Mr. REEVES: Committee on the Judiciary. H. R. 5387. A bill for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury claim board; without amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. S. 1263. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.; without amendment (Rept. No. 1648). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3497. A bill for the relief of Mrs. Shirley Leinwand; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3740. A bill for the relief of Andrew Osiecimski Czapski; without amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4199. A bill for the relief of George Haniotis; with an amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4484. A bill for the relief of Theodore Loetsch; without amendment (Rept. No. 1652). 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. BLAND:

H. R. 6085. A bill to amend section 26 of the Shipping Act of 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. CURTIS:

H. R. 6086. A bill to define partnerships and partners for income-tax purposes; to the Committee on Ways and Means.

By Mr. DIRKSEN:

H. R. 6087. A bill to amend the act entitled "An act to regulate the practice of optometry in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. EVINS:

H. R. 6088. A bill to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. LYLE:

H. R. 6089. A bill to amend the act of July 6, 1945, Public Law 134; to the Committee on Post Office and Civil Service.

By Mr. MICHENER:

H. R. 6090. A bill authorizing the Secretary of the Interior to issue patents for lands held under color of title; to the Committee on Public Lands.

By Mr. WELCH:

H. R. 6091. A bill to withdraw certain land as available land within the meaning of the Hawaiian Homes Commission Act of 1920 (42 Stat. 108), as amended, and to restore it to its previous status under the control of the Territory of Hawaii; to the Committee of Public Lands.

By Mr. WORLEY:

H. R. 6092. A bill to authorize the erection of additional facilities at the existing Veterans' Administration facility at Amarillo, Tex.; to the Committee on Veterans' Affairs.

By Mr. LATHAM:

H. R. 6093. A bill to amend section 26 of the Shipping Act of 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNGBLOOD:

H. R. 6094. A bill to authorize the United States during an emergency period to undertake its fair share in the resettlement of displaced persons and expellees by permitting their admission into the United States; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 6095. A bill to provide for the collection and publication of statistical information by the Bureau of the Census; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of Illinois:

H. R. 6096. A bill to provide for making available the Government-owned alcohol plants at Muscatine, Iowa; Kansas City, Mo.; and Omaha, Nebr.; for the production of products from agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MURDOCK:

H. R. 6097. A bill to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes; to the Committee on Public Lands.

By Mr. SHAFER:

H. R. 6098. A bill to promote the common defense by providing for the retention and maintenance of a national reserve of industrial productive capacity, and for other purposes; to the Committee on Armed Services.

By Mr. DINGELL:

H. R. 6099. A bill to provide for a national program of old-age retirement, survivors, and permanent disability insurance; to the Committee on Ways and Means.

By Mr. NODAR:

H. R. 6100. A bill to provide free mailing privileges for patients in or at veterans' hospitals; to the Committee on Post Office and Civil Service.

H. R. 6101. A bill to extend for 3 years the period in which first-class letter mail matter may be transmitted free of postage by members of the armed forces; to the Committee on Armed Services.

H. R. 6102. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

By Mr. GATHINGS:

H. R. 6103. A bill to repeal the exemption from income tax now existing in favor of certain cooperative associations and corporations; to the Committee on Ways and Means.

By Mr. HARTLEY:

H. Res. 518. Resolution to provide funds for the Committee on Education and Labor; to the Committee on House Administration.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky memorializing the President and the Congress of the United States concerning the acquisition and maintenance, as a national shrine, of the Albert Sidney Johnston home, the old courthouse and old post office located in the town of Washington, in Mason County, Ky.; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. REED of Illinois:

H. R. 6104. A bill for the relief of Thomas Falese; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 6105. A bill for the relief of Serapio Zabala-Arrien; 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:

1708. By Mr. CANFIELD: Petition of sundry citizens for passage of such legislation as may be required for the reduction of shipping rates to stricken foreign countries; to the Committee on Post Office and Civil Service.

1709. By Mr. NORBLAD: Petition signed by Mrs. William J. Hamilton and 33 other citizens of Salem, Oreg., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1710. Also, petition signed by Mr. C. A. McCall and 33 other citizens of Salem, Oreg., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1711. By Mr. WELCH: California State Senate Resolution 30, memorializing Congress to take such steps as may be necessary to increase the compensation of the postal employees sufficiently to enable them to meet the enormously increased cost of living; to the Committee on Post Office and Civil Service.

1712. Also, California State Senate Resolution 39, memorializing Congress to adopt the resolution proposed by Representative WELCH asking that the Army, Navy, and Interior Department engineers study the possibility of building a dam at the northern end of San Francisco Bay to separate the salt water of the Pacific from the fresh water of the two rivers; to the Committee on Public Works.

1713. By the SPEAKER: Petition of the Board of Selectmen of Holliston, Mass., petitioning consideration of their resolution with reference to amending the United Nations Charter; to the Committee on Foreign Affairs.

1714. Also, petition of Henry M. Barnhart, Mount Dora, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1715. Also, petition of Mrs. Maude M. Gibson, Orlo Vista, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1716. Also, petition of Mrs. Ruey E. Collins, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1717. Also, petition of Leslie D. Sailor and others, petitioning consideration of their resolution with reference to enactment of universal military training; to the Committee on Armed Services.

SENATE

FRIDAY, APRIL 2, 1948

(Legislative day of Monday, March 29, 1948)

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

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

Our Father, let us never be ashamed to come to Thee in prayer, for we are Thy children, Thou art our Father.

Together we pray for the Members of this body who need the healing ministry of the Great Physician and for their

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loved ones concerning whom they are anxious.

O Christ, our Saviour, Thou art still the sympathizing Jesus. Be near this day to those whose names we whisper in our hearts and minister to them according to their needs and Thy loving kindness.

Help those who are in trouble.

Give Thy consolation to those who sorrow and Thy love to us all.

In Thy name we pray. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 1, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States.

The message also announced that the House had passed a bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

RUSSIAN STOPPAGE OF RAIL AND MOTOR COMMUNICATION INTO BERLIN

Mr. DONNELL. Mr. President, I ask unanimous consent that I may read and offer at this time certain preambles and a resolution and that they may be appropriately referred.

Whereas it appears from the public press that on Thursday, April 1, 1948, two American trains were stopped by Russians at the border of the Soviet occupation zone which completely surrounds the city of Berlin; and

Whereas it further appears that of the American trains so stopped one was carrying passengers en route from Frankfurt to Berlin and the other was a milk and mail train coming from Bremerhaven to Berlin, the milk on which last-mentioned train was for American dependents and children in Berlin, and which train carried 21 passengers, including the wife of an American lieutenant colonel; and

Whereas it further appears that a Russian order announced on March 31, 1948, and effective at midnight following the announcement requires all motor or rail passengers and freight to undergo Russian inspection at border control points; and

Whereas it appears further from the press that the Russians halted at the border of the Soviet occupation zone two British trains on April 1, 1948; and

Whereas it appears further that on the night preceding April 1, 1948, Russians installed a cordon across the only international rail and road routes leading from the city of Berlin and that Soviet check points insisted on passing on each Allied national going in or out of the city of Berlin, whether soldier or civilian; and

Whereas it further appears that Soviet officers attempted to board British and American military trains and were rejected, and that Russians thereupon refused to let said trains proceed; and

Whereas it further appears that approximately 10,000 nationals of the United States of America are in Berlin and that on April 1, 1948, the United States of America started to supply by air its nationals in Berlin, and that the shipments on April 1, 1948, by air into Berlin included 15,000 pounds of food; and

Whereas it further appears that both the American and British sectors of Berlin were, following suspension by American and British military authorities of all military trains under their jurisdiction, without their normal rail communications with the west; and

Whereas it is of urgent importance that Congress be fully and immediately informed of what agreements have hitherto been entered into which would in any manner be of assistance in determining the rights of the Government of the United States of America and of its nationals with respect to ingress into, and egress from, Berlin by persons and by shipments, and whether any rights of either said Government or nationals are infringed by the action taken, as hereinabove indicated, by either the Soviet Government or any Russian officials or other Soviet nationals: Therefore be it

Resolved, That the Senate of the United States does hereby request the Department of State and the Department of the Army each to furnish to the Congress of the United States, as immediately as is possible, full information as to the agreements and arrangements under which a sector of the city of Berlin has been and is being occupied by the United States of America, its armed forces, and other nationals, and as to the agreements or arrangements bearing on the question as to whether rights of the United States of America and its nationals have been infringed by the actions taken under any Russian order or by Russian officials or other Soviet nationals, to which actions reference is hereinabove made; and that, as part of the information herein requested to be furnished to the Congress of the United States, there shall be included copies of all documents of every nature creating, defining, or setting forth the respective rights of the four governmental powers by which the city of Berlin is now occupied concerning ingress into, and egress from, the city of Berlin on the part of individuals or shipments by any and all forms of transportation, including pedestrian, nonmotor traffic, rail, automotive, truck, and airplane.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I did not hear everything the Senator from Missouri said when he began his remarks, but now that he has concluded, I understand he is offering a resolution calling for certain information.

Mr. DONNELL. That is correct.

Mr. HATCH. I understood the Senator to ask that the preambles and resolution be appropriately referred. My inquiry is, to what committee would that kind of a resolution be referred?

The PRESIDENT pro tempore. In the opinion of the Chair, the resolution should be referred to the Committee on Foreign Relations.

The resolution (S. Res. 218) submitted by Mr. DONNELL was referred to the Committee on Foreign Relations.

Mr. LODGE. Mr. President, in connection with what the Senator from Missouri [Mr. DONNELL] has just said, I desire to have the RECORD show my own conviction that the Russian tactics of bullying and intimidation in Berlin demonstrate what a ghastly error and what a tragic miscalculation were made at the end of the war when we withdrew our troops from what is now the Russian zone of Germany. It also shows the pressing need for prompt military preparedness if actual harm to American men, women, and children in Berlin is to be prevented.

NOTICE OF HEARING BY SUBCOMMITTEE OF COMMITTEE ON THE JUDICIARY ON S. 156

Mr. DONNELL. Mr. President, notice is hereby given that on Wednesday, April 21, 1948, at 10 a. m., a public hearing will begin in room 424, Senate Office Building, Washington, D. C., with respect to the bill (S.156) to permit retired officers of the armed forces to act as agents or attorneys for prosecuting claims against the United States, before a subcommittee of the Senate Committee on the Judiciary, which subcommittee is composed of Senator McGRATH, of Rhode Island, and Senator DONNELL, of Missouri.

ORDER OF BUSINESS

Mr. WHITE. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHITE. Am I correct in my understanding that by unanimous consent the conference report on the veterans' bill, Senate bill 1393, is before the Senate?

The PRESIDENT pro tempore. The conference report is before the Senate.

Mr. WHITE. Was there not an agreement that the Senator from Oregon [Mr. MORSE] was to be recognized on the opening of the Senate today?

