound credit that has been extended to him.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Does not the gentleman believe the removal of these controls at this time might also have this effect: Under normal conditions, as the supply of these scarce items becomes adequate, the normal tendency would be for the price to come down. Is not that true?

Mr. MONRONEY. That is exactly right.

Mr. BOGGS of Louisiana. If the premature removal of these controls on these scarce items results in a downward trend of credit terms, would not that tend to hold the prices up and increase the credit base at the bottom so that the prices would continue to increase?

Mr. MONRONEY. The gentleman is absolutely correct. In the furniture business alone the prices have begun to slip slightly since the high point that was reached about May or June of this year. If you remove all control over installment terms you will find a continuing spiral of prices starting again. I think it is inevitable if you remove the restrictions on electric refrigerators, gas ranges, and automobiles as well, because it opens up a much greater market when you start to sell for unsound down payments and extremely long terms. I believe that a proper policy would require an adequate down payment. If the business community were able to get into agreement among themselves and agree on what a sound installment policy would be, no one would want a greater stretch-out of unsound terms.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman now is arguing exactly what I was arguing a while ago, that is, that a man with heavy supply, if he can find an expanded market by reason of installment selling, maintains his price.

Mr. MONRONEY. Or raises it.

Mr. CRAWFORD. Or raises it. In most instances he can raise it. Take our rubber tire situation just recently. There was no installment selling of consequence. A great flood of tires came on the market. The manufacturers cut the price subsequently and the consumer benefited.

Mr. MONRONEY. The gentleman is exactly correct.

Mr. CRAWFORD. So we are simply planning here to further stimulate prices to hold where they are or advance as we move off these controls.

Mr. MONRONEY. I think the tendency will be toward an advance rather than a decline, because there are two elements in the selling of merchandise: One is the price of the merchandise and the other is how long they are going to have to pay for it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, I yield two additional minutes to the gentleman from Oklahoma.

May I say to the gentleman that I think that as to what the gentleman from Michigan has brought out the facts belie the statement. Take table radios for example. The gentleman understands there are no credit controls on radios selling under $50. On table radios selling under $50 the price has been going down steadily. The price on radios above $50 has remained high. If it is true that the removal of the controls would cause the prices to go up, then of course the price of table radios would not be coming down, it would be going up. So I think in practice, although the theory advanced by the gentleman from Michigan might be somewhat idealistic, it just does not work out that way.

Mr. MONRONEY. I am sorry I disagree with my chairman. I have talked to many men that are in the radio business. They tell me the whole radio market is just as soft as putty, and that in merchandising radio sets is just good merchandising to promote a cheap radio, but if you go down with a hundred dollar bill in your pocket you can now probably come home with a $150 radio.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The continuation of this control is due to the scarcity of certain articles.

Mr. MONRONEY. That is one of the reasons.

Mr. BROWN of Georgia. If that is the premise upon which it is founded, why did we take export controls off of automobiles?

Mr. MONRONEY. Have we taken export controls off of cars?

Mr. BROWN of Georgia. Yes.

Mr. MONRONEY. Perhaps the automobile industry is able to police its own exports. But whether or not that is the case, they export a very small number of automobiles because they have a great market here to supply.

I yield to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Does the gentleman attribute any significance to the fact that the small loan companies are practically all in favor of the enactment of this law?

Mr. MONRONEY. I think it is perfectly obvious that the business people who are in favor of having sound credit terms are not nearly so unanimous in its favor. If you talk to your own merchants back home, I think you will find a difference of opinion among them.

I yield to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Referring to the matter of radios and the fact that the cheap radios costing under $50, the table size, which are not under any control, have come down in price, is it not true that those are the small-model radios which are in plentiful supply, and only the higher-priced models are the ones that are in scarce supply and for which there is a great demand?

Mr. MONRONEY. I think there are many, many times more people manufacturing the small table models, and you have a keen competitive situation.

I am going to introduce an amendment, if I am permitted to do so, to postpone the effective date of the repeal of regulation W until February 1, 1948. Bear in mind under regulation W the Federal Reserve Board can reduce the down payments or discontinue the regulation if unneeded. It is a flexible thing. They can reduce these down payments and can take off any of the items which come in surplus supply.

I beg of the House at this time not to take away and sweep away the authority for necessary limitations on consumer-credit controls when we are in the face of an inflationary situation and an explosive price situation today.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, under the provisions of regulation W the situation strikes me something like this. Trying to control the entire price structure of this Nation by controlling 12 commodities is like a man standing at the bottom of Niagara Falls with a bucket and trying to stop the flow of the falls.

If there were an adequate mechanism designed to maintain prices at a certain level, that would be excellent, but these mechanisms do not exist, and the regulations are rather difficult to enforce without the proper machinery.

The question before us is whether consumer credit regulations should be a matter for the Congress to determine or whether an Executive order shall be continued for a certain period of time.

In this particular resolution, the assumption is that the Congress does not feel that they should control these 12 items in view of the fact that there are so many commodities and so many prices and items that are not under control today. The question of whether these consumer credit regulations should be a permanent regulation of the Government and the Federal Reserve authorities is the question under discussion. Opposition to the extension of consumer credit regulations is in line with the widespread desire to diminish or do away with all wartime controls. It should be remembered in this connection that the question of regulation of consumer credit is not one that arose solely during the war. The general regulation of the growth of credit has not been a Government policy for a long time.

Credit, as has been stated by a Member previously, is largely a personal question. At the present time, July 1, the total consumer credit outstanding, according to the Federal Reserve figures, aggregates almost $12,000,000,000. There is a potential of expansion of about $20,000,000,000. In other words, we are about two-thirds on our way at the present time. There still remains some eight or more billion that possibly could be extended before the situation would be reached that could be termed dangerous. By that time, of course, after 5 months' trial of this particular abolition, the entire field of price regulation and cost of living will have been under scrutiny and study by various committees of the Congress, and I am certain that if we find a situation by that time, February or March of 1948, that we could institute mechanisms of control, I firmly believe that we must face this situation soon. My point is that the mechanism does not exist for the effective and complete control of these particular 12 items.

In the case of automobiles you have a situation like this: There is an undercover or under-the-table market for the purchase of automobiles. That has existed, of course, because they are in short supply. Removing the feature of one-third down and 15 months to pay on automobiles certainly is not going to improve the production of automobiles and it certainly will not put anybody on a preferred list in order to secure an automobile. There is nothing in this regulation that determines the interest rate. That is a matter for the local area to determine.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BUCHANAN. In other words, if a person were determined to buy an automobile, the volume of credit and the amount of money would be equally affected; borrowing to buy a motor car has the same effect as selling a savings bond, which presumably would result in the Government having to borrow that much more from the banks. Therefore, if the proper mechanism existed for complete regulation and enforcement, I could go along with the idea that these controls should continue. But under the circumstances there is no well-organized or carefully administered plan for effectively regulating these 12 commodities under control of Regulation W. Therefore, on that particular premise I believe we should support the resolution.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BROWN of Georgia. A lot of our returning veterans are not able to buy household furniture. Unless they have extended credit they cannot purchase it. I think that is unfair. The man who has the money can go out and get all the goods. But those are necessary things of life—furniture and things that go into a house. I think it is unfair, and I certainly think we ought to get away from regimentation as soon as possible. As a matter of fact, these 12 items will not have any effect, to amount to anything, on inflation. I think it is all bunk.

Mr. BUCHANAN. The gentleman from Georgia has stated a very good point. Those in the lower-income groups and especially the returning veterans, have not had an opportunity to accumulate savings. Therefore, there are many items of household necessity, in the line of furniture, in the line of household items, that are covered by these regulations, that are not within their purchasing sphere today. In a total purchase of some $600 for household items, let us say, similar to a radio or a washing machine or an electric refrigerator, the requirement of one-third down is quite a sum of money. Especially to those families in the lower-income groups. Should they—if their credit standing is acceptable to the retail merchant—be denied the right to purchase these needed household items? No; I do not think it entirely fair to these groups.

Mr. MONRONEY. That is only 20 percent. At most it would only make $120 down on a $600 bill of goods.

Mr. BUCHANAN. That is correct. The terms on furniture are now 20 percent down and the balance would be repaid over a period of 15 months. On 10 household items, the down payment is one-third and the balance payable in 15 months.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I do not mean to be facetious or to belittle the position taken by anybody who opposes this resolution, but as I see it, I am just about in the position of having to apologize for taking the time of the membership of this committee to present this subject. When we read the list that is published of things to be kept under control as against a tremendous spiral of inflationary influences that might begin it seems to me that we have strained

at a gnat and swallowed a camel. Thirty-six items were under control in December, just 6 months ago. Twenty-four of those items were removed, but they seem to be excited that in the remaining items a great inflationary force might yet raise its head in danger to the people of this country. We leave controls on:

Cooking stoves and ranges, designed for household use.

Dishwashers, mechanical, designed for household use.

Ironers designed for household use.

Refrigerators, mechanical, of less than 12 cubic feet rated storage capacity—including food freezers.

Washing machines designed for household use.

Combination units incorporating any listed article in the foregoing classifications of this group B.

Air conditioners, room unit.

Radio-receiving sets, phonographs, or combinations.

Sewing machines designed for household use.

Suction—or as I have known them—vacuum cleaners designed for household use.

We insist upon leaving these under control as a guaranty against inflation. I am not mentioning this in a demagogic sense but calling your attention to the fact that probably of all the people affected in the United States by this retained regulation, the GI's who are back here crying for homes—and we are doing our dead level best to furnish them homes—are the ones most affected. We get them right up to the point where they get their house enclosed, a shelter on it, a door to enter the house, but we find not a stove, not a dishwasher, nor any of the things necessary to enable him to live in that house. Add to that, bless your soul, mattresses and beds. You have left them under control. Oh, you can buy them by paying 33⅓ percent down for some and 20 percent for some others; yet we want to be careful and say: "We cannot turn those loose, we cannot let you do as other people do with respect to other commodities in the name of inflation." It is a drop in the bucket as far as inflation is concerned. Would we make ourselves guardians of our GI's and others as to their purchase of essentials for their living—I cannot see it.

The CHAIRMAN. There being no further request for time, the Clerk will read the resolution for amendment.

The Clerk read as follows:

Resolved, etc., That after the date of enactment of this joint resolution the Board of Governors of the Federal Reserve System shall not exercise consumer credit controls pursuant to Executive Order No. 8843 and, except during the time of war beginning after the date of enactment of this joint resolution or any national emergency declared by the President after the date of enactment of this joint resolution, no such consumer credit controls shall be exercised hereafter.

Mr. BUFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUFFETT: Page 1, line 11, add a new paragraph as follows: "*Provided, however*, That the Board of Governors of the Federal Reserve System shall be empowered to exercise consumer credit control on the retail sale of new and used cars until April 1, 1948, or such earlier date on which the Board finds the auto supply reasonably approaching demand."

Mr. BUFFETT. Mr. Chairman, this amendment would have the effect of postponing the date upon which unlimited installment selling would take place in the automobile field.

However, it might be noted that the action of the President in carefully putting this problem in the laps of Congress is strangely at variance with his attitude on tax legislation and other matters. It may be that when the "bust" comes, this act will have provided him a scapegoat.

It seems to me here is one place where the Congress might exercise a little caution. You all know what the automobile marketing situation is. I do not believe there is anyone here who would contend that retail automobile selling is in anything except a chaotic state, when new cars are selling in every market in the country at premiums running from $100 to $2,000. It seems to me that we might go slow before we enact a resolution that would have the effect of intensifying that disorder.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Illinois.

Mr. VURSELL. How much less money down will it require to buy an ordinary car under this new rule if this bill passes than at the present time?

Mr. BUFFETT. At the present time you can buy a car with one-third down and 15 months to pay the balance; so that installment selling is available in the car field. Under this resolution, as far as I can determine, you can make a contract to buy a car with anything from $1 down and X years to pay.

Mr. VURSELL. Is not the passage of this bill inflationary?

Mr. BUFFETT. The passage of this resolution is definitely inflationary to the extent that it expands the demand for cars from people who are unable to pay the one-third down payment required under the present regulation.

Mr. VURSELL. It will bring about a shortage of goods, is inflationary, and will be bad for the people?

Mr. BUFFETT. Certainly. To the extent that this bill intensifies the demand in areas of short supply, it is going to prolong the present inflationary situation and accentuate its evil consequences.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman's amendment, as I understand, releases from the operation of regulation W 11 articles and only places it on one.

Mr. BUFFETT. Yes.

Mr. SPENCE. Would that be deflationary, or what effect would that have?

Mr. BUFFETT. That in itself will be inflationary only where demand exceeds supply. In the case of those 11 other categories the supply is generally meeting the demand. In most cities of this country you can go into stores and buy any of those other items. You do not have black-market conditions; you do not have under-the-table transactions.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Just what mechanism would be employed to effectuate this regulation?

Mr. BUFFETT. A continuation of the same Executive order.

Mr. BUCHANAN. In wartime it is rather easy to get people to cooperate, but in peacetime it is rather difficult, does the gentleman not assume that?

Mr. BUFFETT. Certaintly.

Mr. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Ohio.

Mr. GRIFFITHS. The gentleman speaks about these under-the-table deals, and I presume he must know first-hand about them, of course. So I would like to know how in the world this will make an automobile sell for any less, because the fellow that comes in with as much as $500 or $1,000 that he wants to give you for the car would still have it, would he not?

Mr. BUFFETT. This will not clear up the present mess, but it will be intensified if this amendment is not adopted. Certainly the gentleman, who is an automobile dealer, is not in favor of seeing this situation made worse, is he?

Mr. GRIFFITHS. No. All I know about it is from reading in the papers. To be perfectly frank, we have never done any of this business. I do not think it comes from the dealers, but comes from the purchasers of the cars.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. BUFFETT. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Michigan.

Mr. LESINSKI. The gentleman is talking about keeping control of automobiles. Does the gentleman realize that the day the retailer takes his car out it drops in price 25 percent, and there is not a company that will finance a car unless one-third is paid down, and the down payment has no effect at all on automobiles?

Mr. BUFFETT. Does the gentleman believe that if you buy a car today, and you take it out of the garage, that it drops in price 25 percent?

Mr. LESINSKI. Yes; because the retailer has a 25-percent profit, and, naturally, the value of the car drops 25 percent, and there is not a finance company that would give you any more money than two-thirds of the value of the car.

Mr. BUFFETT. I will suggest this to the gentleman, I wish he would find some new cars today at the 25-percent discount he speaks of.

Mr. GRIFFITHS. Mr. Chairman, will the gentleman yield further?

Mr. BUFFETT. I yield.

Mr. GRIFFITHS. Does the gentleman know of any one single solitary car sale that was financed for $1,000 more than the factory said the delivered price was?

Mr. BUFFETT. No deal that meets the gentleman's precise specifications.

Mr. GRIFFITHS. I agree with the gentleman.

Mr. BUFFETT. Does the gentleman think there will not be a larger demand for cars if this regulation is wiped out now?

Mr. GRIFFITHS. It will not make any difference what kind of regulation you put on, you will sell all the automobiles you can get, and I also tell you that the dealer will certainly look over his buyer and sell it to him as a good financial risk, and he will sell it to him at the absolute factory price.

Mr. BUFFETT. Certainly, but there will be a larger demand, with consequent upward pressure on prices.

Mr. GRIFFITHS. Listen, my boy, at the present production you can sell anything you can get for the next 2 years without worrying about a time sale.

Mr. BUFFETT. The gentleman's argument for turning this thing loose is one of the very reasons the regulation should be retained, to keep pressure off of car prices.