The PRESIDENT pro tempore. The Chair is not advised of any agreement, but the Senator from Oregon will be recognized very shortly.

INVESTIGATION OF EXPORTS TO RUSSIA AND ITS SATELLITE COUNTRIES

Mr. REVERCOMB. Mr. President, I have in my hand a resolution which I propose to submit at the close of my remarks. The resolution authorizes the proper committee of the Senate to make a full and complete investigation of all exports from the United States to Russia and its so-called satellite countries since January 1, 1947.

The purpose of the resolution is to have a public hearing, so that the people of the United States may be fully apprised of the shipments which have been made from this country to Russia, and to countries dominated by her.

I feel that the time has come when the people of the United States should know the facts. We have authorized and have appropriated billions of dollars that go to the people of Europe and to the governments of Europe. It is said that the purpose of that expenditure is to stop the

spread of communism. We have today before us the proposal for reinstating the draft of the young men of the country into the armed services. It is said that the one reason for bringing about the increase of the armed forces and reinstatement of the draft is to stop communism. We know, and we have been apprised from time to time, of the shipment of materials from the United States into Russia, the birthplace of communism and the champion of that philosophy of government and of thinking. Therefore, I believe it entirely appropriate at this time that the people of the United States be made aware of what is going on—for this is still the people's Government—and what course is to be taken.

We cannot say "Stop communism" and at the same time feed communism. If there are imports to the United States from Russia today—and there has been mention of this—let us know what they are, and let the reasons be given to the people of the country as to why this course, I may say this double course of action has been pursued.

Mr. President, I have some figures I desire to place in the RECORD at this time for the benefit of the Senate and for the benefit of the citizens of the United States.

I am advised that the total worth of exports from the United States to Russia from January 1, 1947, through January 31, 1948, was $156,585,000. Of this amount, $115,595,000 was in machinery and vehicles; $5,221,000 was in nonmetallic minerals, including petroleum; and $17,137,000 in metals and manufacturing materials.

In the matter of machinery and vehicles, the United States shipped $12,235,000 in construction and conveying equipment; $18,790,000 in mine, well, and pumping machinery; $16,689,000 in power-driven metal-working machine tools; $4,923,000 in electrical motors, starters, and controllers; and $21,210,000 listed simply by the Commerce Department as "Other industrial machinery."

In the same 13-month period, we exported to Soviet Russia a total of $17,137,000 in metals and manufacturing materials. In 1947 alone, the shipments included $3,697,000 of tubular products and fittings; and $3,521,000 of wire rope. These are materials, Mr. President, which definitely have been in short supply in the United States. I invite the attention of Senators to these figures, which represent just the beginning, I may say, of the revelation which should be made to the people of America, so that they may know whether we are traveling upon a sound course.

There have also been shipped to Russia $2,451,000 in iron and steel bars and rods.

Shipments of lubricating oils amounted to $1,041,000; gas oil and distillate fuel oil, $1,348,000; and $839,000 in motor fuel.

The Commerce Department also lists under 1947 the sum of $16,337,000 in lend-lease exports, and $32,072,000 in UNRRA shipments.

These figures, Mr. President, have been taken from reports of the Commerce Department of our Government.

The purpose of my resolution is to bring about a public hearing, not a private hearing, on the subject, so that the people may know where we are traveling, and what the real situation is, and so that we may not in one breath be talking about increasing the Army to stop communism, appropriating billions of dollars to stop communism, and at the same time find that our own Government is feeding and strengthening the very force it is said we are to stop. Let us have a settled course upon which we travel. Let us know what is received by us in return. Let the people know the exact situation, so that they will not be in a state of misunderstanding upon the subject. Let an end to confusion be made, and a settled, informed policy be established. This is the way to understanding. This is the surest way to a peaceful course. Certainly it is the way to united action upon the policy we should take.

Mr. President, therefore I ask unanimous consent to submit the resolution, and I request that it be appropriately referred and printed in the RECORD at the close of my remarks.

There being no objection, the resolution (S. Res. 219) submitted by Mr. REVERCOMB was received and referred to the Committee on Interstate and Foreign Commerce, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of all exports from the United States to Russia and its so-called satellite countries since January 1, 1947, including export licenses issued therefor and the persons to whom issued. The committee shall report to the Senate as soon as possible the results of its investigation together with such recommendations as it may deem desirable.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PERMANENT REORGANIZATION STATUTE (H. DOC. NO. 590)

The PRESIDENT pro tempore laid before the Senate the following communication from the President of the United States, which was referred to the Committee on Expenditures in the Executive Departments:

THE WHITE HOUSE,
Washington, April 1, 1948.

The PRESIDENT OF THE SENATE PRO TEMPORE.

SIR: Under section 5 (f) of the Reorganization Act of 1945 the authority of the President to submit reorganization plans for the consideration of the Congress terminated on March 31, 1948. I believe that the act should be made permanent. At the same time, the provisions of section 5 which exempt certain agencies and functions should be eliminated as these exemptions make it impossible to deal with the total problem of the organization of the executive branch.

Experience under the Reorganization Acts of 1939 and 1945 has clearly demonstrated the advantages of this special procedure whereby the President and the Congress cooperate in improving the structure of the executive branch. Under these acts no less than 24 agencies have been eliminated as independent establishments, exclusive of temporary war agencies, and three agencies of major importance have been created through the grouping of related functions. Ten bureaus have been consolidated and many other bureaus and units have been transferred to their appropriate locations in the departmental structure.

In the last 2 years 35 organizational changes have been effected by reorganization plan. Among the more important of these have been the establishment of the Housing and Home Finance Agency, the rounding out of the Federal Security Agency as the central instrumentality of the Government in the field of social welfare, and the concentration in the Coast Guard of Federal programs relating to safety of water transportation.

The existence of the Commission on the Organization of the Executive Branch of the Government makes the continuation of the Reorganization Act of 1945 especially vital. The reorganization plan procedure will be essential if the President and the Congress are to be in a position to act promptly on the recommendations of the Commission.

As you are well aware, the reorganization of the executive branch is a continuous task. As new programs develop and old ones change in size and character, the structure of the Government must be adjusted to new conditions and requirements. Experience indicates that the method established by the Reorganization Acts of 1939 and 1945 provides a simple and practicable procedure for effecting many such adjustments. An effective reorganization statute should be continually available to serve the President and the Congress.

Respectfully yours,

HARRY S. TRUMAN.

TRANSFER BY NAVY DEPARTMENT OF LANDING SHIP, TANK, TO CAPE MAY (N. J.) FERRY COMMISSION

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Cape May (N. J.) County Ferry Commission had requested the Navy Department to transfer a naval landing ship, tank, for use by that commission in a ferry service across lower Delaware Bay, which was referred to the Committee on Armed Services.

PETITION AND MEMORIAL

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

A resolution adopted by the citizens of the town of Holliston, Mass., favoring an amendment to the United Nations Charter so that it may become an effective instrument for the establishment, maintenance, and enforcement of peace; to the Committee on Foreign Relations.

A resolution adopted by the District Council of Eastern Pennsylvania, Junior Order United American Mechanics, at Perkasie, Pa., protesting against the continuation of a personal or official representative to the Vatican from the United States; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 1856. A bill to provide for the utilization as national cemeteries of surplus Army Department-owned military real property at Fort Devens, Mass.; Fort Logan, Colo.; and Fort Lewis, Wash.; with an amendment (Rept. No. 1049);

S. 1874. A bill authorizing the head of the department or agency using the public domain for national defense purposes to compensate holders of grazing permits and licenses for losses sustained by reason of such use of public lands for national defense purposes; with an amendment (Rept. No. 1050);

S. 2240. A bill to include certain lands within the Uinta and Wasatch National Forests, Utah, and for other purposes; without amendment (Rept. No. 1051); and

H. R. 2645. A bill 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; without amendment (Rept. No. 1052).

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

S. 2195. A bill to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; with amendments (Rept. No. 1053).

COORDINATION OF FEDERAL AND STATE TAXES—REPORT OF A COMMITTEE (REPT. NO. 1054)

Mr. BRICKER. Mr. President, I ask unanimous consent to submit a report from the Committee on Expenditures in the Executive Departments.

The report concerns the activity of the committee and its Subcommittee on Intergovernmental Fiscal Relations. This subcommittee was formed as a result of the introduction of Senate Joint Resolution 90 by Senator HERBERT R. O'CONOR, of Maryland, in the first session of this Congress.

The subcommittee developed, and the full committee approved, a preliminary program of suggested adjustments in the area of Federal and State tax relationships. I earnestly call this matter to the attention of every Senator and especially to the Committee on Finance so that they may have the benefit of our study on these important matters.

I should like to emphasize that our aim has not been tax relief so much as it is an adjustment of tax relationships aimed at taking the Federal Government out of certain fields, and State governments out of other fields. Any student of the tax problem is familiar with the pyramiding of taxes by a multitude of Federal and State laws, and the Committee on Expenditures in the Executive Departments earnestly suggests that this pyramiding must stop and that a dividing line must be drawn.

The tables contained in this report show the estimated effect of the abolition of certain Federal taxes, and they show much other information of value in the consideration of this subject.

While we are not a legislative committee, we are directed by the Legislative Reorganization Act to study these matters. The report I submit is the first effort along this line. Others will be forthcoming as time and circumstances will permit.

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

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. MOORE:

S. 2428. A bill to repeal an act approved August 24, 1894, entitled "An act to authorize the purchasers of the property and franchises of the Choctaw Coal & Railway Co. to organize a corporation, and to confer upon the same all the powers, privileges, and franchises vested in that company," and all acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 2429. A bill for the relief of Edward Woolf; and

S. 2430. A bill for the relief of Mrs. Zumrut Zelveian, Haig Zelveian, and Mary Zelveian; to the Committee on the Judiciary.

(Mr. WILEY (by request) introduced Senate bill 2431, to amend the Trading with the Enemy Act, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. WILEY (by request) introduced Senate bill 2432, to amend the Alien Registration Act of 1940, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. GURNEY:

S. 2433. A bill to except the Panama Railroad Co. from the Federal Tort Claims Act; to the Committee on Armed Services.

By Mr. McCARTHY:

S. 2434. A bill to incorporate the Paralyzed Veterans of America; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 2435. A bill for the relief of James Thomas Powers; to the Committee on Labor and Public Welfare.

By Mr. BUTLER:

S. 2436. A bill relating to custom duties on articles coming into the United States from the Virgin Islands; to the Committee on Finance.

By Mr. AIKEN (for himself, Mr. MORSE, Mr. IVES, Mr. THOMAS of Utah, Mr. HILL, Mr. MURRAY, and Mr. PEPPER):

S. 2437. A bill to amend the Railroad Retirement Act of 1937, as amended; and

S. 2438. A bill to amend the Railroad Unemployment Insurance Act, as amended; to the Committee on Labor and Public Welfare.

(Mr. FULBRIGHT introduced Senate bill 2439, to provide for the temporary retention in the United States of certain German paintings, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. BUTLER:

S. J. Res. 203. Joint resolution providing for the ratification by Congress of a contract for the purchase of certain lands and mineral deposits by the United States from the Choctaw and Chickasaw Nations of Indians; to the Committee on Interior and Insular Affairs.

AMENDMENT OF TRADING WITH THE ENEMY ACT

Mr. WILEY. Mr. President, by request, I ask unanimous consent to introduce for appropriate reference a bill to amend the Trading With the Enemy Act, and I request that the bill together with a letter from the Department of Justice may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and the bill and letter will be printed in the RECORD as requested by the Senator from Wisconsin.

There being no objection, the bill (S. 2431) to amend the Trading With the Enemy Act, introduced by Mr. WILEY (by request), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 33 of the Trading With the Enemy Act (40 Stat. 411), as amended, is hereby further amended to read as follows:

"SEC. 33. No return may be made pursuant to section 9 or 32 unless notice of claim has been filed: (a) In the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States on or after December 18, 1941, by July 31, 1949, or 2 years from the vesting of the property or interest in respect of which the claim is made, whichever is later. No suit pursuant to section 9 may be instituted after August 9, 1948, or after the expiration of 2 years from the date of the seizure by or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which relief is sought, but in computing such 2 years there shall be excluded any period during which there was pending a suit or claim for return pursuant to section 9 or 32 (a) hereof."

The letter presented by Mr. WILEY is as follows:

DEPARTMENT OF JUSTICE,
Washington, March 25, 1948.

Hon. ALEXANDER WILEY,
Chairman, Committee on the Judiciary, United States Senate,
Washington, D. C.

MY DEAR SENATOR: This Department invites your attention to the desirability of amending section 33 of the Trading With the Enemy Act in order to extend the time for filing claims under sections 9 and 32 of that act.

Section 32 was first enacted in March 1946 (60 Stat. 50). It was amended and section 33 was added in August 1946 (60 Stat. 930; 60 Stat. 925). Both sections were amended in August 1947 (Public Law 370, 80th Cong., 1st sess.).

Section 32 permits return of vested property to any persons save those in certain defined categories hostile to the United States. Among those to whom return is permitted are persons who were enemies under the act only by reason of residence in occupied countries during the war and persons who were persecuted by an enemy government during the war. Section 33 originally provided that claims for return under section 32 (a) and section 9 (a) must be made within 2 years of the vesting of the property or by August 8, 1948 (2 years from the passage of section 33), whichever should be later. In July 1947, Italians were for the first time made eligible to receive returns under section 32 (a). In order to give Italians the two years for filing of claims enjoyed by other claimants, section 33 was amended to permit filing of Italian claims until July 31, 1949.

It now appears that the two years allowed for the filing of claims has proved insufficient in the case of many claimants. Until recently, many of the occupied countries have been in a disorganized condition in which communication has been restricted and it has been difficult if not impossible for claimants resident in such countries to file claims. Moreover, many potential claimants have been necessarily preoccupied with

the problems of day-to-day existence. The plight of the victims of persecution has been even more arduous. Most of them are presently either in displaced-person camps or dead. Many are presumably unaware of their privileges under the act and, despite the earnest efforts of this Department, will probably continue to be so for some time in the future. Only a very small number of such persons have thus far been able to file claims. The heirs of deceased victims of persecution (who also may file claims under section 32), some of whom are American citizens, are in many cases ignorant of the existence of the vested property, or of the fact that they are the heirs, or both. Unless the statute of limitations is extended, the purpose of Congress will be frustrated in many deserving cases.

The proposed amendment would accomplish three main purposes. First, it would extend from August 8, 1948, to July 31, 1949, the statute of limitations on claims filed pursuant to sections 9 and 32 of the act in cases involving property vested during World War II. In addition, where the August 1948 limiting date on the filing of claims and suits is retained, the date is changed from August 8 to August 9, it having been observed that August 8 falls on Sunday. Second, the statute of limitations governing subsection 9 (a) proceedings would be made applicable to all proceedings under section 9. Third, it would simplify section 33. The section is presently embodied in two statutes (60 Stat. 925 and Public Law 370, 80th Cong., 1st sess.), a consequence of separate legislation in respect of Italian vested property providing, among other things, a different period of limitations for such property than is applicable to other property. The proposed legislation would erase distinctions which the passage of time has made unnecessary and treat all World War II claims uniformly.

The extension of slightly less than a year which is here proposed would do much to alleviate the situation. The filing of stale claims would not be encouraged since, even with the extension, the entire period during which claims might be filed (i. e., from the enactment of sec. 32 to July 31, 1949) would be less than 3½ years.

Section 33 makes no provision for limitations in any proceedings under section 9 except those under subsection (a). This apparently inadvertent omission may have occurred because only subsection (a) has come into sufficiently general play in World War II to command attention. Nevertheless, there may be some claims from World War I under other subsections of section 9 which are controlled by no statute of limitations at present. While we are confident that such claims, if they exist at all, are not important, it would seem desirable, in the interest of good order, to be able to close the books in respect to such possible claims after the stated time.

A proposed bill to effectuate the foregoing suggestions is enclosed.

The Director of the Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

PEYTON FORD,
The Assistant to the Attorney General.

AMENDMENT OF ALIEN REGISTRATION ACT OF 1940

Mr. WILEY. Mr. President, by request, I ask unanimous consent to introduce for appropriate reference a bill to amend the Alien Registration Act of 1940, and I request that the bill together with a letter from the Department of Justice may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriatedly referred, and, without objection, the bill and letter will be printed in the RECORD as requested by the Senator from Wisconsin.

There being no objection, the bill (S. 2432) to amend the Alien Registration Act of 1940, introduced by Mr. WILEY (by request), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 35 of the Alien Registration Act of 1940, approved June 28, 1940 (54 Stat. 675; 8 U. S. C. 456), is hereby amended to read as follows:

"SEC. 35. Any alien required to be registered under this title who is an alien resident of the United States on July 1, 1948, and on July 1 of any succeeding year, shall, within 10 days following such dates, notify the Commissioner in writing of his current address. In the case of an alien for whom a parent or legal guardian is required to apply for registration, the notice required by this section shall be given by such parent or legal guardian."

SEC. 2. Subsection (b) of section 36 of the said act is hereby amended to read as follows:

"(b) Any alien or any parent or legal guardian of any alien who fails to give written notice to the Commissioner, as required by section 35 of this act, shall, upon conviction thereof, be fined not to exceed $100 or to be imprisoned not more than 30 days, or both."

The letter presented by Mr. WILEY is as follows:

DEPARTMENT OF JUSTICE,
Washington, March 24, 1948.

Hon. ALEXANDER WILEY,
Chairman, Committee on the Judiciary, United States Senate,
Washington, D. C.

MY DEAR SENATOR: This Department invites your attention to the desirability of amending the Alien Registration Act of 1940.

Section 35 of the Alien Registration Act of 1940 (54 Stat. 675; 8 U. S. C. 456) requires alien residents in the United States to advise the Commissioner of Immigration and Naturalization of a change of address within 5 days of such change. The same section also requires nonimmigrants to notify the Commissioner of their address at the expiration of each 3 months' period of residence in the United States regardless of whether there has been a change of address.

The foregoing section and the penalty provided for its violation in section 36 of the same act (8 U. S. C. 436 (b)) have not been effective in obtaining the desired information. Several years ago a number of alien registration records were sent out to the field offices of the Immigration and Naturalization Service for investigation, and it was discovered that a considerable percentage of the aliens involved had changed their address without complying with section 35. Criminal proceedings do not appear to have been effective in encouraging compliance with the provision in question inasmuch as the courts have been reluctant to impose a penalty for such an apparently minor infraction of the law.

It is deemed important that the centralized alien registration records should more accurately reflect the location of the aliens. With a view to achieving that objective, it is recommended that sections 35 and 36 (b) of the Alien Registration Act of 1940 (8 U. S. C. 456, 457 (b)) be amended to require that every alien resident of the United States on July 1, 1948, and on July 1 of every succeeding year shall, within 10 days following such date, notify the Commissioner of Immigration and Naturalization of the alien's current address.

A draft of a proposed bill to carry out this recommendation is enclosed.

The proposed bill would provide a definite period in each year within which all aliens must report their place of residence to the Commissioner of Immigration and Naturalization, and would in effect amount to an annual registration of aliens as to their location. It is believed that such a measure would also encourage many aliens to seek naturalization rather than continue the burden of having to register their whereabouts annually.

The director of the Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely yours,

PEYTON FORD,
The Assistant to the Attorney General.

RETENTION OF GERMAN ART TREASURES IN UNITED STATES

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to provide for the temporary retention within the United States of certain German paintings, and to have printed in the RECORD an explanatory statement. In further explanation of the bill, I also ask unanimous consent to have printed in the RECORD two short articles and an editorial.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred; and, without objection, the statement, articles, and editorial will be printed in the RECORD, as requested by the Senator from Arkansas.

There being no objection, the bill (S. 2439) to provide for the temporary retention in the United States of certain German paintings, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Armed Services.

The statement, articles, and editorial presented by Mr. FULBRIGHT are as follows:

STATEMENT

Late in the war the United States Army in Germany found a large number of fine paintings, originally from the Kaiser Friederick Museum in Berlin, which were then stored in a large salt mine near Merkers, Germany.

Two hundred and two of these paintings were crated and shipped to the United States for the purpose of safekeeping, according to my information, because expert personnel was not then available within the American zone to assure their safety.

The White House on September 26, 1945, announced "they will be returned to Germany when conditions there warrant."

The decision that these objects should be returned to Germany was based on an article of the Hague Convention to the effect that property of institutions dedicated to arts, even when state property, shall bt treated as private property and that seizures are forbidden.

I am advised that the Army now considers conditions in Wiesbaden and Munich safe enough to permit return of these paintings. The paintings are now on exhibition in the National Gallery of Art, and it is intended by the Army to return them at an early date.

I want to make it clear that I do not question the ownership of these paintings under the Hague Convention. However, I doubt the advisability of their return to Germany at this time. I do not believe that conditions in Germany are near enough to normal to assume that the people of Germany are interested, to any great extent, in return of the paintings in order that they may be put on exhibition.

Accordingly, I have introduced a bill which would provide for the temporary retention in the United States of these works of art. This bill expressly recognizes that the paintings are in possession of the United States for safekeeping only and that they are the property of Germany or of institutions or nationals of Germany.

I do not think that this action will or could be construed as a repudiation of our obligation to restore these works of art. As a matter of fact, this bill would accomplish more, by recognition of German ownership, than would the return of the paintings to Germany, as long as they, as intended by the Army, remain in the custody of our armed forces.