Mr. Chairman, this committee is faced with the situation whereby it will accentuate or try to keep under some control a very unhealthy situation in the retail sale of automobiles. This amendment would, at least, put the Congress in the position of not adding fuel to that fire.

If the Congress wants to avoid adding to the inflationary spiral in the automobile field, it will take some salutary action. This amendment seeks to restrain the operation of loose credit practices in auto installment sales, and I urge its adoption.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I never thought I would live to see the day when the gentleman from Nebraska would be advocating the continuance of Government controls. We have been fighting credit control on the part of the Federal Government ever since the original draft of the Banking Act of 1935. I think this bill is the clean-up legislation which gets the Government completely out of the credit-control field.

The gentleman has been arguing that to continue credit controls on automobiles would create a lesser demand for automobiles than there would be otherwise. Of course, if we follow that through to its logical conclusion, the same thing would apply to all commodities of which there is a short supply, including many of the basic items, clothing and all of the things which are now under regulation. So I do not see for the life of me why, if the gentleman from Nebraska wants to continue these controls for the purpose of slowing up the credit velocity, he does not insist that the Federal Reserve exercise the authority they have had ever since the directive of the President right across the board and control all installment buying.

I read from the testimony of Gary M. Underhill before the committee. He brings up quite a fundamental problem which confronts us. He speaks of the question of the social and political implications of such a policy, that is, the continuance of such controls. Then he advances this truism:

> A primary tenet of communistic doctrine, as expressed in Das Kapital, by Karl Marx, is that of the necessity for the central government to have control of credit in all its forms. It would be an unhappy day for the American way of life were Congress officially to sanction the power of a Federal agency to say on what terms and conditions consumer credit may be extended to individual American citizens in connection with their personal financial affairs.

Inasmuch as we are pledged to protect the American way of life and to restore it as fast as possible, I hope the gentleman's amendment will be defeated.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. LESINSKI. Is it not a fact that in the automotive business all the high prices, above the regular price, are black-market prices, and must be paid in cash? They have no credit value of any kind.

Mr. WOLCOTT. Certainly. They have no trouble in getting cash for black-market operations in automobiles, the same as they did in meat and butter and everything else when those products were sold in the black markets.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Does the gentleman contend that the supply and demand situation in any of the other categories is the same as it is in the automobile field?

Mr. WOLCOTT. I do not believe I speak with any more or less knowledge in these other categories than the gentleman does in respect to automobiles. I would say that the desire on the part of the Federal Reserve to continue the controls on the 12 categories is predicated upon a shortage of supply, which would apply as well, of course, to refrigerators, ironers, mangles, and radios as it would to automobiles. If there is justification for continuing these controls to slow up the acceleration of credit, as a control against the volume and velocity of credit, then of course these controls should be exercised right across the board. But until they do that then we must be suspicious that these controls are being used more to control the distribution of goods than the price of goods.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BUFFETT].

The amendment was rejected.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MONRONEY: On page 1, line 3, after the word "after", strike out the balance of the line and insert "February 1, 1948."

Mr. MONRONEY. Mr. Chairman, this is a very simple amendment which postpones the revocation of regulation W until after the first of the year. It is somewhat in line with the action taken by the other body which did postpone the revocation of regulation W, but which provided for fixing the down payments at not less than 20 percent or stretching terms longer than 24 months.

This regulation is a flexible one. Under my amendment it would allow the Federal Reserve Board to set the limits below what they are now if they found that could be justified.

I yield to my distinguished colleague the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Did I understand correctly some statement which was made by a Member in the well of the House to the effect that even if we pass this legislation today the Chief Executive can make it effective again tomorrow?

Mr. MONRONEY. That is not true because of the provision that we have written in the bill.

Mr. RIZLEY. Someone, I understood, made that statement.

Mr. MONRONEY. That would not be true. I think the language of the bill adequately safeguards the bill and the wish of Congress would not be overridden in the matter.

Mr. RIZLEY. That is the reason I propounded that question. Someone, if I understood correctly, said that even though we pass this legislation the Chief Executive could make it effective tomorrow by declaring an emergency.

Mr. MONRONEY. I think he could declare an emergency, but this is such a small and insignificant thing that it is inconceivable that he would declare another international war emergency or something like that in addition to those that we already have on the books.

Mr. RIZLEY. Then the amendment of the gentleman postponing the date until February 1, of 1948, if the President has authority to deal with the situation without any legislation, is simply a gesture to him that Congress thinks we ought to get rid of it.

Mr. MONRONEY. I think it is a pretty good idea for Congress to speak so that we would give the country assurance that we do not want any permanent consumer credit regulation frozen into our system, and this is our way of doing it.

Mr. RIZLEY. I was wondering why the gentleman's committee does not write legislation if we are in favor of abolishing this credit regulation which would do that instead of leaving it up to the President to make such controls effective again by declaring an emergency.

Mr. MONRONEY. I still think that we ought to have this kind of legislation.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BUCHANAN. The inquiry of the gentleman from Oklahoma is answered in the letter of the President to the Chairman of the Board Eccles in which he made the following statement:

> If the Congress does not see fit to provide the necessary legislative authority, it is my intention to vacate the Executive order because I do not believe that such regulations should rest indefinitely in peacetime on emergency or war powers after the Congress has had ample opportunity to consider the subject.
>
> Very sincerely yours,
>
> HARRY S. TRUMAN.

Mr. MONRONEY. I thank the gentleman for his contribution.

The charge has been made that this regiments consumer credit. Let us be realistic about the situation. What actually regiments consumer credit is generally one or two big advertisers in the local community who fix by their big advertisements the down payments and the length of terms, and who make every dealer and every merchant who wants to merchandise and extend credit on an adequate and safe basis meet the lowest common denominator of credit term advertising.

It is unsound because it is going to load a great many small businesses up with long-time consumer-installment paper. When the break comes in prices the goods are going to go back to the dealer who sold them and then bounce back on the bank, just like we had at the conclusion of World War I, when we had a literal graveyard of small businesses.

I disagree with those who have said that the sole purpose of this legislation is to thin out or restrict the market. I think the main purpose of regulation W during the war and now is to try to keep our business economy on an even keel, to try to prevent the thousands of bankruptcies that occurred after World War I because of unsound credit expansion, and to try to span this troublesome dangerous period we are going into with sound business operations.

I hope my amendment is agreed to.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

Mr. WOLCOTT. Mr. Chairman, of course the effect of the gentleman's amendment would be to negative the bill as it has been reported out. I think that all of the statements in the committee report, and in the hearings, and what has been said on both sides of the aisle bear out the fact that these controls should be removed immediately if we are going to restore business to the American way of life. We should resolve that henceforth, until a new emergency is proclaimed, or until we enter another war, we should restore the American way of doing business.

The amendment, of course, should be voted down.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me it would be very unwise to pass this resolution at this time. I feel that when the history of this Congress is written, the future will say that its chief failure has been that we have done absolutely nothing to control inflation. It seems to me that every action we have taken at this session has done something, however small it might have seemed at the time, to add to the fires of inflation.

Something has been said about protecting the veteran, and that the veteran is not able to make the down payment on furniture or on an automobile. We have just passed, and the Senate has now passed, a bill to permit the veterans to collect their terminal-leave-pay bonds in cash. So they all should have the necessary funds to make the down payment on their furniture and on their automobiles. That in itself is inflationary, but I think was justified, and I voted for the bill. Now, we come here and remove these controls and simply add more to the inflationary spiral.

A few days ago this House refused to appropriate money to allow veterans and other farm tenants to buy farms. How inconsistent, it seems to me, it is for this House to refuse to appropriate money to permit the veterans to buy farms, because we say that real-estate values are now inflated, and yet remove these controls and make it possible for him to buy an automobile at a terribly inflated price which he probably does not need nearly as badly as he needs a farm.

Somebody has said something about preserving the American way of life. I believe in that, but you are not going to do it by taking off all controls and permitting inflation to run away with our country. It cannot be done that way. If you want the American way of life destroyed, just let another period of depression come upon this country and you will see the people turning to some other form of government. Communism and socialism do not come from reasonable and sane restraints and regulations on our free-enterprise system. But these "isms" may come if we do not make our democracy work for the good of all. The only way we can preserve our Government from socialism or communism is to do something that will show that we can prevent these alternate periods of boom and bust. If we do not do it, we are lost.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. BREHM. Does not the gentleman feel that if the veteran had sense enough to fight and win the war he has sense enough to know whether he wants to buy a home or an automobile or a wheelbarrow with his terminal-leave money?

Mr. LANHAM. I think so. I think we ought to let him have the money to buy land too, if he wants to do it.

I am not in favor of keeping these controls to try to protect the veteran or any other class of purchasers, but because I know it adds to the fires of inflation and simply boosts prices higher and higher; and you mark my words, if we let this thing go on as it is now, we are due for the greatest depression we have ever seen. It may be 3 years, it may be 4, it may be 5, but when it comes—when it comes, who knows but that our way of life will be done for? And I do not want to see it done for. I want to see us exercise our judgment and try to control these forces of inflation and prevent the "bust" that is sure to come, unless we do.

I hope the House will adopt the amendment just offered by the gentleman from Oklahoma [Mr. MONRONEY]. And yet I know you probably will not do it, but will pass the resolution.

I know my words are probably futile, and I do not like to disagree with the experienced members of the Committee on Banking and Currency. It pains me especially to disagree with the distinguished member of the committee, Mr. PAUL BROWN, my colleague from Georgia, but I feel so strongly on the matter of our failure to do anything to control inflation that I felt compelled to speak.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUBER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have the honor of serving as a member of the Joint Committee on the Economic Report. During the past few weeks we have been holding hearings and practically every witness that has appeared before the committee has advocated that these controls be continued.

Mr. Arthur Whiteside, of Dun & Bradstreet, I remember specifically expressed alarm. Industrialists from the automobile and other manufacturers' groups were very much concerned for fear we might be working into another boom and bust period such as followed 1929, for if we remove these controls we are simply adding so many bidders for the articles available. Prices are bound to increase all along the line.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield.

Mr. FOGARTY. Were Dun & Bradstreet in favor of rent control and the control of prices such as we had under OPA during the past year?

Mr. HUBER. Some of the witnesses were somewhat apprehensive that perhaps we had removed the other controls too soon. Several mentioned that there was a possibility that we might have to restore some of these controls.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield.

Mr. BUFFETT. Is it true that the head of Dun & Bradstreet recommended a continuation of these controls?

Mr. HUBER. That is my impression of Mr. Arthur Whiteside's position.

Mr. BUFFETT. And that is the largest credit rating institution in the country, is it not?

Mr. HUBER. That is true.

Mr. BUFFETT. If anyone can speak with authority it is the head of that firm.

Mr. HUBER. I feel so. They were asked to send a questionnaire out to all the business leaders throughout the United States. Answers to those questionnaires came back and were very helpful to the committee. I think there is not a better qualified credit organization in the country.

Mr. Chairman, I sincerely hope the House will vote down House Joint Resolution 222.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 15, noes 83.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. REES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 222, terminating consumer credit controls, pursuant to House Resolution 275, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

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

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk Senate Joint Resolution 148, to authorize the temporary continuation of regulation of consumer credit, and its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the Board of Governors of the Federal Reserve System is authorized to continue to exercise consumer credit controls pursuant to Executive Order No. 8843 until December 31, 1947: *Provided*, That no such regulation shall fix a maximum maturity of installment credit of less than 24 months, or require a down payment in excess of 20 percent of the purchase price.

SEC. 2. Except during any war beginning after December 31, 1947, or any national emergency proclaimed by the President after such date, no such consumer credit controls shall be exercised after such date.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all after the enacting clause and insert the following: "That after the date of enactment of this joint resolution the Board of Governors of the Federal Reserve System shall not exercise consumer credit controls pursuant to Executive Order No. 8843 and, except during the time of war beginning after the date of enactment of this joint resolution or any national emergency declared by the President after the date of enactment of this joint resolution, no such consumer credit controls shall be exercised."

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the title may be appropriately amended.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCHWABE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD with reference to House Joint Resolution 222.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONSUMER-CREDIT CONTROLS ARE PART OF NEW DEAL PLANNED-ECONOMY PROGRAM

Mr. SCHWABE of Oklahoma. Mr. Speaker, House Joint Resolution 222, now under consideration, seeks to terminate consumer-credit controls, pursuant to Executive Order No. 8843, issued by the Board of Governors of the Federal Reserve System, except during the time of war, beginning after the enactment of this resolution, or during any national emergency declared by the President after the enactment of this resolution.

Mr. Speaker, on March 11, 1947, I introduced H. R. 2498, which would absolutely and for all time terminate existing consumer-credit regulations, prescribed by the Board of Governors of the Federal Reserve System. My bill was much more comprehensive and far-reaching than the resolution under consideration.

Regulation W, prescribed by the Board of Governors of the Federal Reserve System, was issued pursuant to Executive Order No. 8843, entitled "Regulation of Consumer Credit," dated August 9, 1941. The First War Powers Act, 1941, section 301, is considered the statutory authority upon which regulation W and the Executive order are based. The 1941 act is an amendment to the Trading With the Enemy Act of October 6, 1917, as amended.

Under regulation W, installment buying and credit arrangements are so curtailed and limited, that it is possible for the administration to discriminate between various classes and individuals who purchase durable goods in this country. Such discrimination has resulted most unfavorably against the laboring man and the GI. These people were not able to make the requisite down payment, and the installments or amortization payments had to be made within such a limited time that the credit was prohibitive to the average laboring man and the average GI. Hence, these people were not privileged to buy and pay for over a long-term period, the durable goods they wanted. It was ridiculous but true that terms of purchasing a house in which to live were quite reasonable, but the man of limited means with a small regular income could not purchase the furniture with which to furnish the house. The wealthier classes could purchase for cash or on this restricted installment-payment plan. Such was an unfair discrimination and should not be tolerated.

The administration is not willing to take the responsibility of placing all of the people of this country on the same level. Congress should assume this responsibility by passing this resolution. It is my humble opinion that Congress should go even further and repeal the Trading With the Enemy Act and all of its amendments, thus depriving the President of the authority or opportunity to issue further Executive orders which would discriminate in favor of some and against other citizens of this country.

This resolution is a step in the right direction and to the extent it goes New Deal planned economy is removed and consumer-credit controls terminated.

EXTENSION OF REMARKS

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include a short speech she expects to make in introducing a bill.

DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. ALLEN of California submitted a conference report and statement on the bill (H. R. 3131) to extend for a period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

AMENDMENTS TO UNITED STATES HOUSING ACT OF 1937, AS AMENDED

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1361) to amend the United States Housing Act of 1937 so as to permit loans, capital grants, or annual contributions for low-rent-housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(6) Notwithstanding the provisions of subsection (5) of this section, or of any other section of this act, the Authority is authorized to make capital grants, loans, or annual contributions for low-rent-housing or slum-clearance projects, in the full amount of any sums previously allocated pursuant to this act, to any public housing agency, at the request of such agency, upon condition that such agency will pay, or cause to be paid by the State or political subdivision, the difference between the cost limitations prescribed in subsection (5) of this section and the actual cost of construction per family dwelling unit or per room during the period of building construction. The receipt of capital grants, loans, or annual contributions by any public-housing agency pursuant to this subsection shall in no way prejudice or impair the rights or privileges of such agency to participate fully in other low-rent-housing or slum-clearance projects under this act or any other law. Nothing in this subsection shall prejudice the right of those public-housing agencies which can, by reason of lesser need, or would prefer to delay the starting of their proposed building operations until labor and material costs stabilize at levels consistent with the cost limitations prescribed in subsection (5) of this section."