The bill also provides that upon the recognition of a national government for Germany, the Army shall return the paintings to Germany and restore them to their owners.

The bill would provide that such of the paintings as chosen by the Director and Chief Curator of the National Gallery of Art may be exhibited at such places as these officials deem feasible, that a reasonable admission fee be charged and that the net proceeds from such exhibitions be paid over to the United Nations International Children's Emergency Fund to be used for the benefit of German children.

According to an editorial in the New York Times of March 29, the United Nations International Children's Emergency Fund is preparing to carry out the greatest mass inoculation against tuberculosis on record.

It is proposed to test for tuberculosis 50,000,000 out of 230,000,000 hungry children in 11 European countries, with the certainty that only 15,000,000 will be free of infection. These 15,000,000 can be immunized, but the fate of the 35,000,000 who prove to be infected is problematical.

I quote from a portion of this editorial as follows:

"Such an undertaking of mercy is bound to be expensive. Hence, the United Nations International Children's Emergency Fund has pledged $2,000,000 for the European project and $2,000,000 for far eastern and South American projects which are still in the planning stage. These allotments are based on an estimated cost of 10 cents for each tuberculin test and 10 cents for each inoculation. An appeal for voluntary contributions has been addressed to 45 countries by the Crusade for Children of the American Overseas Aid-United Nations Appeal for Children. This country's contribution must be $60,000,000 (most of it for clothing and food) if some millions of European children are to be saved from malnutrition and tuberculosis. Of this sum, New York City is expected to contribute $6,600,000. No worthier cause is before the public."

In my opinion, such an undertaking would be of far more value to the German people and would reflect more credit upon the Government of the United States than would the return of the paintings to German soil.

I am aware of the fact that the Army will probably take the position that the risk of these paintings falling into Russian hands is no greater than other risks which this Government is undertaking as regards its property and personnel in Germany. But I wish to emphasize the distinction that those risks are unavoidable and indeed necessary, whereas, the return of this property to German soil creates a risk which is not only unnecessary but foolish.

Understanding among peoples of this and other nations is a two-way proposition. It is not only necessary that they have an appreciation of us, but it is equally important that we have knowledge and understanding of them. I think that an excellent means of achieving this is through this opportunity to learn something of the culture of these peoples through viewing its products.

It is also true, and interesting to note, that these paintings are a part of our own history, since they were created in those countries from which many of our people come, and from which we derive so much of our religious and cultural background.

I became interested in the retention of the paintings in this country after visiting the exhibition last week. It is interesting to note that my views are confirmed in an article appearing in this morning's Washington Post, about which I had no previous knowledge.

[From the Washington Post of April 2, 1948]

BERLIN EDITOR'S SUGGESTION—NATION-WIDE EXHIBITS PROPOSED FOR GERMAN ART TREASURES

The 202 German art treasures, now at the National Gallery should be exhibited in a dozen other American cities during the next 12 months, a leading German editor proposed yesterday.

The suggestion that the masterpieces should not be returned to Germany this month, as planned, came from Erik Reger, chief editor of the Berlin Tagesspiegel. It is the largest daily newspaper published in Germany under license of the American military government.

Reger, visiting this country at the invitation of American publishers, said another year's exhibition of the pictures in the United States would lead to better understanding between the two nations.

He added his belief that "most of my countrymen" would agree to the proposal.

He suggested, however, that eight or ten German art curators and experts come to the United States and take charge of the exhibit as it went from city to city.

This would suggest to the Germans, he explained, that the United States was scrupulously avoiding any impression that it was trying to withhold the pictures from an ultimate return to Germany.

"I have visited the exhibition at the National Gallery," Reger said in an interview, "and I have seen the crowds and the interest which the people took in every detail of the pictures and the painters, many of whom were German masters.

"I learned that in 2 weeks, more than 200,000 visitors have enjoyed the paintings. I know that many people have come to Washington, especially at this time of year, but certainly these are a small minority of those Americans who would like to see the masterpieces.

"There are so many towns in the United States whose people have no opportunity to come here, but who want to enjoy the exhibit, too.

"I would suggest that the exhibition go to ten or a dozen other big cities, throughout the country. It could remain in each about 4 weeks, making about a year's stay in all."

Reger said he highly appreciated the promise of the War Department to return the paintings to Germany after the gallery exhibit closes April 18, but that a better purpose would be served if they were put on view before more Americans.

The appointment of German custodians for the exhibit would convince Germans that the delay was no ruse to deny eventual return of the pictures, he said.

[From the New York Times]

SAVING EUROPE'S CHILDREN

Such are the ravages of tuberculosis in undernourished Europe that the United Nations International Children's Emergency Fund is to carry out the greatest mass inoculation on record. The vaccine to be used is known as BCG, an abbreviation of Bacillus Calmette Guerin, which is to be produced by the Danish Serotherapeutic Institute of Copenhagen and the Pasteur Institute of Paris. Some 50,000,000 out of 230,000,000 hungry children in 11 European countries are to be tested for tuberculosis, with the certainty that only 15,000,000 will be free of infection. These 15,000,000 can be immunized by inoculation with BCG. The fate of the 35,000,000 who will prove to be infected is problematical. No provision can be made for wholesale curative work. Hence, the importance of proper food and clothing. The need of this continent-wide attack on tuberculosis was driven home when Dr. Johannes Holm supervised a recent mass tuberculin test of 6,000,000 Hungarian children under 18 years of age, of whom two-thirds either once had or now have the disease and whom no vaccine could save. The rest, some two million in number, received BCG.

This mass attack on tuberculosis will be carried out by 250 medical teams during the next 18 months under the auspices of the International Children's Emergency Fund and the World Health Organization. By 1950 all countries that have received aid should continue testing and vaccinating on their own responsibility.

Such an undertaking of mercy is bound to be expensive. Hence, the United Nations International Children's Emergency Fund has pledged $2,000,000 for the European project and $2,000,000 for far eastern and South American projects which are still in the planning stage. These allotments are based on an estimated cost of 10 cents for each tuberculin test and 10 cents for each inoculation. An appeal for voluntary contributions has been addressed to 45 countries by the Crusade for Children of the American Overseas Aid-United Nations Appeal for Children. This country's contribution must be $60,000,000 (most of it for clothing and food) if some millions of European children are to be saved from malnutrition and tuberculosis. Of this sum New York City is expected to contribute $6,600,000. No worthier cause is before the public.

AUSTRIA'S FAMED ART TO CONTINUE TOURING; WILL BE SHOWN IN UNITED STATES

PARIS, March 29.—It looks now as if at least one of the world's finest collections of art may continue its present wanderings for some time to come.

A year ago Allied-occupied Austria, anxious for its treasures in an uncertain future, took the precaution to empty the Vienna museums for an indefinite road tour abroad.

It assembled works that rival those of the Louvre in Paris and the Uffizi Gallery in Florence—masters like Pierre and Jean Bruegel, Van Dyck, Albert Durer, Franz Hals, Rembrandt, Goya, Velasquez, Veronese, Titian, and Tintoretto.

Now, however, even more uneasy in view of recent events in Czechoslovakia, Austria does not intend to recall this multiple collection home—until its sovereignty is restored by treaty and fear of possible foreign encroachment is dispelled.

Austria's move has turned out to be both a safety measure against confiscation by a foreign invader—and a handsome source of revenue.

Art lovers have flocked in droves to see these works in Zurich, Prague (before the Red coup), and Brussels. And 2,500,000 Parisians paid $350,000 in admissions through the winter-long show in the French capital.

Stockholm is the next port of call for these art works. After that, they cross the Atlantic to go on display in New York and Philadelphia, and possibly Chicago.

An entire section of the composite collection is devoted to tapestries, baldachins, and standards, many of which belonged to Emperor Charles V, who once ruled half of Europe. For historians there are valuable manuscripts from as far back as the seventh century.

One magnificent display that dazzles all includes golden swords, goblets, bracelets, and rings, once the property of kings and

royal ladies who flitted through 1,000 years of Europe's history.

Among the best-known pieces is the fifteenth century cross of the Order of the Golden Fleece, before which knights swore fealty. It is in gold encrusted with sapphires, rubies, and pearls.

Another high light is a beautiful specimen of the goldsmith's art extant—a golden salt cellar wrought by Benvenuto Cellini for Francis I of France. Hapsburg family jewels and heirlooms—even treasures of the bygone dukes of Burgundy—are also to be seen.

Austria is determined not to bring back its "exhibition-in-exile" until a treaty is signed with the powers. If these times continue as troublous as now, however, there is a chance that Americans will have this great concentration of foreign art works and treasures in their midst for quite a spell.

ALTERATION OF CERTAIN HIGHWAY BRIDGES IN CONNECTION WITH FLOOD-CONTROL PROJECTS—AMENDMENTS

Mr. BUTLER submitted amendments intended to be proposed by him to the bill (S. 1993) to authorize the alteration of certain highway bridges at Federal expense in connection with flood-control projects, and for other purposes, which were referred to the Committee on Public Works and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

CHANGES OF REFERENCES

Mr. BALL. Mr. President, Senate bill 2384 to extend the educational and training benefits of the Servicemen's Readjustment Act of 1944, as amended, to certain widows and children of deceased veterans, and to extend the loan benefits of such act to certain widows of deceased veterans, and Senate bill 2404, to provide benefits for veterans suffering injuries as the result of training, hospitalization, or medical treatment or examination administered under authority of any laws granting benefits to World War veterans, were mistakenly referred to the Committee on Labor and Public Welfare. They properly belong in the Committee on Finance, which handles that particular phase of veterans' legislation.

Therefore, I ask unanimous consent that the Committee on Labor and Public Welfare may be discharged from the further consideration of those bills, and that they be referred to the Committee on Finance.

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

EUGENE D. MILLIKIN—ARTICLE FROM DENVER POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article entitled "MILLIKIN Wins Spotlight by Brilliant Tax Victory," written by Barnet Nover and published in the Denver Post of March 28, 1948, which appears in the Appendix.]

RECIPROCAL TRADE AGREEMENTS—LETTERS FROM JOHN BRECKINRIDGE

[Mr. HAWKES asked and obtained leave to have printed in the RECORD two letters relating to reciprocal trade agreements, from John Breckinridge, which appear in the Appendix.]

THE UNITED STATES NEEDS DISPLACED PERSONS—EDITORIAL COMMENT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD several editorials setting forth why the United States needs displaced persons, which appear in the Appendix.]

INTERNATIONAL AGREEMENTS—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Let Us Have the Record," published in the Indianapolis Star, which appears in the Appendix.]

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM—ARTICLE BY V. A. COLLINS

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an article entitled "The Heart of the Constitution," by V. A. Collins, published in the Houston (Tex.) Post, March 21, 1948, which appears in the Appendix.]

LEAVES OF ABSENCE

Mr. HATCH asked and obtained consent to be absent from sessions of the Senate during next week because of certain commitments.

Mr. SPARKMAN asked and obtained consent to be absent from sessions of the Senate next week.

Mr. CAIN asked and obtained consent to be excused from attendance upon the Senate from Tuesday, April 6, through Friday, April 16.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended.

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

Mr. MORSE obtained the floor.

Mr. WHERRY and Mr. BARKLEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oregon yield; and if so, to whom?

Mr. MORSE. Mr. President, I will say to my colleagues that I am going to decline to yield further, in fairness to Senators involved in the parliamentary situation in which we find ourselves. The Senate will recall that it was agreed last night that the conference report on Senate bill 1393, to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation Numbered 1 (a), as amended, should be the unfinished business, and that it would be taken up immediately upon the convening of the Senate today, so that the Senator from Ohio [Mr. TAFT] could meet an engagement he had at 1:30 o'clock today. The Senator from Ohio desires to participate in the discussion.

I will also in fairness say that the Senator from Illinois [Mr. LUCAS] sought to make a speech at the opening of today's session, but he has graciously agreed to postpone his speech until we conclude action on the conference report and the veto message, which I think is coming to the Senate today. So, because of that parliamentary situation, I think in fairness to my colleagues I shall not yield further. I think, Mr. President, that we should proceed with a discussion of the conference report which is before the Senate, and I suggest the absence of a quorum.

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

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

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

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

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

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

WALLACE H. WHITE

Mr. BARKLEY. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield to the Senator from Kentucky.

Mr. BARKLEY. I wish merely to take note of the presence of the majority leader, the distinguished Senator from Maine [Mr. WHITE], who to the great regret of all Members of the Senate, and I am sure of the country, has been ill since the beginning of the year. We are happy to note his recovery. We hope that he will continue to be blessed with good health and good spirits. We have greatly missed him during the past 2 or 3 months while he has been ill, and we are all happy to see him back. We hope that he may remain with us indefinitely. [Applause.]

Mr. WHITE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. WHITE. I interrupt the Senator from Oregon only long enough to give assurance to the minority leader of my very deep and abiding gratification, and the pleasure his kind words give me.

There is much about a hospital experience that is not intriguing. One cannot avoid moments of discomfort and disquietude. I have had such moments, but they are all forgotten in the pleasure of meeting again with Members of the Senate. [Applause.]

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans' Regulation No. 1 (a), as amended.

Mr. BRICKER. Mr. President, will the Senator from Oregon yield to me to submit a report of a subcommittee? It will require only about 2 minutes.

Mr. MORSE. I am sorry; but before the Senator entered the Chamber I explained why I could not yield, in order to meet a parliamentary situation. As soon as I shall have finished, I shall be happy to yield.

Mr. President, last night I submitted the conference report on Senate bill 1393 and asked for its immediate consideration. By way of explanation, I wish to make a few remarks.

The Senate passed Senate bill 1393, dealing with on-the-job-training ceilings, fixing the amount of $200 for veterans with no dependents and $250 for veterans with dependents.

The House then amended Senate bill 1393 by inserting the provisions of House bill 246, in which it sought to amend the basic law, including a reference to subsistence allowances, in that it restated that portion of the basic law dealing with subsistence, and proceeded to fix the amounts for on-the-job ceilings at $250 for veterans with no dependents, $325 for veterans with one dependent, and $350 for veterans with more than one dependent.

As a result of the conference discussions, I am pleased to report that on the basis of the on-the-job ceiling figures we reached a compromise between the figures of the House and those of the Senate, namely, $210 for veterans with no dependents, $270 for veterans with one dependent, and $290 for veterans with more than one dependent.

We also modified the House position in regard to that section of the House bill which dealt with subsistence figures by providing that veterans engaged in part-time training courses and institutional on-the-farm training courses should be paid a pro rata amount of the subsistence allowance, on the basis of the ratio of the hours of their course of study as compared with a full-time course of study.

That, in substance, is the conference report; and I ask for its adoption.

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

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. The Senator from Minnesota [Mr. BALL] and I did not sign the conference report, for the reason that we feel that it violates the rules of the Senate.

The point is briefly this: Last year we passed a bill which increased veterans' allowances approximately 15 percent above the $65 and $90 allowances. That bill was passed by the Senate and by the House. It did not increase the allowances to veterans for part-time educational courses. That bill was enacted and became the law. It established the basis on which veterans' allowances have been increased.

This bill had no relation whatever to veterans' allowances, except to change the ceilings for the total which a veteran could keep, including what he received from the Government and what he earned himself in on-the-job training or on-the-farm training. Those allowances were increased to a greater extent by the House than by the Senate, and we reached compromise figures which are entirely satisfactory to me.

The House also extended the 2-year on-the-job training to 4 years but it receded from that position. However, the House insisted upon inserting in this bill an increase in the allowances for part-time training, with which the bill did not deal at all. Neither the House nor the Senate made any provision whatever for any increase in allowances; and consequently the matter which is now included in the conference report, which increases the allowances to veterans for part-time educational training, was not considered by either House. There was no disagreement between the Houses, and yet the conference report includes an increase which I think is estimated to cost approximately $40,000,000 or $50,000,000. I am not certain as to the exact amount of the increase.

So, Mr. President, I make the point of order, under rule XXVII, paragraph 3, that this is a matter which was not committed to the conferees by either House and is not a germane modification of subjects in disagreement.

The PRESIDENT pro tempore. The Chair has been advised in advance of this point of order and is prepared to rule.

Obviously the Chair is not passing upon the merits of the legislation. He is passing only upon the parliamentary situation involved. It is a rather complicated one, and the Chair will ask the Senate to bear with him for the following statement in respect to the rule:

In addition to S. 1393 and the House substitute H. R. 246, there are two other bills, H. R. 2181 and S. 1394, which enter into and affect the present case, inasmuch as they became laws prior to the passage by the House of S. 1393.

S. 1393, upon which the conference report is submitted, passed the Senate on July 25, 1947. It amended only the proviso in paragraph 6 of part VIII of Veterans' Regulation Numbered 1 (a) as amended, which provided ceilings for subsistence allowance for on-the-job training for veterans. It passed the House on February 3, 1948, with an amendment in the nature of a substitute, being the text of H. R. 246, which had been on the House Calendar since February 26, 1947. While the substitute restated paragraph 6 in its amended form, the only change made in the law as it existed on February 26, 1947, was to increase the ceilings, as did the Senate bill, and to add a further proviso relative to a standard workweek. Neither the Senate bill nor House substitute made any reference to institutional on-farm training.

As shown by the House report accompanying H. R. 2181 on April 30, 1947, uncertainties and complications had arisen as to the status of on-farm trainees. This bill was designed to clarify and correct this situation. It amended paragraph 6 by specifically including therein a provision for "an institutional on-farm training course," which legislation, as expressly stated in the report, was necessary to provide full subsistence allowance for on-farm trainees. The bill passed both Houses and was approved on August 6, 1947—Public Law 377.

S. 1394 passed the House without amendment on February 3, 1948, and was approved by the President on February 14, 1948—Public Law 411—effective April 1, 1948. This bill made important amendments to that portion of paragraph 6 of part VIII which preceded the proviso, and did not in anywise conflict with the purpose of S. 1393.

In the consideration of S. 1393 on February 3, 1948, the text of H. R. 246, adopted as a substitute for the text of the Senate bill, was not perfected by including therein the amendments to paragraph 6 made by H. R. 2181 and S. 1394, and its effect is to repeal such amendments. As a result, the status of on-farm trainees reverted to that which existed prior to the passage of the two bills mentioned.

The former practice of conferees, in the case of substitute amendments, of incorporating new matter in their reports, is prohibited by section 135 of the Legislative Reorganization Act of 1946, and they are now required to apply to such amendments the rules of procedure that govern separate or numbered amendments, namely, that they shall not insert in their report matter not committed to them by either House nor strike therefrom matter agreed to by both Houses.

The conferees, in the adjustment of the two Houses, had no authority to consider these amendments. These differences, insofar as paragraph 6 was concerned, involved only an increase in ceiling rates. By including in their report a provision authorizing the payment of full subsistence allowance to on-farm trainees, the conferees are endeavoring to accomplish the same amendment of the law that was admittedly made necessary by the enactment of H. R. 2181 and S. 1394. Such a provision inserted by them is clearly new matter, within the meaning of the rule, and by taking such action the conferees have exceeded their authority.

The provision of the new rule authorizing conferees to include in their report

matter which is a germane modification of subjects in disagreement is not applicable or pertinent in the present case, for the reason that the legislative provision inserted in the conference report, while germane to the general subject, was not contained in any form in either the Senate bill or the House substitute, and is therefore a matter not in disagreement between the two Houses.

The conferees, in section 2 of their report, have inserted a provision amending paragraph 3 of part VII of said Veterans Regulation No. 1 (a) as amended. Neither the Senate bill nor the House substitute amended any portion of part VII of such regulation. This provision, therefore, is new matter, under the rule, and by inserting it in their report the conferees exceeded their authority.

There is no provision in either bill as to when it shall become effective; therefore, under general law, the act would become effective upon its approval by the President. Section 3 of the conference report provides that S. 1393 shall take effect on April 1, 1948. In thus fixing a different date, the conferees have changed matter to which the two Houses, in legal effect, have agreed, and in this respect have also exceeded their authority.

Conferees, in an effort to adjust differences between the two Houses in any given case, cannot, under the rule, give consideration to, or be governed by, the equities of such a situation or by the merits of any legislation they may propose. They have no power, under the rules, to include in their report a provision of a legislative character that relates to a matter not in disagreement. Their authority is to be strictly construed.

On March 8, 1918, the Senate amended Rule XXVII of its standing rules by providing that conferees should not insert in their report matter not committed to them by either House, nor should they strike from the bill matter agreed to by both Houses. On March 13, 1918, less than a week thereafter, the then Vice President, Thomas R. Marshall, in sustaining a point of order that conferees had exceeded their authority, stated the situation very clearly with respect to the authority of conferees. He said:

This is not a question as to what the law is or what the law should be, nor is it a question as to what the legislation should or should not be. It is a plain question as to what can be done in this conference report under the rules of the Senate.

On August 23, 1922, in a case involving the authority of conferees, the Presiding Officer of the Senate, Mr. Wesley L. Jones, of Washington, with reference to the strict applicability of the rule, said:

This rule was adopted to meet a practice of the Senate that had become an abuse and to which objection had often been made. It is clear and definite in the limits which it imposed upon the action of the conferees. It has not been often invoked since its adoption, but when invoked it is controlling upon the Senate. Whether the objection made is technical or substantial, if it comes within the terms of the rule, no discretion is left in the Presiding Officer.