With the following committee amendments:

Page 2, after the words "or cause to be paid by the State or political subdivision," strike out the remainder of the sentence and insert in lieu thereof the following: "such proportion of the total development cost of the project as the amount of the average actual cost per family dwelling unit of the items covered by the applicable cost limitations

prescribed in subsection (5) of this section in excess thereof bears to such average actual cost: *Provided,* That the amount of any such payment shall be excluded from the base on which the maximum amount of any capital grants, loans, or annual contributions authorized by this act are calculated."

Following section 1 of the bill add a new section as follows:

"SEC. 2. Section 2 (1) of the United States Housing Act of 1937, as amended, is amended by changing the period at the end of the second sentence to a colon and adding the following: *'Provided,* That notwithstanding any other provision of law, the Federal Public Housing Authority and all officers and employees thereof are hereby prohibited, during the period beginning on the effective date of this proviso and ending on February 29, 1948, (1) from initiating or maintaining any action or proceeding to recover possession of any housing accommodations administered by such Authority, if such action or proceeding is based upon the fact that the income of the occupants of such housing accommodations exceeds the allowable maximum, and (2) from in any manner requiring any State or local public housing agency to take any action to recover possession of any housing accommodations administered by such agency, if the basis for requiring the State or local public housing agency to take such action is the fact that the income of the occupants of such housing accommodations exceeds the allowable maximum, unless other adequate housing facilities are available for said occupants.'"

Mr. MACKINNON. Mr. Speaker, I rise in support of section 2 of this bill which has been worked out by those who are concerned with unreasonable evictions from federally owned and other low-cost housing projects. This provision restricts evictions unless "other adequate housing facilities are available"—and I submit that it would be inhumane to evict such tenants when they have no place to go and live—therefore, I wholeheartedly support this proposal and trust that the House will adopt it to prevent grave injustices.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SELECT COMMITTEE ON FOREIGN AID

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 296 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the importance and complexity of aid required by foreign nations and peoples from the resources of the United States is assuming increasing proportions; and

Whereas such aid directly affects every segment of the domestic economy of the United States; and

Whereas the problems relating to such aid are of a nature to lie within the jurisdiction of a number of the standing committees of the Congress; and

Whereas these problems should, in order to safeguard the resources and economy of the United States, be given the most careful consideration in relation to each other; and

Whereas an integrated and coordinated study should be most valuable to the standing committees of the Congress: Therefore be it

Resolved, That there is hereby created a select committee on foreign aid composed of 19 Members of the House of Representatives, who shall be appointed by the Speaker. The Speaker shall designate one of the members of the select committee as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to make a study of (1) actual and prospective needs of foreign nations and peoples, including those within United States military zones, both for relief in terms of food, clothing, and so forth, and of economic rehabilitation; (2) resources and facilities available to meet such needs within and without the continental United States; (3) existing or contemplated agencies, whether private, public, domestic, or international, qualified to deal with such needs; (4) any or all measures which might assist in assessing relative needs and in correlating such assistance as the United States can properly make without weakening its domestic economy.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) from time to time as it shall deem appropriate, but finally not later than March 1, 1948.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, either within or without the continental limits of the United States, whether or not the House is sitting, has recessed, or has adjourned, to employ such personnel, to borrow from Government departments and agencies such special assistants, to hold such hearings, and to take such testimony, as it deems necessary.

With the following committee amendment:

Page 3, line 6, strike out "to employ such personnel, to borrow from Government departments and agencies such special assistants."

The committee amendment was agreed to.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. MACKINNON].

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed immediately preceding its passage.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I shall later yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. RAYBURN. No one has said anything to me about calling this resolution up this afternoon.

Mr. BROWN of Ohio. I regret that very much.

Mr. RAYBURN. It certainly is to be regretted.

Mr. BROWN of Ohio. I understood that the matter had been cleared with the leadership or it would not have been called up.

Mr. RAYBURN. Well, I have heard a good deal about resolutions that might be introduced by committees, and so forth, but I certainly did not know that this resolution was coming up. This is the first time I have ever seen it, to be frank with the gentleman. It may be all right, but I have never seen this resolution before.

Mr. BROWN of Ohio. It was on the agenda to be called up, and I did discuss the matter with the ranking minority member of the Committee on Rules. I did not discuss it with the leadership, because I presumed the minority leadership was aware of the schedule for today.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. I certainly respect the situation of the distinguished minority leader. When the program for the week was announced I was quite careful to point out that we had a very considerable number of rules outstanding that we had to dispose of during the week; that it would be impossible to determine definitely and to assign days and particular times for their consideration. Now, I very likely have been in error in not suggesting to the gentleman from Texas that these particular matters might be called up this evening. However, I might suggest to the gentleman that I do not know that there is any substantial controversy about them, and if they are adopted, of course, there is the matter of arranging for money necessary to carry on the work. I also understood that the gentleman from Ohio had talked to the ranking Democratic member of the Committee on Rules, and that he knew it was coming up.

Mr. RAYBURN. The gentleman from Indiana states the fact when he says he stated that these resolutions were coming up and that he could not at that time give the order in which they were to come, but this is a rather important resolution. It is very important. Maybe the gentleman from Ohio and the gentleman from Illinois could explain it to me in such fashion that I would not have any doubt about it when they got through, but maybe not.

Mr. BROWN of Ohio. So that there can be no misunderstanding, if the consideration of this resolution is completed in time, it is the intention—and it has been cleared with the gentleman from Illinois—to call up House Resolution 295, and then later to call up House Resolutions 297 and 298.

Mr. RAYBURN. The gentleman does not mean today?

Mr. BROWN of Ohio. Yes; depending on the length of time it takes to consider them.

Mr. RAYBURN. I know, but I think that around 5:30 we should quit work for the evening.

This is what I am afraid of, I will say to the gentleman frankly, and I think I have said this to the Speaker and the majority leader. I do not want this session of Congress to come to a close with us finding about 48 hours before we adjourn that we have too much time on our hands. I have seen that cause a lot of trouble.

Mr. BROWN of Ohio. I can certainly use a little time for the rest of the evening, and I am sure the other Members of the House can, too. It has been a rather strenuous day.

Mr. Speaker, House Resolution 296, reported by the Committee on Rules, provides for the establishment of a select committee of 19 Members of the House to be appointed by the Speaker, one of whom shall be designated by the Speaker to serve as chairman, to make a thorough study of the various problems of foreign aid.

It seems to me, and I believe I am a reasonable individual, that if the Congress of the United States is to continue appropriating and spending many hundreds of millions, or perhaps billions, of dollars on foreign aid, if we are to be called upon to support or pass upon some other sort of foreign economic program in the future, to later be outlined by the President or the Secretary of State, that the Congress of the United States should be fully informed of what is going on in Europe. That would simply be using good common sense. I know of no way the Congress can obtain such information other than through the appointment of a committee of this type. We will follow later with another resolution authorizing the Committee on Foreign Affairs to make certain additional investigations as to foreign relations.

You may say that it is not necessary to have a select committee, yet there are at least half a dozen committees of this House, regular legislative committees, that are called upon at one time or another to exercise their judgment and to pass upon some facet, some particular angle, of this foreign-aid problem. So it has been determined that it would be wise to authorize the Speaker to select a special committee, upon which all these various standing committees may have representation, to make an over-all study, not only of what demands may be made upon the United States in the future for foreign aid, but also as to the ability, if you please, of the United States to meet such demands.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I think the resolution provides for a very distinct need, may I say to the gentleman, because it has been my observation that this program of foreign aid and relief comes before the Congress after the country is committed, and comes before us piecemeal, a bit at a time, so that we have no overall view of the entire picture.

Am I correct in the assumption that those who sponsor this resolution have in mind that we shall as a result of the action of this committee obtain an overall picture of what all of these demands may amount to in all fields and for all purposes so that the Congress may not be called upon to make these appropriations piecemeal, here and there, bite by bite?

Mr. BROWN of Ohio. The gentleman is exactly correct in his assumption. While I cannot answer for the Speaker, I believe I can say that in the information given to the Committee on Rules it was pointed out that various legislative committees dealing with this great problem, such as the Committee on Foreign Affairs, the Committee on Appropriations, the Committee on Banking and Currency, the Committee on Interstate and Foreign Commerce, the Committee on Agriculture, and all the other great committees of the House which are in one way or another involved in the legislative processes that are necessary to put into operation any kind of foreign-aid program, will be represented on this special committee and receive factual information from it.

Mr. REED of New York. Mr. Speaker, the gentleman neglected to mention the Committee on Ways and Means.

Mr. BROWN of Ohio. Yes; I should have mentioned the Committee on Ways and Means, and I apologize to the member of that great committee.

I should mention also the Committee on Armed Services, as the gentleman from Iowa [Mr. MARTIN] suggests.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MONRONEY. From the gentleman's remarks, I gather it is the purpose of this resolution not to place this select committee over the standing committees of the House and ignore the standing committees of the House. This select committee will be supplemental to the standing committee structure of the House rather than in substitution of them.

Mr. BROWN of Ohio. That is exactly right. In other words, the standing committees of the House, the regular legislative committees of this body, will continue to operate and function as usual in their particular fields, but each of the committees which deals with the foreign-aid program will have one or more representatives on this special select committee which will make an over-all study of the entire problem. Then each of the individuals from such committees will report back to them.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. LESINSKI. Will this committee also make a study of the displaced persons in Europe and the help that we are giving them?

Mr. BROWN of Ohio. I presume that is one of the many angles or facets of the problem of foreign aid. It certainly is in my opinion. I cannot speak for the committee and, of course, it will determine what it shall study.

Mr. LESINSKI. I would suggest that they investigate the State Department to find out how many aliens they are permitting to come here not in accordance with law.

Mr. BROWN of Ohio. I am happy to have the gentleman's suggestion, and I am sure the committee will give proper attention to it.

I know of no objection to the authorization of this committee since it was first suggested. I have seen quite a number of favorable editorial comments upon the action which is proposed here, and of the necessity of Congress being informed and of the American people being given some knowledge of the demands that will be made upon them; what may be expected of them; what we may be able to do; and whether we should do it. Certainly, unless we are informed, unless we do have this committee as our agent out getting information for us; and furnishing us with facts, it will be very, very difficult for any of us to use proper judgment on future foreign-aid legislation.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. KEEFE. Am I correct in stating that this resolution was sponsored by the very distinguished gentleman from Massachusetts [Mr. HERTER]?

Mr. BROWN of Ohio. That is correct.

Mr. KEEFE. The gentleman from Massachusetts [Mr. HERTER] is a very distinguished man in this particular field of endeavor.

Mr. BROWN of Ohio. I agree fully. The gentleman from Massachusetts [Mr. HERTER] is also a member of the Committee on Rules. He did not care to handle this resolution himself, as he is modest, and properly so, with respect to presenting his own resolution and, therefore, I am presenting it to this body as the spokesman for the Committee on Rules and hope it will be adopted.

GLOBAL TRAVELS

Mr. SABATH. Mr. Speaker, originally I was under the impression that we would take up the Landis bill, but about 45 minutes ago I was informed that the Herter resolution and the Eaton resolution would both be called up in precedence to the Landis bill. It did not give me sufficient time to inform the minority leader, the former Speaker [Mr. RAYBURN] of the change in the program, which I regret. But they keep me rather busy and I do not know where to turn first.

As to the pending resolution, it is far reaching. I was under the impression, when the request was made, that the Eaton resolution, which was reported by the Foreign Affairs Committee, would be sufficient for all purposes. But the winning ways of the gentleman from Massachusetts [Mr. HERTER], and his explanation and the knowledge he has displayed, somehow convinced the majority of the members of the committee that not only his resolution but also the Eaton resolution should be passed. I feel they are duplicative duplication. Of course, I have no objection to the Republican majority making all the investigations and all the mistakes they want to make. They are legislating themselves right out of their present majority.

JUNKETS WILL COST MILLION DOLLARS

Besides these two resolutions, we have four or five other investigative resolutions pending, all of them proposing to investigate somebody or something. I suspect, of course, that some of the special committees that have been appointed may take advantage of the opportunity to do rather more traveling than investigating. I am satisfied that it will cost the Government a great deal of money.

I find that we have already appropriated more than $600,000 for these investigating committees.

With the passage of these two resolutions and the others that are pending and sure of passage, I venture to say that it will cost more than a million dollars for House committees alone. This is in addition to the many resolutions passed

in another body to investigate a little bit of everything which may easily increase the cost of congressional investigations this year another half-million if not more.

I know that some of these investigating committees are going to reach a place where they will stop their investigations rather quickly, for they will find that some of the things complained of in former years are directly due to Republicans who held important positions where they could profit themselves or enable their friends to profit—when they get to that point they will stop. They will not be inclined to proceed when they discover that they will have to investigate Republican leaders, Republican manufacturers, Republican contractors, and that the contracts they are looking into were handed out by patriotic dollar-a-year men who were still on the pay rolls of their big companies, or knew their jobs were being held open for them, so that frequently their corporations were the beneficiaries of their official acts.

NO MINORITY REPRESENTATION

I feel, Mr. Speaker, that we have plenty of investigations planned and plenty of committees to make them.

In view of the scope of the resolution to follow, House Resolution 295, this Herter resolution seems to me to be duplicative. It is a broader resolution, providing trips to all parts of the world for 19 members from various legislative committees. Originally only 15 members were included, but I understand that there were so many gentlemen who wished to travel the world over without personal expense that they were obliged to agree to increase the number to 19. It is noticeable that the resolution provides for no representation from the minority party; but it is to be hoped that in making appointments the Speaker will be guided by the precedents of the House from time immemorial.

All the committees from which it is planned to obtain representatives on this traveling investigation deal directly with legislation, and perhaps the information which they glean in Europe, Asia, Africa, and other far-flung quarters of the globe may be put to good advantage in shaping legislation in the future. Perhaps the Foreign Affairs Committee would not have been able to obtain the same information for itself, because it is more restricted as one of the standing committees of the House, and would not be willing to go as far afield as this special committee to be appointed by the Speaker.

I do not know how much this junket will cost.

I am inclined to think that by the time this committee completes all its trips and junkets under this world-wide travel cruise it may cost the country $100,000 or more.

Of course, I have faith that the Speaker will appoint to this roving commission gentlemen who have the interests of the country at heart, and who therefore will not overrun their authority under this resolution, which is so broad that they can investigate anything and everything, without any apparent limits to their jurisdiction.

CAN THEY REPORT BY MARCH?

The resolution provides that they shall make a report by March.

I do not see how they can make all the side trips which I hear are contemplated, and still be able to present a report to the Congress and to the country by that time which will be helpful or as comprehensive as their travels.

I have the highest personal regard for the attainments and the ability of the gentleman who introduced this resolution, and whose suave and smiling ways are almost irresistible. It has been very difficult for me to bring myself to oppose the resolution; but I felt it my duty, in spite of my affectionate regard for the gentleman, at least to call attention to what it aims to do.

I fully appreciate the fact that the gentlemen on my left—I do not want to call them leftists—have the votes and will pass this as they have passed many other similar and equally unnecessary and frivolous resolutions, regardless of cost to the taxpayers, and requiring the useless expenditure of large sums of money without consideration for the American taxpayer who will have to foot the bill.

Knowing this, seeing that the hour is late, and having no desire to delay consideration, or to keep Members here without just cause, I conclude my remarks, and reserve the balance of my time.