On June 25, 1926, in the House of Representatives, in a case involving a similar point of order, the Speaker, Mr. Nicholas Longworth, of Ohio, passing upon the question of the germaneness of new matter inserted by the conferees, said:

The rule is very well settled, passed on by a number of Speakers, as to the powers of conferees. It is well described in the Manual:

"The managers of a conference must confine themselves to the differences committed to them and may not include subjects not within the disagreements, even though germane to a question in issue."

Therefore the question of whether or not this question is germane has nothing to do with the point of order raised by the gentleman from Texas. The question is solely, Did the conferees go beyond the differences between the two Houses?

A few of the many precedents of the Senate and House, including those from which the above excerpts are taken, restricting the powers of conferees, are herewith cited:

On March 13, 1918, a point of order against the conference report on a bill providing for Government operation of railroads was sustained on the ground that the conferees had inserted a proviso that totally changed both the Senate and House text—Sixty-fifth Congress, second session, RECORD, pages 3305 to 3316; Senate Journal, pages 109, 112.

The decision of the Vice President, Thomas R. Marshall, was sustained, on appeal, by a vote of 51 yeas, 23 nays.

On April 18, 1918, a point of order against the conference report on the Indian appropriation bill for 1919 was sustained on the ground that the conferees had exceeded their authority in connection with oil and gas leases on lands of the Five Civilized Tribes. Vice President Marshall, in passing upon the point of order, said:

This is not a question as to what the law is or what the law should be, nor is it a question as to what the legislation should or should not be. It is a plain question as to what can be done in this conference report under the rules of the Senate.

There was no provision in the House bill on the subject, it having been included by the Senate in its amendment.

The Vice President further said:

The Senate adopted an amendment appropriating certain money and provided that no part of that money should be used in forwarding undisputed claims to the Department at Washington for approval, but that they might be approved by the Superintendent of the Five Civilized Tribes in Oklahoma. The claims that the Senate provided should not be forwarded to the Interior Department were agricultural and mineral leases, and the provisions specifically exempted oil and gas leases therefrom. The rule of the Senate recently adopted is that—

Conferees shall not insert in their report matter not committed to them by either House.

The conferees have now provided that oil and gas leases shall not be sent to Washington for approval by the Secretary of the Interior. That is a plain insertion of new matter by the conferees, and the Chair sustains the point of order. (65th Cong., 2d sess., RECORD, pp. 5239–5241; Senate Journal, p. 175.)

On February 22, 1919, a point of order was made against the conference report on Senate bill 2812, promoting the mining of coal, phosphate, oil, and gas on the public domain. In this case both Houses had adopted a provision that such lands should be outside the Territory of Alaska. The conferees included lands in Alaska. The Presiding Officer of the Senate, Mr. William F. Kirby, of Arkansas, held that the conferees had exceeded their authority and sustained the point of order—Sixty-fifth Congress, third session, RECORD, pages 4044 to 4048; Senate Journal, page 171.

On August 23, 1922, certain points of order were made in the Senate against the conference report on H. R. 9103, providing for the appointment of additional United States district judges, on the ground that they had left out matter agreed to by both Houses and had also inserted new matter. The Senate amendment was in the nature of a substitute for the House bill. The Presiding Officer, Mr. Wesley L. Jones, of Washington, after reading paragraph 2 of rule XXVII, said:

This rule was adopted to meet a practice of the Senate that had become an abuse and to which objection had often been made. It is clear and definite in the limits which it imposed upon the action of the conferees. It has not been often invoked since its adoption, but when invoked it is controlling upon the Senate. Whether the objection made is technical or substantial, if it comes within the terms of the rule, no discretion is left in the Presiding Officer.

Omitting that part of the opinion dealing with the question of leaving out matter agreed to by both Houses, the Presiding Officer, with respects to the insertion of new matter by the conferees, said:

The next proposition is with respect to the provision relating to the middle district of Tennessee. The House made provision for an additional judge for this district. It is conceded that under existing law the present judge is the judge for the eastern and the middle districts of Tennessee. The Senate made no provision for an additional judge for the middle district. The provision as finally agreed to and submitted by the conferees takes away the jurisdiction given to the present judge by existing law in the middle district and limits his jurisdiction to the eastern district.

The question of limiting the jurisdiction of the existing judge was not submitted to either House; neither House gave it any consideration whatever; and the Chair believes it to be new matter in the conference report and prohibited by the rules. (67th Cong., 2d sess., RECORD, p. 11766; Senate Journal, p. 407.)

On February 17, 1925, during the consideration by the Senate of the conference report on H. R. 518, the Muscle Shoals bill, Mr. George W. Norris, of Nebraska, made the point of order that the conferees had included new matter in their report, and therefore had exceeded their authority. After debate, the President pro tempore, Mr. Albert B. Cummins, of Iowa, sustained the point of order. He said, in part:

There can be no doubt that the changes made in the Senate bill in conference are germane in a broad, general sense to the subjects dealt with in the Senate bill, and if that is the test to be applied the point of order must be overruled.

In construing rule XXVIII, paragraph 2, however, as it related to new matter, the President pro tempore said:

Without attempting to define "new matter," the Chair is of the opinion that it was intended, when this paragraph of the rule was adopted, to restrict the general parliamentary law as frequently announced by the Speaker of the House of Representatives. * * *

The Chair does not desire to be understood as holding that every change made in the Senate bill by the conference report constitutes "new matter." It is of the opinion that in order to bring the change within the spirit of rule XXVII "new matter" must be of substantial import; that is to say, a change affecting in a substantial way the plan proposed in the Senate bill.

The ruling of the Chair, on appeal, was sustained by a vote of 45 yeas, 41 nays—Sixty-eighth Congress, second session, RECORD, page 4123; Senate Journal, page 210.

On June 25, 1926, in the House of Representatives, during the consideration of the conference report on H. R. 10827, a bill to increase the efficiency of the Army Air Corps, a point of order was made that the conferees had exceeded their authority by including in their report a provision relative to naval aircraft not in disagreement between the two Houses. The Speaker, Nicholas Longworth, of Ohio, in sustaining the point of order, among other things, said:

The rule is very well settled, passed on by a number of Speakers, as to the powers of conferees. It is well described in the manual:

"The managers of a conference must confine themselves to the differences committed to them and may not include subjects not within the disagreement, even though germane to a question in issue."

Therefore, the question of whether or not this amendment is germane has nothing to do with the point of order as raised by the gentleman from Texas. The question is solely, Did the conferees go beyond the differences between the two Houses?

In the face of these facts and these unavoidable conclusions, the Chair sustains the point of order.

With further reference to this matter, the Chair hands down a brief of precedents, which, without objection, will be printed at this point in the RECORD.

The brief is as follows:

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"This is not a question as to what the law is or what the law should be, nor is it a question as to what the legislation should or should not be. It is a plain question as to what can be done in this conference report under the rules of the Senate."

There was no provision in the House bill on the subject, it having been included by the Senate in its amendment.

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" 'Conferees shall not insert in their report matter not committed to them by either House.'

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"This rule was adopted to meet a practice of the Senate that had become an abuse and to which objection had often been made. It is clear and definite in the limits which it imposed upon the action of the conferees. It has not been often invoked since its adoption, but when invoked it is controlling upon the Senate. Whether the objection made is technical or substantial, if it comes within the terms of the rule, no discretion is left in the Presiding Officer."

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"The Chair does not desire to be understood as holding that every change made in the Senate bill by the conference report constitutes 'new matter.' It is of the opinion that in order to bring the change within the spirit of rule XXVII 'new matter' must be of substantial import; that is to say, a change affecting in a substantial way the plan proposed in the Senate bill."

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" 'The managers of a conference must confine themselves to the differences committed to them and may not include subjects not within the disagreements, even though germane to a question in issue.'

"Therefore the question of whether or not this amendment is germane has nothing to do with the point of order as raised by the gentleman from Texas. The question is solely, Did the conferees go beyond the differences between the two Houses?"

Mr. MORSE. Mr. President, I most respectfully appeal from the decision of the Chair, and I should like to be heard a few moments in argument in opposition to the Chair's ruling.

The PRESIDENT pro tempore. The Senator from Oregon appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I feel that I should almost address the Chair also in the language "If the court please," because I think what we are dealing with is a very important issue of Senate law. I most respectfully take the position that the point of order raised against the conference report is not well taken, and I

wish to state my reasons for appealing from the decision of the Chair.

Under section 135 of the Legislative Reorganization Act of 1946, which deals with "conference rules on amendments in nature of a substitute," the conferees are authorized to report, first, "a substitute on the same subject matter," and second, "in any such case matter which is a germane modification of subjects in disagreement." The same section prohibits the conferees from reporting, first, new matter, and second, matters not germane.

Therefore, the question on which I find myself at issue with the able President pro tempore of the Senate is the question which arises under the language of the Reorganization Act which reads as follows:

SEC. 135. (a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House.

Not by the Senate alone, but "by either House," says the basic law, binding upon the conferees.

They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

In this instance, as I shall point out in detail later, the language of the House bill specifically referred to subsistence allowances and to part-time training courses. Therefore, the conference committee had jurisdiction to proceed to consider subsistence rates and part-time trainees. I stress this point because it is the crux of my appeal. The President pro tempore has overlooked the language of the House bill dealing with the two items and dealing with them in specific terms.

(b) In any case in which the conferees violate subsection (a), the conference report shall be subject to a point of order.

Mr. President, the question whether new matters and matters not germane were adopted by the conferees in their report, when they included a course of part-time institutional training or a course of institutional training on the farm, should be fully discussed, I think, this afternoon before we can reach an accurate decision. In order that you, Mr. President, may fully understand the questions under consideration, it might be well to make a complete statement setting forth the facts leading up to the adoption of the conference report.

Senate bill 1393, which is the subject of the conference report, deals with a proposed amendment to the basic law, which is section 400 (b), paragraph (6) of the Servicemen's Readjustment Act, Public Law 346, of the Seventy-eighth Congress, approved June 22, 1944, as amended. I cannot emphasize that point too strongly, Mr. President, because all this discussion hinges, in my judgment, on the fact that what we are doing is amending the basic law of 1944. From this point on, it should be kept in mind that paragraph 6 provided the basic rates of subsistence allowance, and the subsistence allowances under this paragraph were paid, under the basic law of 1944, as amended, which we now propose to amend again. The law of 1944 made no distinctions between and among the subsistence allowances for veterans taking the following types of training: (1) Full- or part-time educational courses at institutions, schools, and so forth; (2) apprenticeship training; and (3) other on-the-job training.