Mr. HESELTON. Mr. Speaker, this resolution merits the unqualified support of every Member of the House. It provides us collectively and individually with the best possible means of meeting the tremendous responsibility which most certainly will face us in the immediate future as to the nature and extent of aid to other nations and peoples. Through this select committee on foreign aid, we will have the benefit of the invaluable experience and judgment of our colleagues who will be equipped with an understanding of the many phases of a foreign-aid program and their relation to the domestic economy of the United States. In the words of the resolution, "an integrated and coordinated study should be most valuable to the standing committees of the Congress." Obviously, such a study and the judgment of the members of the select committee will be invaluable to the individual Members of Congress. We have had the recent, unsatisfactory experience of having presented to us programs in the nature of completed action with substantially two alternatives. We could approve them as presented or we could reject them. But it would be difficult to point to any evidence that consideration had been given to the actual and prospective needs of the nations and peoples involved in these programs, to the resources available here with which they meet those needs, to the ability of existing agencies, private, public, domestic, or international, qualified to deal with those needs, or to the fundamentally important matter of the effects of those programs on a sound, domestic economy within this country which, if weakened by makeshift expedients, will surely jeopardize the possibility of any effective foreign aid.

In this connection Members will wish to read the portion of the midyear Economic Report of the President submitted to the Speaker on Monday. May I quote two sentences:

> The time has come now to put increased emphasis on programs that assure the restoration of a working world economy.
>
> In formulating new foreign-aid programs we must consider not only the requirements of foreign countries for our aid, but also our own resources and needs.

We are opposed in our efforts to devise such a program by those who count on their conviction that this country will not continue to try to establish a working world economy or, if it does, is so incapable of doing so, that we will collapse economically so that they can pick up the pieces. Their fatal mistake is their complete inability to understand the sincerity, integrity, and good faith of the American people in the determination to bring about conditions in this world under which decent people can live in peace. In meeting that challenge, we can make a beginning through the unanimous passage of this resolution which can be and, I am confident, will be as important and as significant as any resolution passed by this Congress since the declaration of war in 1941. As we united then in the great objective before that Congress, I hope we can unite today in this equally important objective. Some of those who then doubted our ability to realize that earlier objective now doubt our ability to realize the objective ahead of us at this time. But they will remember that we accomplished a miracle in the fight for that earlier objective because we were a united nation. This resolution gives us the best available means of acting as an informed, determined, and united nation in our effort to discharge the clear responsibilities we have in the world of today and of all the days to come.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time.

Mr. SABATH. I have no further requests for time.

Mr. BROWN of Ohio. There being no further requests for time, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1948

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year 1948, and for other purposes, with an amendment of the Senate to the amendment of the House to Senate amendment No. 176, and concur in the same.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Senate amendment No. 176: In line 6 of the matter inserted by said amendment, after the word "management" insert "now being performed in the District of Columbia."

And in line 7 of the matter inserted by said amendment after the word "bureau" insert "including tract books heretofore held and administered in the District of Columbia."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. HALLECK. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose and intent of this amendment?

Mr. JONES of Ohio. Mr. Speaker, the purpose and intent of section 8 as approved by the House on July 21 are to prohibit the transfer or removal of any functions or duties performed in the District of Columbia prior to Reorganization Plan No. 3 of 1946 with respect to the handling and administration of the tract books which have always been kept in the District. In accepting the amendment made to the provision by the Senate, it is understood that the original purpose and intent will continue to prevail.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate amendment was concurred in.

AGRICULTURE DEPARTMENT APPROPRIATION BILL

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent that the Appropriations Committee may have until midnight tonight to file a conference report and statement on the Agriculture Department appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE ON FOREIGN AFFAIRS

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 295 and ask for its immediate consideration.

The Clerk read as follows:

Whereas the Committe on Foreign Affairs was established in 1882, and by the Legislative Reorganization Act of 1946 (1) has been given jurisdiction as a standing committee over relations of the United States with foreign nations generally, and (2) is charged to exercise continuous watchfulness over the execution by the Department of State and other agencies of the United States Government of the laws relating to the relations of the United States with foreign nations generally; and

Whereas the foreign policy of the United States today assumes new importance in the operations of the entire economic system of the United States and conditions the survival of free institutions both at home and abroad; and

Whereas the Committee on Foreign Affairs has, by its reorganization in conformity with the Legislative Reorganization Act of 1946, by setting up the appropriate staff and subcommittee organization to deal with the heavy new burden imposed upon it to make recommendations to the House of Representatives on policy issues affecting foreign affairs and on the necessary legislative action: Now, therefore, be it

Resolved, That the Committee on Foreign Affairs, acting as a whole or by subcommittees, is authorized and directed to conduct studies and investigations of all matters coming within the jurisdiction of such committee.

SEC. 2. That in projects for studies of matters concerning the foreign affairs of the United States which in the judgment of the Committee on Foreign Affairs require investigations by it abroad, the committee is authorized to include the services and travel of the requisite staff and clerical help, to accompany subcommittees of the Committee on Foreign Affairs on such investigations or study missions abroad.

SEC. 3. That in making such studies and investigations abroad, it shall be the duty of such subcommittees of the Committee on Foreign Affairs to keep current records and to make reports to the Committee on Foreign Affairs for appropriate legislative action, on the completion of any such mission, of the results of such studies and investigations, together with such recommendations as may be deemed desirable.

For the purposes of this resolution, the committee, or any subcommittees thereof, is authorized to hold such hearings, to sit and act during the present Congress at such times and places as the committee may determine, whether or not the House is in session, has recessed, or has adjourned, to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise, and to take testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee and shall be served by any person designated by such chairman. The chairman of the committee or any member thereof may administer oaths to witnesses.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, House Resolution 295 authorizes the Committee on Foreign Affairs to make the usual studies, either at home or abroad, of foreign policies and foreign programs coming directly under the jurisdiction of that committee. As I explained in my remarks on the previous resolution, the Foreign Affairs Committee has a special field to cover which is not included in the resolution appointing or naming the special committee on economic aid to Europe. I think this resolution is well understood by every Member of the House.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Pennsylvania.

Mr. RICH. The Herter resolution that was just passed provides for the same functions as this resolution does, so far as foreign investigations are concerned, does it not?

Mr. BROWN of Ohio. I am very sorry that the gentleman did not catch the distinction and the difference between the two resolutions when they were presented to the Committee on Rules, because there is a great difference. The Herter resolution does not grant the special committee authority over foreign affairs matters, but simply over economic aid to Europe. The Committee on Foreign Affairs does have a great many other responsibilities in the field of foreign relations. That is the difference.

Mr. RICH. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I cannot yield further now.

Mr. RICH. Can I get time in order to let the House know something what I think about this resolution?

Mr. BROWN of Ohio. Yes. I am sorry that the gentleman did not understand the matter when it was before the Rules Committee, although he supported the resolution at that time.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I understood, in explaining the Herter resolution, that there would be members of the Committee on Foreign Affairs on the Herter committee; is that right?

Mr. BROWN of Ohio. That is right, and Members from other committees, such as the Committee on Banking and Currency that have to deal with the economic-aid problem. But this resolution is restricted to the responsibilities of the Committee on Foreign Affairs.

Mr. RICH. Mr. Speaker, will the gentleman yield now?

Mr. BROWN of Ohio. Yes.

Mr. RICH. I would like to direct my question to the gentleman from Ohio. If the Herter resolution, as I suggested in the Committee on Rules, is going to give permission to Members of Congress to travel in foreign countries, why could not we, as a matter of economy, permit the Members of the Committee on Foreign Affairs to go with them in conjunction with the things that they are going to investigate, and thus save five or six Members of the Committee on Foreign Affairs or other committees going over?

Mr. BROWN of Ohio. Oh, you could have one committee do everything that the Congress of the United States has to do in the next few months. But, of course, such a committee just simply would never get through with its duties and responsibilities. It could not cover the entire waterfront. That is the reason we have more than one committee in the House and in the Senate. There is too much work to do.

Mr. RICH. They cannot cover the world.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, I exceedingly regret the discord among the Republican Members.

Mr. RICH. No discord whatever.

Mr. SABATH. But I do not blame the gentleman from Pennsylvania for trying to get some information. We know little of this matter, and when I say "little" I mean very little, from the Committee on Foreign Affairs. Unfortunately we were not able to obtain all the information that we sought or that we thought the Committee on Rules was entitled to.

Personally, Mr. Speaker, I am beginning to sympathize with you Republicans. You have promised the people that you will practice economy. Here we have two resolutions presented, each duplicating the work of the other, which will cost the taxpayers, before these committees are through, not less than $150,000, and perhaps as much as $250,000. According to my calculations, when these twin resolutions for foreign travel have been passed, you will have authorized the expenditure of between $950,000 and $925,000 for various investigations, most of which could be just as well made with a few good reference

books in the congressional reading room at the Library.

BUT A TRIFLE

Of course, to you gentlemen who promised the people of the country that you would cut the expenses of government with a meat ax this huge sum is but a trifle and will not sit on your consciences a moment.

But by the time we get through here, the people of this Nation are going to make the sad discovery that instead of reducing the cost of Government you have increased it.

I have not the slightest doubt that the total cost to the country of this Congress has been greatly increased, and when I have a couple of minutes to call my own I am going to find out how much money has been appropriated for the various committees and for other legislative expenses, and then determine how much we have actually saved under the Reorganization Act which was so well intended by my colleague the gentleman from Oklahoma [Mr. MONRONEY]. I fear that we will find that instead of making economies and obtaining greater efficiency, we have increased expenses.

But, coming to this resolution now before us, I am of the opinion that since we already have passed the Herter resolution this one becomes doubly unnecessary. In the Herter resolution we already have provided that on that committee of 19 the Committee on Foreign Affairs shall have representation.

The Committee on Foreign Affairs has some capable and outstanding members, and it should not be necessary to have a very heavy representation on that big committee of 19 to enable them to investigate properly all matters which come within the jurisdiction of the committee.

JURISDICTIONS OVERLAP

The jurisdiction of these two committees is just about the same, notwithstanding what my genial friend from Ohio has stated.

Both committees will travel all over the world.

I hope they will travel all over our own country first to familiarize themselves with the urgent needs at home for housing and flood control and price control and soil conservation and a thousand other urgent and crying needs before they go abroad to study the needs of foreign countries.

Certainly I am all for giving help to the devastated countries of Europe in their efforts to rehabilitate themselves; but I think our own country should come first at all times. The majority seems inclined to disregard our problems at home, and not to be very understanding about the real needs abroad.

I repeat, regardless of what I may say, or of what arguments I may present against this resolution, you have the votes. In this country we believe in majority rule, which is the way it should be. I hope it is always that way in our country. When you have the majority you will prevail and will have everything your way. I would not have it any other way.

However, in view of your constant disregard of the interest of the American taxpayer, and of the American public, the people will soon realize your irresponsibility and your inability to legislate intelligently in the interest of all the people and of the Nation's future. On the basis of information from all parts of the country, I am confident that the people, discontented with this Republican Congress, will again turn to us and entrust the Democratic Party with the needed legislative program of President Truman.

Then, I hope and I believe, the majority will be on this side. Then, I know, the majority will have always at heart the interests of the people and of the taxpayers, instead of devoting its time to traveling throughout the world.

I could take up my whole 30 minutes; but not even in 30 minutes could I exhaust my indignation at this waste of time and money. I could not begin to say all that I might say about the unfairness and lack of justification for passing these twin resolutions at this time.

However, it is growing late, so I shall take no further time.

Mr. HERTER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. HERTER. Mr. Speaker, I call up House Resolution 293, to authorize the Committee on Ways and Means to continue its investigation and study of the internal revenue laws, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Ways and Means, acting as a whole or by subcommittee, is authorized and directed to continue its full and complete investigation and study of the need for amendment and revision of the internal revenue laws.

For the purpose of carrying out this resolution the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, as it deems necessary.

Mr. EBERHARTER. Mr. Speaker, will the gentleman from Massachusetts [Mr. HERTER] yield?

Mr. HERTER. I yield.

Mr. EBERHARTER. This resolution does not authorize the employment of any investigators or advisers nor the expenditure of any money, does it?

Mr. HERTER. That is quite correct.

Mr. EBERHARTER. It only permits the Committee on Ways and Means to sit and continue its studies and to act during the recess or adjournment of Congress?

Mr. HERTER. That is correct.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON AGRICULTURE

Mr. HERTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 298, authorizing the Committee on Agriculture to make studies and investigations into matters relating to agriculture, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Agriculture, acting as a whole or by subcommittee, is authorized to conduct studies, investigations, and to inquire into any matter within its jurisdiction, including but not limited to the study of long-range problems affecting agriculture and forestry; the study of the operation and effectiveness of measures taken pursuant to Public Law 8, Eightieth Congress, to control foot-and-mouth disease or rinderpest; to study and make investigations into the existence and causes of shortages and surpluses of food and other agricultural commodities; to study the current and prospective demand for food and other agricultural commodities at home and abroad, and the effect thereof upon domestic agriculture.

SEC. 2. For the purposes of this resolution, the Committee on Agriculture, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to make such inspections or investigations, to take such testimony, and to use any governmental facility without reimbursement, as it deems necessary.

SEC. 3. The committee shall issue such reports as it deems desirable, including reports to the House of Representatives, with recommendations for legislation or otherwise.

Mr. HERTER. Mr. Speaker, so far as I know, this matter was unanimously approved by the Committee on Rules and no objection was raised to it.

I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, this resolution authorizes the Committee on Agriculture to make an investigation which I have been demanding for 6 months. It directs the committee to try to find out the reasons for the terrific increase in the cost of living. I have no objection to the resolution if the committee will make a real investigation and discover the real reasons for the discrepancy between the prices that the farmer obtains and the prices that the consumer is held up for when he goes to buy food or any of the necessities of life.

I am satisfied that if the committee is honest and sincere and industrious they are bound to come to the conclusion that you made a mistake in forcing the repeal of OPA, as I have said so often on this floor, for just as soon as the Office of Price Administration was abolished and the controls were taken off the prices shot up and the cost of living rose terribly.

The midyear economic report of the President declares:

Price and income adjustments stand foremost in need of attention.

FOOD PRICES AT 190 PERCENT

The same report shows that from the end of price control to the present time food prices have shot up to 190 percent

of the 1935–39 average and are still climbing. Are the gentlemen aware that bacon is now selling at 89 cents per pound, and stewing beef is priced at 69 cents a pound?

Clothing prices are within a few points of being just as high, while the average of all costs stands at 160 percent of the 1935–39 average.

All this is in the face of the greatest production of foods and of everything the consumer has to buy in all history.

This is not the operation of the so-called law of supply and demand.

It is the operation of the law of "git while the gettin's good" and "let the buyer beware."

All you have to do is see how prices started going up just as soon as decontrol set in, and how they leaped with the removal of all controls. The big increase in prices took place in less than 3 months.

FIND WHO IS TO BLAME

If the committee will discover and bring to the knowledge of the House the reasons for all this, and tell us who is to blame, I shall have no objection. That is what I have been asking for.

On March 6, 1947, more than 4 months ago, I introduced House Resolution 133, asking that the Department of Agriculture carry out just this kind of investigation. This is the text of that resolution:

Whereas prices of foodstuffs have increased more than 50 percent since June 30, 1946, and all standard indexes for cost-of-living commodities have reached the highest points in all history; and

Whereas the upward trend in all cost-of-living prices became most pronounced with the temporary suspension of price controls on June 30, 1946, and was immediately accelerated with the virtual surrender of all price controls in October 1946, so that legal prices now have reached levels even above so-called black-market prices made possible by manipulations in certain industries; and

Whereas the steady and rapid rise of prices has made it virtually impossible for American citizens and homemakers of fixed incomes, whether workers, clerks, professionals, annuitants, or pensioners, to maintain a living at levels of decency; and

Whereas every standard index shows greater profits in every business and industry, with the ratio of increased prices to increased costs in many industries running from 25 percent to more than 400 percent; and

Whereas there is a tremendous pressure campaign for removal of the last remaining price controls which would inevitably cause prices to rise rapidly, with consequent hardship on consumers: Therefore be it

Resolved, That the Committee on Agriculture, acting as a whole or by subcommittee, is authorized and directed to investigate the basic causes for increases in the prices of foodstuffs, with special reference to meats, dairy products, fruits, and vegetables, and to report to the House within 60 days from the date of the enactment of this resolution and to make such interim reports and recommendations as it may deem advisable.

For the purposes of this resolution, the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is in session, has recessed, or has adjourned, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, correspondence, memoranda, papers, and documents, and to take such testimony as it deems advisable. Subpena shall be issued over the signature of the chairman of the committee, or any member designated by him, and may be served by any person designated by such chairman or member.

I hope the committee will also investigate manipulation in grains, butter, eggs, and other commodities gambled in on the big exchanges to hike up the prices for the benefit of insiders and all at the expense of the consumers.

I myself have tried hard enough, Mr. Speaker, to bring about a thorough investigation of the meat packers and the dairy trust and the lobbies. You remember that last spring I asked for an investigation of the American Meat Institute. Here is the text of my resolution, which I introduced on April 30, 1946; perhaps if this investigation had been undertaken, you would not have been so anxious to swallow the packers' propaganda and abolish price control:

Whereas the American Meat Institute, representing the major packing companies in the United States, has disseminated information, issued releases, and published advertisements and statements charging the Office of Price Administration with being responsible for black-market conditions; and

Whereas there is postive evidence that the packers are endeavoring to discredit the Office of Price Administration and have disseminated misleading information to bring that about; and

Whereas it appears that the packers have gone on a "sit-down" strike to weaken and destroy not only the effectiveness of the administration of the Price Control Act but the confidence of the public in the Government's forced operation of the packing plants, and that they actually have brought about conditions which are aiding the black market: Therefore be it

Resolved, That the Committee on Banking and Currency of the House of Representatives is hereby authorized and directed to make an immediate and thorough investigation of the activities of such groups, individuals, and organizations engaged in dissemination of propaganda tending to influence legislation, including any groups, organizations, and persons employed by them to carry out such activities. The committee shall ascertain the amounts of moneys contributed and collected by such groups, organizations, and persons, from whom contributed and collected, and an accounting of the expenditures of such funds. The committee shall investigate the underlying causes and reasons for the action of the large packers in discontinuing direct purchases from farmers, feeders, and cattle dealers and obtain evidence as to why they have failed to purchase in normal quantity when reports showed that livestock was available in the Chicago stockyards. The committee shall investigate the effects of the reduced purchases and production by the large packers with respect to byproducts which their plants are equipped to manufacture and shall ascertain whether the reduced production of byproducts is tending to create a shortage of same to consumers. The committee shall ascertain whether these activities are intended to discredit the Government's forced operation of large packing plants and whether there is a deliberate agreement between the packers to create a meat shortage which has been of aid to the black market. The committee shall investigate all unfair practices and tactics and acts of omission and commission and ascertain if they are directed with a view to discrediting the Office of Price Administration or other Federal agencies. The committee shall ascertain whether the action of the packers in reducing their purchases of livestock and amount of slaughtering is due to the protection afforded them against loss through guaranty of refund of 1945 excess-profits taxes covering any losses incurred in 1946, and shall investigate such other matters as the committee deems appropriate.

The committee shall report to the House (or the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation, together with such recommendations as it deems desirable.

The said committee is hereby authorized to request and secure, for the purposes of this resolution, the cooperation of, the production of records and rules and regulations of, and the assistance of such personnel of any department or bureau, as may be deemed necessary by the committee.

For the purposes of this resolution, the said committee, or any subcommittee thereof, is hereby authorized to sit and act at such times and places within the United States, whether the House is sitting or has recessed or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books or papers or documents or vouchers by subpena or otherwise, to take such testimony and records, as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House at the request of the chairman of the committee and shall be served by the Sergeant at Arms of the House or by such person or persons as may be designated by him. The chairman of the committee or any member of the committee may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, or having been required to produce necessary books or papers or documents or vouchers by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the study and investigation heretofore authorized, or who fails to produce such books or papers or documents or vouchers as required by subpenas, shall be held to the penalties provided in section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192), as amended.

Because of speculation in grains, bread is up almost 50 percent, and many other foodstuffs are even higher. The farmers are getting the highest prices in history; but, even so, the speculators and profiteers are adding their unconscionable profits on top of that before the consumers eat what the farmers raise.

I say it is an outrage that this country of ours should permit the trusts and combines to hold up the consumers of this Nation and force the people, especially those in the white-collar class and those with small means, to have to deny themselves actual needs for maintaining their little ones.

That is all I have to say.

I ask unanimous consent to revise and extend my remarks, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. HERTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLOOD-CONTROL WORKS ON LITTLE SIOUX RIVER

Mr. JENSEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4111) authorizing the construction of flood-control works on the Little Sioux River and its tributaries in Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the project for flood control on the Little Sioux River and its tributaries, recommended in the report of the Chief of Engineers, United States Army, in House Document No. 275, Eightieth Congress, first session, at an estimated cost of $3,320,000, is hereby adopted and authorized, and shall be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers in accordance with the plan recommended in that report and subject to the conditions of local cooperation set forth therein.

SEC. 2. There is hereby authorized to be appropriated such sums as may be needed to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSITION OF FARM-LABOR CAMPS

Mr. HOPE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4254) providing for the disposition of farm-labor camps to public or semipublic agencies or nonprofit associations of farmers.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MONRONEY. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the Committee on Agriculture whether this will authorize these associations to have priority claims over farmers who had once owned this land before it was condemned by the Government.

Mr. HOPE. This does not deal with land as such. The gentleman understands this is the disposition of farm-labor camps, some of which have been in operation since 1935. I do not think there is any question involved as to the rights of any prior owners to obtain the land.

Mr. MONRONEY. If I understand the distinguished chairman, the title to the land on which these camps are located is not involved in this legislation?

Mr. HOPE. That is correct. I do not think any of these camps are located on land acquired by condemnation. It was all purchased by the Government agencies which erected the camps.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 2 (d) of the Farmers' Home Administration Act of 1946 and section 43 (d) of the Bankhead-Jones Farm Tenant Act, as added by the Farmers' Home Administration Act of 1946, the Secretary of Agriculture may dispose of any labor supply center, labor home, labor camp or facility referred to in said sections and any equipment pertaining thereto or used in the Farm Labor Supply Program (hereafter referred to as "facilities") for such prices and under such terms and conditions as the Secretary may determine reasonable, after taking into consideration the responsibilities to be assumed by the purchaser, to any public or semipublic agency or any nonprofit association of farmers in the community who will agree to operate and maintain such facilities for the principal purpose of housing persons engaged in agricultural work and to relieve the Government of all responsibility in connection therewith. In disposing of such facilities, the Secretary shall give due consideration to the ability of the applicants to maintain and operate such facilities for housing agricultural workers.

SEC. 2. In order that such public or semipublic agencies or nonprofit associations of farmers may have adequate time to make necessary arrangement for authorizations and funds to acquire such facilities, the authority to dispose of such facilities to such agencies is to continue until June 30, 1949. After January 30, 1948, and pending sale thereof, no facility shall be continued in operation except under contractual arrangements with responsible public or semipublic agencies or nonprofit associations of farmers who will agree to operate such facilities for the principal purpose of housing persons engaged in agricultural work and to relieve the Federal Government of all financial responsibility in connection with the operation of such facilities. Any facility with respect to which no such contractual arrangement has been made by January 30, 1948, shall be liquidated as expeditiously as possible under the provisions of this act or section 43 (d) of the Farmers' Home Administration Act of 1946, and in any event not later than June 30, 1949. Any facility which is continued in operation after January 30, 1948, pursuant to a contractual arrangement with a public or semipublic agency or nonprofit association of farmers and which remains unsold on June 30, 1949, shall be disposed of as expeditiously as possible under the provisions of section 43 (d) of the Farmers' Home Administration Act of 1946.

SEC. 3. The funds made available under the item "Farm Labor Supply Program" in the Second Deficiency Appropriation Act, 1947 (Public Law No. 76, 80th Cong.), are also hereby made available until expended for carrying out the purposes of this act and in addition thereto, there is authorized to be appropriated such additional sums as may be necessary.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTROL OF EXPORTS OF GASOLINE AND PETROLEUM PRODUCTS

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. WEICHEL]?

Mr. RAYBURN. Reserving the right to object, Mr. Speaker, I want to inquire of the gentleman from Indiana if this is the last bill.

Mr. HALLECK. It is.

Mr. SABATH. Reserving the right to object, what does this bill aim to do? What is the purpose of the bill?

Mr. HALLECK. The bill came out of the Merchant Marine and Fisheries Committee with a unanimous report. It is called up after the matter was cleared with the ranking member on the Democratic side. It is a bill that seeks to have certain determinations by the Secretary of Commerce with respect to the export of oil as that might affect the national security and national defense of this country.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no gasoline, Diesel oil, bunker oil, lublicating oil, nor any petroleum products whatsoever, shall be moved or transported from the United States to a foreign country, unless the Commerce, Navy, and War Departments shall certify in writing that any such gasoline, Diesel oil, bunker oil, lubricating oil, or petroleum products to be moved or transported from the United States will not prejudice nor impair the national defense nor the continuous nonrestricted use of gasoline, Diesel oil, bunker oil, lubricating oil, or petroleum products by the people of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That no gasoline, Diesel oil, bunker oil, nor lubricating oil shall be moved or transported from the United States to a foreign country, unless the Secretary of Commerce shall certify to the President in writing that any such movement or transportation of gasoline, Diesel oil, or lubricating oil will not impair the national defense, endanger the national security, nor impair the civilian use of gasoline, Diesel oil, bunker oil, or lubricating oil by the people of the United States.

"SEC. 2. That the Secretary of Commerce make a monthly report of such petroleum products exported, to the President pro tempore of the Senate and the Speaker of the House.

"SEC. 3. That this act shall expire March 31, 1948."

Mr. WEICHEL. Mr. Speaker, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WEICHEL to the committee amendment: On page 2, line 9, after the words "Diesel oil" insert the words "bunker oil."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. EBERHARTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial on the subject of taxes.

Mr. DEVITT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include a radio address.

Mr. TIBBOTT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. CARSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from Sports Afield.

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 20 minutes.

THE DEADLY PARALLEL

Mr. DONDERO. Mr. Speaker, as the crisis between this country and Russia becomes ever more tense, I think that it is time for the Congress, the Cabinet, and the people as a whole to take stock of our position in the world and to be apprised of just what is confronting them. In this understanding—or estimate—there are two important factors which may largely determine our fate. The first and most important of these is the state of our own intelligence, and the second is the intelligence or espionage nets which the Russians are operating against us.

There is good ground for the definite but regrettable conclusion that there is a concerted, well-organized, well-thought-out, and definite plan to destroy all semblances of American intelligence. We all realize that espionage, or snooping on our neighbors, is by our very nature anathema to the American people; but we also realize that in the hard-boiled, modern, realistic world intelligence is essential, nay vital, to any nation which is to survive.

The history of American intelligence and counter intelligence up until the beginning of World War II was not a pretty picture. Only in 1940 did we begin to create an American intelligence and counter intelligence unit worthy of the name. That unit was created in the War Department by Maj. Gen. Sherman Miles, who had been our military attaché in England and who visited the French Army on the Continent before the break-through of the German Army and the fall of France. General Miles was so imbued with the power of the German and Communist fifth columns in France that he bent every effort to spare America a similar fate.

Unfortunately for General Miles, as the Pearl Harbor hearings will show, intelligence took the rap for the inexcusable failure of the high command of the Army and Navy and the late President Roosevelt to accept, believe in, and act on the intelligence which was available to it and which clearly and definitely pointed not only to the immediate incidence of war, but actually to the attack on Pearl Harbor itself. General Miles was summarily relieved by our present Secretary of State, then Chief of Staff, George C. Marshall, because he had the temerity to put in writing a memorandum which set forth what happened in Gen. George C. Marshall's office on the fatal morning of December 7, 1941. Despite this, the organization which General Miles had started to build grew of its own momentum into a worth-while intelligence and counter-intelligence organization.

General Miles' successor, the late Gen. George V. Strong, made the fatal mistake of being an honest, true, patriotic American citizen. He gave his organization its head and told it to go after all subversive elements, either Fascist or Communist. It was this latter which resulted in the failure to keep General Strong on active duty after his retirement and lost to this Government his tremendous knowledge of international affairs. The chief spearhead of this attack on Strong, due solely to his active and aggressive action against Communists and his refusal to commission Communists in the Army and to exclude them from sensitive places, was the then Assistant Secretary of War, John J. McCloy, who used for his purpose Lt. Gen. Joseph T. McNarney, then Deputy Chief of Staff and now a four-star general and American representative on the military committee of the United Nations.

Even before the degrading and discrediting of General Strong, he and his organization were ordered to desist and refrain from all punitive action against Communists, and the fight to prevent the commissioning of Communists in the Army was overruled and all official records of subversives held by the War Department were ordered destroyed. This latter was prevented by an eleventh hour action on the part of the members of the Military Affairs Committee of the Senate, who confronted Secretary of War Stimson and Chief of Staff Marshall and demanded the revocation of an order which both of them denied having had any knowledge of its issuance. From that day down to the present, intelligence in the United States has been practically nonexistent.

As purely sop to Congress, and without any intention of creating a really truly American organization, President Truman in January 1946, created the Central Intelligence Group. He, however, practically insured its failure by placing at its head Reserve Admiral Sidney Souers, a St. Louis boy, formerly head of a defunct insurance organization, a man with absolutely no knowledge of the mechanics and technique of espionage or counter espionage. After a few months in office, Admiral Souers was succeeded by Lt. Gen. Hoyt S. Vandenberg, a brilliant young airman. Vandenberg's regime will be remembered for his using the weight of his office and White House influence to take the FBI out of the intelligence field in Latin America and to order the dissolution of the War Department's remaining secret intelligence net.

The present incumbent, Admiral Roscoe Hillenkoetter, has been in office too short a time to give evidence of what may be expected of him; but it will take a strong, determined man to correct the failures and to eliminate the Communist elements which I am reliably informed are carry-overs from the old OSS and FBIS organizations which the Central Intelligence Group absorbed.

On the other hand, we are confronted with a Russian espionage net in this country which is without parallel in history. Operating today in the United States, with the full knowledge of the Administration, are the Soviet Purchasing Commission, the Tass News Agency, Amtorg Trading Co., the delegation to the United Nations, Artkino, which is very powerful and influential in Hollywood, and of course the Embassy and diplomatic consuls in Washington, New York, San Francisco, and elsewhere. In almost all of these there are Russian citizens, citizens of satellite nations, American Communists, American Fellow-Travelers, deluded and misguided American citizens who believe that communism is nothing more than another political party and not an organization bent on the destruction of this Nation.

We have a great parallel today in what transpired in Germany and what is transpiring today in Russia—see following table. Also, we see a parallel of the actions of Hitler in the fall of France and Stalin in the fall of America. In France, highly respectable people were seduced by appeal in the name of "order" which was designed to prove that order could only be restored by the negation of what had previously been done by due process of law. In America, highly respectable people are now being seduced by a false interpretation of the meaning of freedom, liberty, democracy, individual rights, and are lending their names and influence toward destroying the very things that have made America great, initially.

In France, Hitler created disunity in the Government, prevented its preparing adequately for war, and made relationships which could still be maintained when actual conflict came and which could be used to secure France's defeat. In America, Stalin is creating disunity in the Government by his stooges in high governmental positions even here in the Congress. He was behind the movement to render impotent and innocuous our armed forces. He has fomented strikes in industry and has delayed our reconversion.