The point I desire to stress, Mr. President, is that when the basic law, which is what we are dealing with in this discussion, was passed in 1944 it drew no distinctions between subsistence allowances for students in school and subsistence allowances for veterans in on-the-job training or apprenticeship-training programs. In other words, we are dealing with the basic GI bill of rights law which has always lumped together as germane and under one topic subsistence and the on-the-job training programs, whether involving veterans participating in on-the-job training programs or as students in college. This is an important point, I submit, when we consider the questions both of germaneness to the conference report and the new-matter issue, too.

Mr. President, the on-the-farm trainees were entitled to receive and were paid the full subsistence allowance of either $65 or $90 per month, under paragraph 6, section 400 (b) of the basic law, as on-the-job trainees. That is, in 1944 when the GI bill was passed, the on-the-job farm trainee received the full $50 or $75 allowance, depending upon whether he was single or married, and later received the $65 and $90 allowance. Then what happened? Under the ruling of the Veterans' Administration the on-the-farm trainees were reduced to part-time rates for this training, one-fourth or one-half or three-fourths, depending upon the length of hours worked. The moment the Veterans' Administration issued a regulation reducing the farm trainees to partial subsistence payments, considerable congressional opposition was raised, spearheaded in the Senate, I think it is fair to say, by the distinguished senior Senator from Georgia [Mr. GEORGE]. As the result of certain protestations which we made to the Veterans' Administration at the time, the Veterans' Administration said that it would set aside its ruling that farm trainees would receive only partial subsistence payments, until Congress took further action in the matter and clarified the issue.

The Members of the Senate will recall that time after time last year I pressed for a clarification of the status of farm trainees. I introduced a bill to that effect. The clarification finally took the form of the passage of a companion bill to mine in the House, namely, House bill 2181, which became Public Law 377 of the Eightieth Congress, approved August 6, 1947. This law authorized the payment of full subsistence allowances to the group now known as institutional on-farm trainees.

Mr. President, institutional on-farm trainees represent a sort of a hybrid class, so far as classification under veterans' legislation is concerned, in that they are both on-the-job trainees and part-time institutional trainees. They are not in the class of the veteran who takes an on-the-job trainee's course at the corner service station, for example. Such a service-station employee has been considered, under the legislation, as an on-the-job trainee. Neither are they in the class of the veteran who attends, let us say, the University of Maryland, taking a full-time course of study. We refer to such veterans in our legislation as full-time education trainees. We are dealing here with farm boys who take a few hours each week under an institutional extension course, and devote the rest of their time to work on the farm as on-the-job trainees. But, mark you, Mr. President, up until now, and from the very beginning of the passage of the basic GI law in 1944, these boys have been considered as on-the-job trainees. It was only for clarification purposes that in Public Law 377 of the Eightieth Congress we used for the first time the language "institutional on-farm training-course trainees." But they are on-the-job trainees. We cannot escape that conclusion, it seems to me, if we go back to the basic law of 1944. Their rights under the legislation are the rights of on-the-job trainees.

The House enacted House bill 2181, approved August 6, 1947, which law authorized the payment to the group now known as institutional on-farm trainees, of a full subsistence allowance instead of partial subsistence-allowance payments which the Veterans' Administration sought to pay them and which a group of us, under the leadership of the Senator from Georgia succeeded in getting the Veterans' Administration to set aside until we could pass Public Law 377.

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

Mr. MORSE. If the Senator would permit me, I should like to finish my argument, and then I should be glad to have him take me back to any part of my remarks to which he wants to take exception.

Mr. TAFT. I would only point out that while the amendment relating to farm trainees is one question, the far larger increase is with regard to ordinary part-time employees, persons who take a course here and a course there. The proposition as to farm trainees is one question, but I do not think the Senator should present that as the only question. In fact, it is a minor question as compared with the other question.

Mr. MORSE. I intend to present all facets of the conference report, I assure the Senator. However, I want to point out that if we had jurisdiction to go into the question of farm trainees, by including a provision covering farm trainees, then the whole subsistence issue was before us and we had the right to consider the other types of trainees, such as the boys, for example, who are operating elevators in the Capitol Building and taking part-time study courses at George Washington University. I shall cover all phases of the conference report if the Senator from Ohio will wait patiently for me to do so. At this point I wish to make clear the position of farm trainees under the present law and under

the changes proposed in the conference report.

Mr. TAFT. If the Senator will yield further, I do not want to interrupt him, but he does not claim, does he, that either the House or the Senate bill dealt with institutional farm trainees or part-time trainees?

Mr. MORSE. I take the position that it was clearly involved when, in the House bill, the House included a section on subsistence.

Mr. TAFT. But they in no way changed the existing law on subsistence.

Mr. MORSE. Yes; I think they did, for reasons which I shall point out later. Further, once they included a section on subsistence in an attempt to amend the basic law, then I insist it was germane in the conference to proceed to consider the whole subsistence question, because we had to modify the subsistence section put into the House bill in conference if we were to avoid that bill's serving as a repeal of Public Law 411 of the Eightieth Congress, approved February 14, 1948. Had we not done that, the work we did in the Senate on February 14, 1948, in passing a subsistence bill, would have been of no practical effect or purpose, because the subsistence figures in the House bill cannot be reconciled with the subsistence figures in Public Law 411. They constitute a return to the old subsistence figures of the old basic law as it existed prior to the passage of Public Law 411. It is this point that is so critical in this discussion. I repeat that when the House referred to subsistence in the bill and modified the subsistence figures from what they are in the present law, which is the basic law with Public Law 411 in it, then it was not only proper and germane for the conference committee to deal with subsistence, but its clear duty to do so.

When we found that the House bill and Public Law 411 were in conflict on subsistence allowances we were then in conference confronted with that section of the House bill which I shall read shortly, and which forced us, it seems to me, to take into account the whole issue of subsistence allowances.

Mr. President, Senate bill 1394, which became Public Law 411 of the Eightieth Congress, approved February 14, 1948, simply increased subsistence allowances to veterans taking full-time courses and did not provide increases to institutional on-farm trainees, apprenticeship training, or on-the-job training groups. Both Public Law 377 of the Eightieth Congress and Public Law 411 of the Eightieth Congress amended the basic law, which was paragraph 6 of section 400 (b) of Public Law 346 of the Seventy-eighth Congress. Senate bill 1393, as it passed the Senate, amended only the proviso clause of paragraph 6 of section 400 (b) of Public Law 346 of the Seventy-eighth Congress, as amended, or what I refer to in this argument as the basic GI bill of rights. All we did in the Senate bill was to amend a clause of the proviso section of the basic act dealing with on-the-job ceilings. The House amended Senate bill 1393 by striking out all the language after the enacting clause and substituting new language. The House amendment substituted language of the basic law on subsistence as it existed before Public Law 411 was passed and in addition amended the proviso which was contained in paragraph 6 of section 400 (b) of the basic law, which was in effect prior to the approval of House bill 2181, and which law authorized payment of full subsistence allowances to on-the-farm trainees, instead of partial payments.

I think this is one of the cruxes of the argument, Mr. President. I want to reiterate it by quoting from the House bill itself, and I want to repeat that Senate bill 1393 amended only the proviso clause of paragraph 6 of section 400b of the basic law. But that is not what the House bill did. The House bill struck out all of the language of paragraph 6 after the enacting clause and inserted this language, which was the language which confronted the conferees in conference. I read from the House bill:

> While enrolled and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays, and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor, whether performed as part of their apprentice or other training on the job at institutions, business, or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependence allowances as may be determined by the Administrator: *Provided*, That in no event shall the rate of such allowance, plus the compensation received, exceed $250 a month for a veteran without a dependent or $325 per month for a veteran with one dependent, or $350 for a veteran with two or more dependents: *Provided, further*—

And here is the proviso clause:

> *Provided, further*, That only so much of the compensation as is derived from productive labor, based on the standard workweek for the particular trade or industry, exclusive of overtime, shall be considered in computing the rate of allowance payable under this paragraph.

Mr. President, to repeat, we were confronted with a proposal from the House in the form of an amendment to the Senate bill which struck out all of the language before the proviso clause and also modified the amendment the Senate put in the proviso clause. It purported to again amend the basic law, the 1944 law, and in amending the 1944 law it specifically dealt with subsistence, it specifically dealt with payment for part-time work, it specifically dealt with ceilings.

I say we must not overlook the fact, when we consider the questions of both new matter and germaneness, that we were dealing in conference with a House bill which we had to reconcile with the Senate bill. We had to reach an agreement with the House conferees by way of conscionable compromise, so that we could bring forth a bill which amended the basic law without in effect repealing Public Law 411.

Why do I stress the point that the House bill would in effect have repealed Public Law 411? Because the House, although they were purporting to amend the basic law as to subsistence allowances left out of the basic law this language:

> Except that while enrolled in and pursuing a course of full-time institutional training under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $75 per month if without a dependent or dependents, or $105 per month if he has one dependent or $120 per month if he has more than one dependent, including regular holidays and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of his apprentice or other training * * * shall be entitled to receive such lesser sums, if any, as subsistence and dependency allowances as may be determined by the Administrator.

As I have said, the House bill left out that language, and the effect of leaving it out was to make null, in fact was to repeal, Public Law 411, or at least to make it ineffective. Public Law 411 was a law the Senate had already passed on February 14, 1948, which sought to raise the subsistence allowance for veterans in college.

By the reference to the language of the basic law providing for $65 for single veterans and $90 for married veterans, and the exclusion of the language which pertained to Public Law 411, the House bill, if adopted by the conferees, would in effect have repealed the law relating to subsistence we already had passed on February 14, 1948.

Mr. President, that was the practical situation which confronted the conferees. The gentlemen who did not sign the conference report could very well say, "What we should have agreed to was an acceptance of the Senate bill." I do not have to tell any Member of the Senate that taking such an adamant position is not the way conferences are usually conducted. We usually have to find some reasonable area of agreement between the two groups of conferees, and 8 of us out of 10 did find an area of agreement by which we could adjust our differences with the House and the House could adjust their differences with the Senate.

I wish to emphasize, Mr. President, that one of my major arguments is that when the House included in its bill an amendment which went back to the basic law of 1944, and which restated the subsistence allowances with the omission of Public Law 411, and which have always covered all types of trainees, then the issue of subsistence was before us in its entirety. If it was before us then we had the legal right, and I say the duty as conferees, to proceed to consider any germane modification of that section of the basic law dealing with subsistence. We also had the right, under the section of the Reorganization Act which I have already read, to include in our conference bill any substitute, by way of an amendment, which dealt with the types of trainees covered by section 6, paragraph 400 (b), of the basic law of 1944, as amended.

I wish to add further, Mr. President, that so far as subsistence allowances are concerned, the conferees merely adopted paragraph 6 of the basic law as amended,

as the law reads at this time, including the law of February 14, 1948. In other words, we recognized that the law of February 14, 1948, should be binding upon us, whereas the House proposal would in effect have repealed the law of February 14, 1948. So we went back and brought the basic law as amended up to date, including Public Law 411 which dealt with subsistence. But when we did that we necessarily were confronted with the House position on subsistence.