In France, Hitler used every means possible to build up psychological channels through which his dominating ideas could be imprinted in French minds. He organized the Comite France-Alemagne to maintain social and cultural contacts between the two countries. He organized joint meetings of French and German war veterans, using for that purpose the rightist veterans organization headed by violent reactionary Jean Goy. A Brown House was established in Paris where influential French heads were entertained lavishly and convinced that the Nazis were not so bad after all.

In America, Stalin has used every means possible to build up psychological channels through which communism can be imprinted in American minds. He has organized the National Council for Soviet-American Friendship to serve as an official apologist for Soviet aggression and tyranny. He has organized in New York, Washington, and elsewhere, joint gatherings of Russian and American veterans, and our own Secretary of War and

Chief of Staff have lent their names to the furtherance of the aims of this organization. There is more than one Red House here in Washington today where influential American citizens are entertained lavishly and are becoming convinced that the Communists are not so bad after all.

In France Hitler employed simultaneously the more outstanding means of preparing an enemy for the kill, the operation of spies, secret agents, agitators, saboteurs, and traitors. He also used open threats and intimidations. On the one hand, the upper crust of France was being courted by the suavists and most urbane members of the Nazi group. On the other hand, there were thundered threats from Hitler, but Hitler always took pains to make it clear that the threats were for those unworthy Frenchmen who were allowing their country to sink deeper into the morass and was wooing those clear-sighted Frenchmen who agreed with the Nazis.

In America Stalin is today employing the more outstanding means of preparing the enemy for a kill. He also is using the operation of spies, secret agents, agitators, saboteurs, and traitors. On the one hand, the upper crust of America is being courted by the suavists and most urbane of the Communist group. Many of these are lending their names and influence for the political prestige, power, and authority which may accrue. On the other hand, behind the scenes, Communists whisper and thunder the threats of what to expect when we are finally crushed. Not long ago, at a meeting of the district board of the Communist Party held in one of our large cities, a high official of the Communist Party, a member of its national board, made substantially the following statement:

> There must be an intensive organization in every unit of the trade-union movement to use every means to destroy and drive from industry the Red baiters. It must be made so that it is not possible for anyone to Red bait and hold his job or his health. Communists must see to it from this time forward that Red baiting is no longer a harmless pastime but that it entails actual physical peril.

But Stalin also is at great pains to make it clear that these threats are for those unworthy Americans who are resisting the coming of the new order and who are trying to make America follow the pattern envisaged by the founding fathers and their worthy successors.

In France, Hitler used the technique of simultaneous threat and inducement. He would present the alternative: Follow me and you will be happy, strong, and prosperous; refuse me and I will strike you down. In many instances in France, French papers, French politicians, and private but influential citizens would openly oppose and campaign against inclusion in the cabinet or similar positions of certain men because they feared it would offend Hitler.

In America, Stalin is today using the same technique of simultaneous threat and inducement. Many organizations known to all in this body today are offering the alternative to politicians, business executives, and men in position: Follow us and you will become prosperous and influential; refuse us and we will purge you. There are cases in recent months where men have been rejected for appointment to governmental and public positions because they were not acceptable to the Communists in America and to Stalin and the Politbureau in Moscow.

Time does not permit me to go on, as I could, with parallel cases, but I want to make it clear from this floor today that to understand the technique and pattern of Russian espionage, coercion, threat, and smear techniques and activities, it is absolutely necessary to understand that this activity is based on totally different premises from similar activities carried on by the nations of the west, or even those nations which have absorbed more than the sheerest veneer of western civilization and culture. It is also essential that he who concerns himself with matters of this nature needs, by all means, some sort of inner contact with the spiritual make-up of the Russian people in order not to miss out on essential details.

There are, of course, many ways in which this problem may be met and solved. Others will occur to those Members of this body who, like myself, are greatly disturbed by the inept and amateurish manner in which our national intelligence requirements are being met. If I may presume to offer suggestions to correct our very obvious deficiencies, I would list them in the following order:

First. Make Intelligence a career in the Army, the Navy, the Air Forces, and not only make it possible for intelligence officers of the armed services to attain high command positions but require intelligence and experience before an officer can be selected for high command.

Second. Take the appointment of the Director of Central Intelligence out of politics, not only proscribe that he be a civilian as this House has done with the passage of the armed services unification bill last Saturday, but also specify that he be responsible directly to the Congress and with a 15-year tenure of office. Limit his activities to the preparation of national intelligence policy estimates, based on information and intelligence collected by State, War, and Navy Departments.

Third. Create under the Secretary of National Defense, after unification is passed, an intelligence collecting agency to serve him and the Joint Chiefs of Staff, which agency shall be responsible for the operation of all secret intelligence collection, and for all domestic and foreign counter-espionage operations, thus leaving the Federal Bureau of Investigation free and unfettered to devote its entire time and energy to the problem of domestic law enforcement, a field in which it is preeminent; thus freeing the Central Intelligence Agency to act as a high level evaluation agency for the Federal Government and rendering totally unnecessary the wasteful duplication of effort which now exists; and finally restricting the intelligence agencies of the armed forces to Military Intelligence in the broader sense of that term.

Fourth. The Congress must take an active interest in our national intelligence problem and prevent the Central Intelligence Agency, and any new agency we may create, from becoming the dumping ground of the services, where, as recently charged editorially by one of our local newspapers, it becomes a haven of refuge for superannuated colonels of G–2 and burnt-out Navy captains.

Fifth. And, most important of all, the Congress must take steps to insure that all our intelligence agencies are free from the taint and stench of communism, for these agencies are in fact our first line of defense.

The deadly parallel

German	Soviet
Mein Kampf.	Communist teachings—world revolution against capitalism.
Hitlerism—absolute control.	Stalinism—absolute control.
Movement into the Ruhr.	Movement into Baltic states.
Attack on Czechoslovakia.	Attack on Finland.
Occupation and division of Poland.	Occupation and division of Poland.
Pact with Soviets 1939 (to gain time).	United Nations Charter (to gain time).
One party system.	One party system.
Gestapo.	MVD Ministry of International Affairs.
Nationalization of industry (closed economy).	Nationalization of industry (closed economy).
Fifth columns (bunds).	Fifth column (Communist Party).
Build-up of war potential after World War I. 4-year plan of 1936 with emphasis on military development.	Build-up of war potential after World Wars I and II. Three 5-year plans, with emphasis on military development; continued emphasis on military training after World War II and new 5-year plan.
Infiltration of South America (bunds).	Infiltration of South America and all other continents. (Communist Party and trade-union movement).
Denial of democratic liberties at home and in countries occupied.	Denial of democratic liberties at home and in countries occupied and "liberated."
Seizure of all opportunities to increase power of Germany.	Seizure of all opportunities to increase power of the USSR.
United States nonrecognition of Nazi-created changes which were labelled "aggression."	United States nonrecognition of Soviet-created changes (i. e. Baltic states).
Intensive propaganda to excuse actions as "peaceful" aims.	Intensive propaganda to excuse actions as "security against future aggression."
Exploitation of "Pan Germanism," herrenvolk and volksdeutsch.	Exploitation of Pan Slavism and theory of superiority of Soviet accomplishment.
Propaganda to influence German groups throughout the world (once a German—always a German).	Propaganda for same purpose plus forced repatriation.
Actions taken without regard to rights of other nations and in violation of existing agreements.	Actions taken without regard to rights of other nations and in violation of existing agreements (unilateral action).
Progress toward federation of Europe under Nazi control.	Progress toward federation of Europe under Communist control.
Concealment of world events from own people and twisted interpretations of those revealed.	Same plus increased restrictions on Soviet contact with foreign visitors.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to include in my remarks a newspaper article from the Washington Times-Herald of July 17, and also two brief articles, one from the magazine Illustrated Science, and one from the Kiplinger Letter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SMEARING THE SCIENTISTS: BACK-HANDED ATTEMPT TO DISCREDIT CIVILIAN ATOMIC-ENERGY CONTROL

Mr. HOLIFIELD. Mr. Speaker, in the last few weeks we have seen a renewal of attempts to discredit the scientists who worked on the atomic bomb, but these have all exploded. Instead of secrets leaking out by way of scientists under the civilian commission, it has been shown that the recently discovered leak was due to two Army men working during the period of Army control at Los Alamos—a leak which was not discovered until a year later when the civilian commission took over.

DR. E. U. CONDON SMEARED

Last week there was another smear published in a local newspaper and directed at Dr. E. U. Condon, a distinguished scientist, Director of the National Bureau of Standards, and scientific adviser to the Special Senate Committee on Atomic Energy, which last year drafted the Atomic Energy Act establishing the Atomic Energy Commission.

When this article was called to my attention, I was amazed. Last year at this time Dr. Condon and I became very well acquainted when we were serving together on the President's Evaluation Board for Operation Crossroads at Bikini. If this were just an isolated smear, I would not think it worthy of notice. But it begins to appear that someone is making a concerted effort to discredit the atomic-bomb scientists and in particular those scientists who last year supported the President in his program for establishing a Civilian Atomic Energy Commission.

As a member of the Joint Congressional Committee on Atomic Energy, I took considerable interest in this article and summoned Dr. Condon for questioning. I then made an analysis of this article paragraph by paragraph.

The article appeared on page 1 of the Washington Times-Herald for July 17, 1947. I want to go through it, reading first a paragraph of the article and then commenting on the errors in that paragraph:

HOUSE UNIT TO QUIZ DR. CONDON ON RED'S A-BOMB KNOW-HOW—BUREAU OF STANDARDS HEAD BELIEVED QUALIFIED BY KNOWING PRO-RUSS SCIENTISTS

(By James Walter)

Dr. Albert U. Condon, who played an important role in development of the atom bomb before taking his present job as head of the United States Bureau of Standards, where vital information concerning American industrial methods is accumulated, will be called before the House Un-American Activities Committee for questioning about Russian A-bomb know-how, this newspaper learned last night.

Dr. Condon's first name is Edward, not Albert. He has not thus far been asked to appear. On July 9, having read an article by Congressman THOMAS in the American Magazine for June in which it was said that he was to be subpenaed, he wrote to Congressman THOMAS saying that he would be glad to help the committee in any way he could.

The article continues:

Dr. Condon will be quizzed because the committee feels his contacts with Russian scientists and pro-Communist sympathizers in this country qualify him to discuss Soviet atom research, according to Representative THOMAS, Republican, of New Jersey, chairman of the Un-American Affairs Committee.

This paragraph of the article should be read in the light of the following quotations from a letter written on June 24 by Dr. Frank B. Jewett, president of the National Academy of Sciences, to George Merck, chairman of the finance committee of the Republican Party in New Jersey, on the subject of the American Magazine article and another one in Liberty for June 21: "* * * I think it is high time that some of you in the New Jersey Republican high command let THOMAS know that articles like these are harmful and do neither the Nation nor the Republican Party any good. I am particularly incensed at his—Dr. Condon's—treatment by THOMAS in these articles. He—Condon—is a distinguished scientist, the director of a great national institution, and some-time adviser to the other legislative body's committee on atomic policy matters. By no stretch of the imagination is he a Communist or an unloyal American."

In the Washington Post of July 18, Congressman THOMAS is quoted in an International News Service dispatch as saying that statements that Condon would be questioned about Soviet atomic bomb activities were merely rumors.

The article continues:

This newspaper learned that after Condon left as head of research department of the Westinghouse Electric Co. in Pittsburgh to join the Manhattan project, his leftist associations were under continuous scrutiny by military intelligence personnel.

Dr. Condon did not leave Westinghouse to join the project; he was assigned to it by Westinghouse in connection with the company's work on the project. Dr. Condon was not head, but associate director of the Westinghouse Research Laboratories. All persons of any importance connected with the project were under constant scrutiny, or should have been.

The article continues:

Before coming to Washington he directed atom-smashing experiments with the Westinghouse cyclotron, only instrument of its kind owned by an industrial laboratory in this country.

The Westinghouse equipment at East Pittsburgh was not a cyclotron but a Van de Graaf electrostatic generator.

The article continues:

He worked on the A-bomb project three times and later the Soviet Government violated diplomatic courtesy by secretly inviting him to the two hundred twentieth anniversary of the Russian Academy of Sciences in Moscow, but permission for him to leave this country was refused upon request of the Army.

The three times is correct. They were:

First. Service on the S-1—Uranium—Committee of the National Defense Research Committee, of which Dr. Lyman J. Briggs was chairman, during the fall of 1941, when the studies were made leading to the decision to recommend a large-scale atomic effort to the Government.

Second. One month at Los Alamos in March 1943, before the laboratory was formally opened, helping to get it organized. During this period Dr. Condon wrote a basic manual on the theory of the atomic bomb which was known as the Los Alamos Primer, but he did not retain, does not now have, and has never subsequently seen a copy of it. Dr. Condon returned to Westinghouse because he was in charge of the radar program of that company, which could not be neglected.

Third. From September 1943 to February 1945 Dr. Condon worked at the University of California in Berkeley on a Westinghouse assignment on that phase of the project. He severed all connection with the project on completion of his part of the work in February 1945.

Dr. Condon was not invited by the Russians, secretly or in any other way. The Russians invited various scientific organizations to send delegates, although some individuals may have been invited by name. He was chosen as a delegate of, first, the science committee of the National Council of American-Soviet Friendship; and, second, the American Institute of Physics. He was vice president of the American Physical Society at the time.

His passport was initially issued by the State Department with full knowledge of the nature of the trip. In a letter dated June 18, 1945, Ruth Shipley, chief of the Passport Division, thanks him for the return of the passport and says:

I desire to confirm to you the statement I made in asking that the passport be returned; namely, that in denying you permission to depart from the United States, neither the action of the military authorities, nor that of the Passport Division cast any reflection whatsoever on your integrity, your loyalty, or your character.

The article continues:

At that time a group of scientists in this country was vigorously attempting to wrest control of scientific secrets from the Army. The request to keep Dr. Condon "at home" presumably came from Maj. Gen. Leslie R. Groves, who masterminded the Manhattan or A-bomb project in New Mexico.

During the summer of 1945, prior to the use of the first bomb, there was a good deal of interest in the political and social problems of atomic energy displayed by the scientists who worked on the project. Dr. Condon had no part in any of this. From the early spring of 1945 until coming to Washington he was mostly in Pittsburgh, working on industrial electronic research. When the bomb was tested in New Mexico, he was unaware that the bomb had been successfully developed and was driving his

family home from California by car, riding through Wyoming or Montana. He took no interest in public discussion of this subject until after Congressman Andrew Jackson May introduced an Army-sponsored bill providing for peacetime control of atomic energy.

There is no question about the part that General Groves had in this "at home" request. But the decision was not a sensible one, for the sudden withdrawal from the party of the only nuclear physicist in the group caused a good deal of comment by the Russians. In this way it is fair to say that General Groves unwittingly gave the Russians advance reason to suspect the existence of our work on the atomic bomb.

DR. LANGMUIR OF GENERAL ELECTRIC

In this connection the testimony of Dr. Irving Langmuir, associate director of the research laboratory of the General Electric Co., before the Special Senate Committee on Atomic Energy on Friday, November 30, 1945, is revealing:

As an example of the ineffectiveness of military security regulations even during the wartime, I should like to tell of an experience of my own. I had had only a trivial connection with the atomic bomb in some consultations I had at two of the laboratories during 1942 or 1943. I had been invited to Russia in May 1945, had accepted through the Soviet Embassy, had received my passport, and was told that the American delegation would be taken to Rusisa on a C–54 plane with transportation arranged by the State Department and by the President. The day before we were scheduled to leave, two Army officers who did not know on what grounds the request was based, asked me to decline to go to Russia. This would have meant that I would have had to invent excuses on my own responsibility. Since there appeared to be direct conflict between the War Department and the State Department, I refused to withdraw my acceptance at the request of the War Department and demanded that the matter be taken up with the State Department canceling my passport if necessary. I wholly disapproved of the manner in which this matter was handled. When others interceded and the War Department was made to realize how little I knew of the atomic energy project, I was finally allowed to go. Other Americans, however, who had been invited, were not permitted to go after having accepted. This, of course, the Russian Embassy knew. They knew also that no physicists were among those who accepted the invitations.

The article continues:

Of this contemplated trip, Dr. Condon told the Times-Herald:

"Other scientists were permitted to take the trip to Russia, but the military thought it best that I remain here."

While Groves would not admit direct intervention in the Condon case, he did tell the Times-Herald:

"I would have been remiss in my duty if I had consented at that time to let anyone who knew about the possibilities of the Manhattan project go to such a meeting so soon before the bomb was to be used."

It is important to remember that the trip had official White House sponsorship in that the President ordered the Army to fly the party to Teheran.

It is well known among scientists that General Groves extended his jurisdiction even over England and that his direct intervention with Winston Churchill was responsible for the last-minute cancellation from the trip of eight prominent British scientists, some of whom had had no connection with the project. Dr. Langmuir's testimony is again pertinent:

When I reached Russia I was told by the English group that eight British scientists, who had accepted the Russian invitation, had had their passports canceled after they had reached the airport ready to fly to Moscow. All of the scientists and the whole of the British delegation were much incensed at these tactics. They believed that the passports were canceled because these men had worked on the Tuballoy project, which is the equivalent of our Manhattan project. I also heard the opinion expressed that this action must have been taken at the request of the American Government because no one outside the American Army could be so stupid.

The English newspapers gave great publicity to the cancellation of the passports and called Prime Minister Churchill to account before the House of Commons. This was all known in Russia, but it was never published in American newspapers.

I believe—

Continued Dr. Langmuir—

that these attempts to maintain secrecy resulted in giving to the Russians the very information which the Army most wished to keep from them. Any sensible Russian scientist knowing of these facts would have believed that we were developing an atomic bomb and were keeping it secret from the Russians.

The article in the Times-Herald continues:

The visit, it developed, was to have been made just 30 days before A-bombs were dropped on Nagasaki and Hiroshima, to force the end of the Japanese-American war in the summer of 1945.

As mentioned before, Dr. Condon was completely unaware of the fact that bombs had been made or were to be used until public announcement was made in August 1945.

The article continues:

The Un-American Activities Committee also is interested in hearing Dr. Condon for the following reasons:

1. Condon, while working for Westinghouse, also served on the science committee of the American-Soviet Friendship Society.

This latter statement presumably refers to the National Council of American-Soviet Friendship. In the years 1944 and 1945, when Russia was our ally, many prominent people were interested in promoting better relations with the Russians. The National Council included in its distinguished list of sponsors Hon. Elbert D. Thomas, Senator from Utah; Hon. Arthur Capper, Senator from Kansas; Hon. Leverett Saltonstall, Senator from Massachusetts; Harold L. Ickes; Fiorello H. LaGuardia; Bishop W. J. Wells; the Reverend Joseph F. Fletcher; Bishop Malcolm E. Peabody; Mrs. J. Borden Harriman; and such distinguished educators and scientists as Dr. Frank Aydelotte, then director of the Institute for Advanced Study in Princeton; Dr. Karl T. Compton, president of the Massachusetts Institute of Technology; Albert Einstein; and Dean Christian Gauss of Princeton University.

The article in the Times-Herald continues:

2. During this same time his wife, Emilie, a native of Czechoslovakia, was corresponding secretary for the Pittsburgh council, American-Soviet Friendship Society.

Mrs. Condon is a native of Chicago, born of Czech-American parents who are naturalized citizens, and was brought up on an Oregon farm. During the war she was very active in Pittsburgh on sewing projects for the Red Cross, the British War Relief, and for the Russian War Relief which was headed by Winthrop W. Aldrich of the Chase National Bank.

The article continues:

3. After moving to Washington, Dr. and Mrs. Condon attended a meeting of scientists at the home of Mr. and Mrs. J. Terry Duce, 3014 Woodland Drive NW., where Mrs. Condon's expressions of admiration for Russia were so strong that she was taken to task by one Member of the Senate and two Members of the House.

This was an evening social gathering to which Mr. Duce invited a rather large group. Mr. Duce is a State Department adviser on petroleum policy. Mrs. Condon was not taken to task by anybody for expressions of admiration for Russia on this or any other occasion.

The Times-Herald article continues:

4. Condon was a close friend of Dr. Harlow Shapley, named in 11 Communist-front organizations, among them the Joint Anti-Fascist Refugee Committee, 16 of whose members have been convicted of contempt of Congress.

Dr. Condon is a friend of Dr. Shapley. Dr. Shapley is perhaps America's most distinguished astronomer, director of the Harvard College Observatory, and is this year president of the American Association for the Advancement of Science. He is the recipient of a medal from the Vatican for his researches, and of many other honors.

The article continues:

5. Condon also was a close friend and occupied the New York apartment of Edwin S. Smith, named in 21 pro-foreign groups by the House Un-American Activities Committee, which had him under fire in 1940 for reputed Communist sympathies while he served on the National Labor Relations Board.

Mr. Smith was one of the group which went to Russia and was employed by the distinguished group of sponsors of the National Council already mentioned as its working secretary. Dr. Condon first met him a few days before the group left for Russia. Mr. Smith kindly put him up in his apartment for two nights at that time because he was caught without a hotel room during the great crowding in New York of that period.

The Times-Herald article continues:

6. Condon was constantly checked by military authorities for security reasons at the same time, but not as frequently as Dr. Frank Oppenheimer, card-carrying member of the Communist Party, whose brother, Dr. J. Robert Oppenheimer, led the team of physicists who exploded the first atom bomb in the western desert.

Presumably everyone was constantly checked, unless General Groves is to be regarded as having been remiss in his duty. The important thing is, what did the constant checking reveal? Obviously nothing serious in Dr. Condon's case, for he worked for such a long time on the atomic-bomb project, to say nothing of such other projects as the radar program and the rocket program. One physicist who got tired of being tailed everywhere

by a clumsy operative telephoned to General Groves to suggest that manpower and rationed gasoline would be saved if the operative were assigned to him as chauffeur, but the general did not want to play it that way.

The article continues:

Oddly, Condon was born March 2, 1902, at Alamogordo, N. Mex., not far from the scene of the atom-bomb experiments. He quit his $15,000-a-year job with Westinghouse to work for the Government at a little more than $9,000. He was eased into his job as head of the Bureau of Standards under the aegis of Henry Wallace.

Some readers might get the impression from this that there is something sinister or foolish about a man's being willing to make a personal sacrifice to serve his Government, yet it is not the first time in history that this has occurred.

The appointment was made in the normal way by President Truman, followed by unanimous Senate confirmation. Dr. Condon was also appointed by the President as a member of the National Advisory Committee for Aeronautics. At the same time he was also appointed scientific adviser to a congressional Committee on Atomic Energy. This committee produced the present Atomic Energy Act which passed the Senate unanimously. With that work finished, Dr. Condon was appointed by the President to serve on the President's Evaluation Board for Operation Crossroads, the Navy atomic bomb tests at Bikini, and it gives me great pleasure to say that I served with Dr. Condon on that Board. I got to know him well and proudly claim him as a personal friend.

The article continues:

Thomas said last night that because of Condon's record of reputed Communist sympathies his activities had been under surveillance for a long time by committee investigators, who would continue their inquiries.

Dr. Condon knows nothing of these alleged Communist sympathies. He will welcome all fairly conducted investigations. As mentioned before, Dr. Condon wrote on July 9, to Congressman THOMAS, offering his full cooperation to the House Committee on Un-American Activities.

The Times-Herald article continues:

The American-Soviet Friendship Society with which Condon served is listed by the Un-American Activities Committee as a Red-front group. At one time it solicited $500 each—a total of $22,500—from 45 American corporations to pay for publication and distribution in Russia of certain books.

Dr. Condon does not know which societies are listed by the committee nor does he know what listing means. The above listing probably refers to the National Council of American-Soviet Friendship. This should not be confused with the American-Soviet Science Society, of which Dr. Condon is a member. The American-Soviet Science Society has not solicited funds from American corporations as stated.

ROCKEFELLER FOUNDATION BACKS SOCIETY

The American-Soviet Science Society was backed in June 1946 by a $25,000 grant from the Rockefeller Foundation, whose trustees include Winthrop W. Aldrich, K. T. Compton, John Foster Dulles, and others of like stature. A statement of the aims of the society is to be found in the annual report for 1946 of the Rockefeller Foundation by Raymond Fosdick, its president. Its primary purpose has been to secure translations and abstracts of Russian scientific articles and make them available to Americans, and although its activities have been quite limited it has been able to render services requested by the Army and Navy.

The purpose of the Rockefeller Foundation in making the award is best given by a quotation from the Review for 1946 of the work of the Rockefeller Foundation by Raymond Fosdick:

It is important that Russian scientific thinking should be brought into the international stream. A grant toward this general goal was therefore made to the American-Soviet Science Society, which is a liaison agency serving the interests of American scientists by helping to keep them informed of scientific developments in the Soviet Union, and aiding Soviet scientists in their relations with their fellow scientists in the United States, through the interchange of periodicals and publications.

It is important to remember that Americans are handicapped in their utilization of possibly useful Russian works by their unfamiliarity with a difficult language, so that we are in danger of overlooking much Russian material, whereas the Russians, like most Europeans, are more adept at languages and are thus able to capitalize on the generally available books and magazines of this country.

The Times-Herald article continues:

Efforts of the Un-American Activities Committee to get at books and records of the American-Soviet Friendship Society proved as difficult to get as those of the Joint Anti-Fascist Refugee Committee. As a result the Reverend Richard Morford, executive secretary of the A. S. F. S., has been indicted and is awaiting trial for contempt of Congress.

Here the evident confusion between the National Council of American-Soviet Friendship and the American-Soviet Science Society is continued. The officers of the latter have never been asked for any information by the House Committee on Un-American Activities, according to Dr. Duncan MacInnes, of the Rockefeller Institute for Medical Research, member of the National Academy of Sciences, and acting chairman of the society.

The membership of the society includes such men as Dr. E. O. Lawrence, of the University of California, prominent on the atomic-bomb project and famous for cyclotron work and who is also a foreign associate of the Russian Academy of Sciences; Dr. R. A. Millikan, recently retired president of the California Institute of Technology; Dr. W. D. Coolidge, of the General Electric Co.; Dr. Saul Dushman, of the General Electric Co.; Dr. Gustav Egloff, of the Universal Oil Products Co.; Dr. Irving Langmuir, associate director of research for the General Electric Co.; and many others of like distinction. The officers of the society are quite willing to supply all information to any congressional committee.

The Times-Herald article continues:

A little more than a year ago the Communist-owned New York Daily Worker carried stories about Condon and others headed "U. S.-Soviet scientists swap information." Condon was quoted as welcoming the cooperation for peaceful and constructive purposes.

Dr. Condon knows nothing of this, since he does not read the Daily Worker.

The article continues:

Condon also was closely associated with the Southern Conference for Human Welfare, listed by the Un-American Activities Committee as a Communist group in which Wallace also was active.

The close association consists of once having allowed his name to be used as a sponsor of a local dinner of this group. Dr. Condon had never heard of this group until a telephone call was made by a member of the group requesting the use of his name. After having been assured that a Member of the other body from Oregon, Mrs. Gifford Pinchot, Mrs. Wiley Rutledge, and Mrs. J. Borden Harriman were also sponsors, Dr. Condon permitted the use of his name.

What a story.

CONDON'S AMAZING WAR WORK

Dr. Condon has worked with great energy and competence throughout the war on scientific developments of the utmost importance. In this connection he was investigated not once but many times as to his loyalty and integrity, as was everyone of any importance who worked on such projects. His services were in great demand throughout the war. In the fall of 1940 he helped to organize the Government-sponsored radiation laboratory at the Massachusetts Institute of Technology and was a member of its staff throughout the war. At that time he was associate director of research for the Westinghouse Electric Corp. In 1941 he was put in charge of that company's research program of microwave radar which made many important contributions to this vital work. He served on the National Defense Research Committee's special group which studied the possibilities of rocket developments and helped make the recommendation which led to a major program of work in this field at the California Institute of Technology. In the summer of 1941 he was appointed to the S–1 committee of the National Defense Research Commission, which made the studies leading to the Government's decision to establish, and back on a large scale, the program which resulted in the atomic bomb. This was the Government's most secret development and he was accepted for this position of trust by such responsible men as Dr. Vannevar Bush, Dr. James B. Conant, and Dr. Karl T. Compton, of the wartime Office of Scientific Research and Development. Dr. Compton in particular had known him personally for more than 15 years when this was done. Later in the war Dr. Compton sought the services of Dr. Condon for his field service work in getting new scientific apparatus in effective

use at the front, but his work on the atomic bomb project was considered too vital for him to be released to Dr. Compton.

In the spring of 1943 Dr. Condon was called to Los Alamos to assist in the organization of the laboratory where the atom bomb was developed and while there wrote a little manual or textbook on the design of the bomb which became known as the Los Alamos Primer and was used for indoctrination of the scientific staff. He returned to Westinghouse after a month at Los Alamos because of the critical need for his services on the radar program.

In September, 1943, he was assigned by Westinghouse to work at the University of California. That laboratory did the development work for apparatus that was made by Westinghouse. Dr. Condon was in charge of the group which solved difficult mathematical design problems on the equipment for one of the major plants at Oak Ridge. This work kept him very busy until February, 1945, when the success of the project being assured he returned to Pittsburgh to take a leading part in planning the industrial electronics research program of that company.

The chairman of another body on atomic energy sent a number of telegrams to scientific leaders of the country asking for nominations for a suitable person to act as scientific adviser. The many replies were almost unanimous in naming Dr. Condon.

All of the distinguished members of that Senate committee worked with Dr. Condon almost daily during the long period in the winter and spring of 1946 when the Atomic Energy Act was being developed. This bill finally was reported out unanimously by the committee and passed unanimously by the other body. I do not think there is a single member of that committee who does not have the highest regard for Dr. Condon's scientific ability, integrity, loyalty, and devotion to duty.

KEY FIGURE IN SCIENCE AND GOVERNMENT

Let us recapitulate. Dr. Condon is Director of the National Bureau of Standards, the principal agency of the Federal Government for fundamental research in physics, chemistry, and engineering, by Presidential appointment and Senate confirmation. He is a member of the National Advisory Committee for Aeronautics and of the President's Evaluation Board for Operation Crossroads, by Presidential appointments. He is chairman of the Federal Specifications Board, responsible for development of purchase specifications of Government supplies. He is a member of the board of directors of the American Standards Association. He is a member of the National Academy of Sciences, and of the American Academy of Arts and Sciences of Boston, both of these being honorary distinctions. He is a past president of the American Physical Society and a member of the governing board of the American Institute of Physics. He is a member of the scientific advisory board of the Brookhaven National Laboratory of the Atomic Energy Commission. He is a member of numerous other scientific and engineering societies, among others being an honorary member of the Institute of Aeronautical Sciences.

CHARACTER ASSASSINS SHOULD PUT UP OR SHUT UP

Mr. Chairman, I do not want to allow these unwarranted attacks to pass unnoticed. I have talked with Dr. Condon about them. He has nothing to conceal. He wishes to cooperate fully with any fair and proper investigation of his work and activities. My feeling is that if there is anyone in America who has any serious evidence to present against him, that person is almost guilty of treason in not having come forward in a responsible way to present it to the President or to the Congress of the United States. The fact that this has not happened in all these years, and in spite of his prominent association with these various activities convinces one that there is no such evidence to be brought forward. Let me repeat again that whoever has any such evidence, if any such exists, is guilty of a most serious dereliction of duty as a citizen for not having brought it forward in a responsible way as soon as it came to his possession. Rumor-mongering character assassins should put up or shut up.

JEWETT PROTESTS VIOLENTLY

I call your attention particularly to the statement made by Dr. Frank B. Jewett, former president of the National Academy of Sciences and of the Bell Telephone Laboratories, a Republican and a distinguished American. He writes, "By no stretch of the imagination is he (Dr. Condon) a Communist or an unloyal American." This statement is contained in a letter which Dr. Jewett wrote to Mr. George Merck protesting against some oblique attacks on Dr. Condon contained in articles appearing in the American magazine for June and in Liberty for June 21 which were printed under the signature of a Member of this House. These articles were reprinted in the Appendix of the CONGRESSIONAL RECORD, pages A2676 and A2729.

Mr. Chairman, I think it is only fair to have the RECORD include an article on the other side of the picture. It comes from one of the most conservative magazines in America, and deals with Dr. Condon and the splendid work he is doing at the National Bureau of Standards. It is from Science Illustrated for December 1946, a magazine put out by the great McGraw-Hill Publishing Co.:

A SALUTE TO EDWARD U. CONDON

Today there is a new breeze blowing through the wide stone corridors of the National Bureau of Standards. From the upper-floor office of the Director comes a new spirit of energy, of enthusiasm, of imagination. Within the range of that breeze the Bureau will not remain chiefly the supreme arbiter of engineering and industrial standards that it has been, but will assume leadership in creative research.

Well out on Washington's Connecticut Avenue, in a spread of 90 formal buildings, the Bureau looks for all the world like a university. Its solid dignity, however, represents a foundation stone of American industry.

In the Bureau are treasured the national and international standards of length and measures, of weights, and of a myriad of instruments. Almost every industrial operation is based on its standards of quality, performance, and practice; including the measurement of materials, temperance, electricity, pressure, and power. It serves engineers of all types by testing instruments, by devising methods of testing and of analysis. For over 40 years the Bureau has been the last word in precision, and is the authority of the Government in scientific and engineering matters.

STAND-BY OF SCIENCE, INDUSTRY

Like the Bureau itself, the directors have been men of dignity, integrity, and precision. But now the scope of governmental research, both civilian and military, is being enlarged, and the qualities of leadership displayed in the Bureau of Standards are increasingly important to American industry and science.

The cheerful air, crackling imagination, and irresistible enthusiasm that refresh the halls and offices of the Bureau today come from the new director, Dr. Edward U. Condon.

It is almost a shock to see Ed Condon in a staid office surrounded by many models of things past. In shirt sleeves, when seated behind his unlittered desk, with his neck and almost his face overflowing beyond his collar, he is the picture of a powerful farm boy: young, heavy, firm, strong. But when he speaks it is with a smile; when he outlines a project he bursts into joviality. His keen eyes flash; it is apparent that his mind is leaping ahead. His swift and cheerful thinking strikes a new note for Bureau chiefs.

Ed Condon was born near the scene of the first atomic bomb explosion; at Alamagordo, N. Mex., not 45 years ago. His training in physics was at California. He taught a year at Princeton, a year at Minnesota, and then 7 years at Princeton, as an active professor of atomic structure and nuclear physics, not as an engineer. Then the unexpected happened and he was called to the Westinghouse Research Laboratory at Pittsburgh to be associate director. That was in 1937, when he was only 35. Westinghouse had long-range plans in atom smashing and in the search for atomic power.

Inevitably the war involved Ed Condon. What he did for the atomic bomb and radar has not been told, but Science Illustrated salutes him for his service to the Congress during the frantic days when the United States first realized the enormity of its responsibility in holding atomic power within its grasp.

He became a professor again and gave to struggling Senators and Congressmen that essential understanding of atoms and nuclei, of chemistry and physics, that their nineteenth-century education had shamefully ignored. They got clear, intensive education in the realities from Dr. Condon. Those realities include the possibility of cataclysmic atomic warfare, but Ed Condon's mind characteristically turns to the alternatives: the era in which uranium chain reactions, releasing vast quantities of heat, will be used to make power for homes and industries. Said he recently: "There is every indication that power from this source will have an important effect on the economy of ship propulsion, and also in the power supply of communities having neither water power nor a convenient coal supply."

Today the old Bureau of Standards is geared to the atomic age. And this young, keen scientist has cheerfully taken the lead in keeping the Government up to the minute in a race that will go to the quick, the strong, the happy, and the well-trained.

Another tribute to Dr. Condon appeared in the Kiplinger magazine for May 1947, when he is characterized as "primarily a businessman's scientist, and the first Director—of the National Bureau of Standards—to be recruited from industry."

As an indication of the scientific level and company in which Dr. Condon is to be found, let me quote from an article in Fortune for June 1946, page 240, which discusses the need for a science foundation:

"The basic deficiency in the United States, intensified by war, is basic research—fundamental science. To those who think the United States is the most scientific country in the world this may come as an incredible shock. To those who look about at the great technical proficiency and towering material achievements of the American scene and think these are science it may seem strange, yet the achievements are almost wholly engineering, technology, gadgetry. In two centuries of a free society the United States contributions of great basic discoveries can be counted on the fingers of the hands. There was Ben Franklin in electricity, Joseph Henry on electrical induction, Willard Gibbs in thermodynamics, Michelson-Morley for experiments on the speed of light, Millikan for the electrical nature of the electron, Morgan for the gene theory of heredity, Anderson for discovery of the positron, Davisson-Germer for wave properties of electrons, Condon for the theory of alphaparticle radioactivity, and Stanley for discovery of crystalline protein virus. Beyond these, it is hard to find really basic United States discoveries, though a good number of border-line cases exist."

The people of America are fortunate indeed that they have a man of such distinction in this high Government post. He has accepted that post at a considerable personal financial sacrifice, and the least we can do is to protect him against such attacks as have been made, and, as I feel, certain people intend to keep on making.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 3961. An act to provide increases in the rates of pension payable to Spanish War and Civil War veterans and their dependents; and

H. R. 4017. An act to amend the Armed Forces Leave Act of 1946 to provide that bonds issued under such act shall be redeemable at any time after September 1, 1947, to permit settlement and compensation under such act to be made in cash, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Wednesday, July 23, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

957. A letter from the Secretary of the Navy, transmitting a report of the proposed transfer of donations from the Navy Department; to the Committee on Armed Services.

958. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an appropriation for the Civil Service Commission in the form of an amendment of his submission of May 9, 1947, now contained in House Document 242 (H. Doc. 411); to the Committee on Appropriations and ordered to be printed.

959. A letter from the Acting Secretary of the Navy, transmitting report of proposed transfer of equipment to the Los Angeles Girl Scout Council; to the Committee on Armed Services.

960. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill to provide extra compensation for certain employees of the Immigration and Naturalization Service, and for other purposes; to the Committee on Post Office and Civil Service.

961. A letter from the Acting Secretary of the Navy, transmitting report of proposed transfer of equipment to the Mariners' Museum; to the Committee on Armed Services.

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. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1025. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1026. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1027. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1028. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1029. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. VAN ZANDT: Committee on Armed Services. H. R. 4247. A bill to authorize the attendance of the Marine Band at the National Convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947; with amendments (Rept. No. 1031). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 108. A bill to authorize the conveyance of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes; with amendments (Rept. No. 1032). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 2575. A bill to amend the Articles of War to improve the administration of military justice, to provide for more effective appellate review, to insure the equalization of sentences, and for other purposes with amendments (Rept. No. 1034). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 4308. A bill to amend section 1 of the act of July 20, 1942 (56 Stat. 662), as amended, relating to the acceptance of decorations, orders, medals, and emblems by officers and enlisted men of the armed forces of the United States tendered them by governments of cobelligerent nations, neutral nations, or other American Republics; without amendment (Rept. No. 1037). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DONDERO: Committee on Public Works. H. R. 4115. A bill to quiet title and possession with respect to certain land in the town of Cheverly, Prince Georges County, Md.; without amendment (Rept. No. 1033). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Michigan:

H. R. 4322. A bill to provide for 26 days' annual leave and 15 days' sick leave for employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. BARRETT:

H. R. 4323. A bill to promote the mining of coal, phosphate, sodium, potassium, oil, oil shale, gas, and sulfur on lands acquired by the United States; to the Committee on Public Lands.

By Mr. BROWN of Georgia:

H. R. 4324. A bill to amend the Reconstruction Finance Corporation Act, as amended; to the Committee on Banking and Currency.

By Mr. RABIN:

H. R. 4325. A bill to allow inflated construction costs of rental dwellings to be deducted, for income-tax purposes, over a period of 60 months; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 4326. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. MACKINNON:

H. R. 4327. A bill to amend section 22, subsection (b) of the Internal Revenue Code relating to exclusions from gross income, and for other purposes; to the Committee on Ways and Means.

By Mrs. BOLTON:

H. R. 4328. A bill to amend the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. GRANGER:

H. R. 4329. A bill to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes; to the Committee on Public Lands.

By Mr. JONKMAN:

H. R. 4330. A bill to authorize the Secretary of State to perform certain consular-type functions within the United States and its Territories and possessions; to the Committee on Foreign Affairs.

By Mr. POTTS:

H. Con. Res. 109. Concurrent resolution relative to the Palestine situation; to the Committee on Foreign Affairs.

By Mrs. ROGERS of Massachusetts:

H. Res. 319. Resolution to provide additional funds for the expenses of the study and inspection authorized by House Resolution 120; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BOGGS of Delaware:

H. R. 4331. A bill for the relief of Bertha M. Rogers; to the Committee on the Judiciary.

By Mr. CLEMENTS:

H. R. 4332. A bill for the relief of Archie Hamilton and Delbert Hamilton; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 4333. A bill for the relief of Mrs. Ellen Morton; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 4334. A bill for the relief of David Dortort; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JULY 23, 1947

(Legislative day of Wednesday, July 16, 1947)

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

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

Grant, O Father, that we may go about this day's business with an ever-present remembrance of the great traditions in which we stand and the great responsibilities with which our office has entrusted us. Grant us every equipment for this service to our country—calm minds, sound judgment, and understanding hearts. God bless the people of the United States, to whom we are accountable, and fulfill for each of us the promise of the Scripture: "As thy days so shall thy strength be."

We ask this in the name of Jesus. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 22, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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 July 22, 1947, the President had approved and signed the following acts:

S. 179. An act for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel; and

S. 1360. An act for the relief of Eric Seddon.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the bill (S. 706) for the relief of William D. McCormick, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution of the Senate severally, with amendments in which it requested the concurrence of the Senate:

S. 358. An act to provide for settling certain indebtedness connected with Pershing Hall, a memorial in Paris, France;

S. 1361. An act to amend the United States Housing Act of 1937 so as to permit loans, capital grants, or annual contributions for low-rent-housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs; and

S. J. Res. 148. Joint resolution to authorize the temporary continuation of regulation of consumer credit.

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

H. R. 479. An act relating to the income-tax liability of members of the armed forces dying in the service;

H. R. 625. An act for the relief of (1) William R. Dohnt, administrator of all and singular, the goods, chattels, and credits which were of Margaret E. Dohnt, deceased; (2) Joseph A. Hauser, individually and as guardian of Florence Hauser, an infant of the age of 19 years; (3) Richard Adams, Sr., individually and as guardian of Richard Adams, Jr., an infant of the age of 16 years; (4) William P. Novotny, Sr., individually and as guardian of William Joseph Novotny, Jr., an infant of the age of 18 years; (5) William P. Novotny, Sr., individually and as guardian of Bernadette Novotny, an infant of the age of 20 years; (6) Grace Swiadek, individually and as guardian of Stanley Swiadek, an infant of the age of 18 years; and (7) Joseph F. Krotz, Sr., individually and as guardian of Joseph F. Krotz, Jr., an infant of the age of 18 years;

H. R. 648. An act for the relief of Mrs. Elfreida Sakowsky Passant, alias Elfreida Sakowsky, alias Elfreida Pogue;

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 1131. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker;

H. R. 1155. An act for the relief of the estate of W. H. Rodgers, deceased;

H. R. 1534. An act for the relief of Graff, Washbourne & Dunn;

H. R. 1645. An act for the relief of Mrs. Leona McMinn Winkler;

H. R. 1781. An act for the relief of Annie L. Taylor and William Benjamin Taylor;

H. R. 1916. An act for the relief of Filiberto A. Bonaventura;

H. R. 2012. An act for the relief of Mrs. Pearl Cole;

H. R. 2192. An act for the relief of the Massman Construction Co.;

H. R. 2347. An act for the relief of Mrs. Akiko Tsukado Miller;

H. R. 2891. An act for the relief of Mattie A. Horner;

H. R. 3088. An act for the relief of William Dudley Ward-Smith;

H. R. 3111. An act for the relief of Louis H. Deaver;

H. R. 3499. An act for the relief of Petrol Corp.;

H. R. 3696. An act authorizing the issuance of a patent in fee to Daniel Broken Leg;

H. R. 3754. An act for the relief of Oscar and Anna Carlblom;

H. R. 4042. An act to control the export to foreign countries of gasoline and petroleum products from the United States;

H. R. 4111. An act authorizing the construction of flood-control works on the Little Sioux River and its tributaries in Iowa;

H. R. 4257. An act to provide an extension of time for claiming credit or refund with respect to war losses;

H. R. 4254. An act providing for the disposition of farm labor camps to public or semi-public agencies or nonprofit associations of farmers; and

H. R. 4259. An act to amend sections 3404 (d), 3406 (a) (4), and 3443 (a) (3) (A) (i) of the Internal Revenue Code;

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 108) to provide for the creation of a joint committee to prepare a plan for the participation by the United States in the observance and celebration in Cuba of the fiftieth anniversary of American and Cuban victories in the war with Spain, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

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

H. R. 479. An act relating to the income-tax liability of members of the armed forces dying in the service;

H. R. 4257. An act to provide an extension of time for claiming credit or refund with respect to war losses; and

H. R. 4259. An act to amend sections 3404 (d), 3406 (a) (4), and 3443 (a) (3) (A) (i) of the Internal Revenue Code; to the Committee on Finance.

H. R. 625. An act for the relief of (1) William R. Dohnt, administrator of all and singular, the goods, chattels, and credits which were of Margaret E. Dohnt, deceased; (2) Joseph A. Hauser, individually and as guardian of Florence Hauser, an infant of the age of 19 years; (3) Richard Adams, Sr., individually and as guardian of Richard Adams, Jr., an infant of the age of 16 years; (4) William P. Novotny, Sr., individually and as guardian of William Joseph Novotny, Jr., an infant of the age of 18 years; (5) William P. Novotny, Sr., individually and as guardian of Bernadette Novotny, an infant of the age of 20 years; (6) Grace Swiadek, individually and as guardian of Stanley Swiadek, an infant of the age of 18 years; and (7) Joseph F. Krotz, Sr., individually and as guardian of Joseph F. Krotz, Jr., an infant of the age of 18 years;

H. R. 648. An act for the relief of Mrs. Elfreida Sakowsky Passant, alias Elfreida Sakowsky, alias Elfreida Pogue;

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