It should not be forgotten that when we dealt with the basic law as amended, that is, as the law reads at the present time, and agreed that veterans pursuing a course of part-time institutional training, including a course of institutional on-the-farm training, should be paid the additional subsistence allowances under certain conditions, we were dealing with a subject matter which was germane to the whole problem that was presented to us by the subsistence section of the House bill. I think that is pretty clear from the conference report itself, which provides that:

> While so enrolled and pursuing a course of part-time institutional training, including a course of institutional on-farm training, or other combination course, such person shall be paid, subject to the limitations of this paragraph, additional subsistence allowance in an amount bearing the same relation to the difference between the basic law rates and the increased rates provided in (1) hereof as the institutional training part of such course bears to a course of full-time institutional training.

Mr. President, I know of no way of ignoring the fact that the boys operating our elevators are also on-the-job trainees. Many of them are also part-time students in various schools and colleges. I know of no way of ignoring the fact that the boys working on the farms are also on-the-job trainees, and part-time institutional trainees, too. That has always been the case ever since the basic law was passed, in 1944.

That being true, and it also being true that we are dealing here with an amendment to the basic law, and with a House bill which incorporates not only by reference, but specifically, one section of the basic law, the section dealing with subsistence allowances, I am at a loss to understand how, by the processes of logic, we can escape the conclusion that it was germane and proper for the conference committee to deal also with subsistence allowances in the conference report bill. I say that because the subsistence section of the House bill raised the issue. When we are dealing with the on-the-job trainee House bill, we cannot separate ceilings from subsistence allowances because the House specifically included language in its bill dealing with subsistence. I think the President pro tempore has overlooked completely that vital part. All the on-the-job ceiling does is fix a top wage beyond which the trainee cannot go and still receive a subsistence allowance. Since the House bill goes back to the basic law and specifically make reference by language in the bill, to subsistence allowance, it seems to me, if we are going to be logical, we cannot avoid considering questions of subsistence allowance once that language was put in the House bill.

Mr. President, as to the question of germaneness, it should again be pointed out that under paragraph (6) payment of full subsistence allowance to on-the-farm trainees was provided for in the basic law of 1944, although later they received, by administrative order in the Veterans' Administration, only part-time payments; which we corrected in Public Law 377 of the Eightieth Congress passed August 6, 1947. The latter law amended paragraph (6) so as to provide with certainty for full-time subsistence allowances.

The subsistence allowances to those attending schools or colleges on a full-time basis were increased under Public Law 411 of the Eightieth Congress. These last two laws amended the basic law now before us in Senate bill 1393 and the conference report. They amended the basic law of paragraph (6), which was contained in the House amendment dealing with the payment of subsistence allowances. Thus the amendment adopted by the conferees is a germane modification of subject matter in disagreement, which continues to deal with the question of subsistence allowance payments provided for in the basic law to which the conference bill is an amendment.

Now as to the question of new matter, as discussed in the President pro tempore's ruling. As to the question of new matter being inserted by the conferees, it is again pointed out that the House amendment modified the basic law, and the amendments adopted by the conferees were to the same basic law, and were germane to the subject matter of payment of subsistence allowances, and the ceilings, too.

Further, I suggest that the partial payment of additional subsistence allowances to persons who already had title to some allowance payments under the basic act are in the nature of a substitute on the same subject matter and would not clearly constitute new material.

Let me repeat that point this way, Mr. President. These boys in the elevators are entitled to some subsistence payments now. The moment the question of ceilings is brought in—and they are also bound by ceilings—the moment the question of ceilings is brought into the discussion, the moment the House by specific language in its bill and by reference to the $65 per month and the $90 per month subsistence allowance, brought the question of subsistence into its bill, then clearly the conferees had jurisdiction to take into consideration by way of a substitute on the same subject matter a modification of those ceilings and subsistence for part-time trainees.

Therefore, in conclusion, Mr. President, I contend that the conferees adopted a compromise which, first, was a germane modification of the subject matter, because the House bill itself referred to subsistence allowances. The House bill itself modified the basic law as of the present time, because the House bill did not include within its terms the figures set out in the bill of February 14, 1948. We had to deal with that question. If we had not dealt with that question, if we had simply accepted the House bill, then the effect of the House bill would have been to repeal a bill which we had so recently passed as February 14 of this year. Therefore, I say, because we had to deal with this question of the omission from the House bill of the figures of Public Law 411, it was then germane for us to consider further modifications in subsistence allowances.

Second, I contend that it was proper for us to consider the amendment which will be found in the conference bill as to payments for part-time trainees, since that was in the form of a substitute on the same subject matter, because once we started to deal with subsistence and ceilings, and once it was admitted that these part-time trainees also are bound by ceilings and subsistence it was germane and proper for us then to consider the ceilings and subsistence allowances which would finally be applied to them.

Lastly I submit that the conference report does not include any new matter once we recognize, once we accept, the major premise that we are dealing with an amendment to the basic law, which section of the basic law has always dealt with both subsistence and on-the-job trainee programs.

Therefore I submit the report fully meets the requirements of section 135 (a) of the Reorganization Act, and is not subject to a point of order.

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

Mr. MORSE. I yield.

Mr. TAFT. The Senator, however, does not claim that the House in any way increased in its bill any veterans' allowances to part-time or full-time trainees? The House did not in its bill increase in any way any allowance. Is that not a correct statement?

Mr. MORSE. I think the House in effect decreased the allowances of full-time trainees when on page 2 of the House bill they refer only to $65 per month if without a dependent or dependents, or $90 a month if with a dependent or dependents. I believe, on the basis of the legal proposition that law last passed by the Congress shall prevail, that there would be nothing a court could do but to rule that the $75 and the $105 and the $120 we approved on February 14 automatically would be repealed by the House provision on subsistence had we accepted the House bill. If I am correct in that, then the House provision dealing with subsistence raised the whole subsistence question before the conference committee, and once that question was before us, then I think we could deal with full-time and part-time trainees in relation to subsistence. I think we could deal with ceilings for full-time trainees and part-time trainees, too, if we wanted to.

Mr. TAFT. But the House in its bill did not increase any allowances, did it?

Mr. MORSE. No.

Mr. TAFT. And the Senate did not increase any allowances in the Senate bill?

Mr. MORSE. That is correct.

Mr. TAFT. So the net result of including these amendments on part-time allowances is to increase the total cost about $48,000,000 over what it would have been if we had confined our action to the question of ceilings, which was all

that either House can change. Is that correct?

Mr. MORSE. I want to say most respectfully that I think the latter part of the Senator's statement deals with the merits of the substance of the legislation, rather than with the point of order, because when the Senator from Ohio says that the House bill did not increase any allowances, I want him not to overlook what I think is the negative feature of what the House did. What the House did by going back and reinserting the language of the basic law and ignoring Public Law 411 of February 11, 1948, was in effect to decrease subsistence allowances. If it decreased subsistence allowances, then I think we have the same right to take jurisdiction over the question of subsistence as we would have if it had increased subsistence allowances.

Mr. TAFT. That happened to be because the House passed this bill before the other bill. The House had no intention whatever of decreasing allowances. It had no desire to change the basic allowances. There was no difference between the conferees on that question.

Mr. MORSE. I respectfully say to the Senator from Ohio that I do not think that the Senate has any right to accept anyone's interpretation as to what was the intention of the House. The fact is that the House gave us a bill containing language which in effect repealed Public Law 411, and had the effect of reducing the subsistence allowances. The Senator from Ohio cannot change that fact by discussing his views of the intentions or motives of the House. The cold, hard reality of this situation is that the House bill, as we received it in conference, did in fact decrease subsistence allowances. We had to correct that situation in conference. The Senator from Ohio recognized that fact when this issue was first raised in conference. He saw then that it was germane for us to proceed to deal with the House action on subsistence and attempt to bring the bill into line with Public Law 411. He does not like it because eight members of the conference committee did not stop there. However, the issue before us is whether or not the conferees once they had the right to modify the House provisions on subsistence had the right to amend the subsistence section of the House bill by a substitute. I say that they clearly did. I think the objections of the Senator from Ohio really go to the money results of the action of the conferees but not to the jurisdiction of the conferees.

Because of the fact that the House bill had the effect of reducing subsistence I say that the whole question of subsistence was before us, and we had the right to deal with it, either by increasing it, decreasing it, or applying it in different ratios to different types of trainees. That is the essence of my case.

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

Mr. MORSE. I yield.

Mr. TAFT. In effect what the conferees did was to try to change the previous law, which dealt with allowances. Was not that the purpose of those who signed the conference report? They did not like what had been done in the previous law, and therefore they wanted to change it and add an increase for part time, which neither House had provided.

Mr. MORSE. Unquestionably there were mixed motives and desires on the part of 10 conferees. That always happens when a group of men try to reach compromises in conference. But speaking for myself, I think the Senator knows that at one time in the conference I took the position that we had to do something about the fact that the language in the House bill in regard to the $65 a month and the $90 a month had the effect of nullifying what we had done on February 14.

Mr. TAFT. We could have taken the Senate bill and modified it to meet the wishes of the House.

Mr. MORSE. Certainly; but all the Senator from Ohio is saying on that point, it seems to me, is that he would have liked it better if the conferees had taken the Senate bill rather than the House bill. But we had no right to force the Senate bill upon the House. The House conferees were a part, and a very effective part, of the conference committee. They refused to take the Senate bill.

The point I wish to make is that early in the conference, as the Senator will remember, the question of germaneness was raised. We discussed the question of germaneness. The Senator from Ohio can speak for himself; but it is my recollection that at that time the Senator from Ohio was impressed with the argument that, because of the language in the House bill on subsistence allowances to which I have referred, it would be necessary for the committee to do something about what the House had done in regard to the basic law on subsistence. He argued, as I understood him at the time, that we certainly would have to modify the language in the House bill which referred to the $65 and the $90 subsistence figures. So we proceeded in our discussion, I think the Senator will agree, at least with the tentative understanding that it was germane to consider subsistence issues. If it was germane then, it is germane now.

I wish to be absolutely fair on this question. I am speaking from recollection, but I see in the Chamber the Senator from Utah [Mr. THOMAS], one of the conferees. I ask him if it was not also his understanding that at the very beginning of the conference the question of germaneness was raised, and because of the language on page 2 of the House bill, dealing with subsistence, which we felt would require some modification on the part of the committee because of its effect on Public Law 411, we felt that going into the question of subsistence was germane. Is the Senator from Oregon correct in his understanding?

Mr. THOMAS of Utah. Mr. President, there is no doubt in my mind that we felt that what we did was germane to the subject. If I may take just a moment, I should like to say this:

To me this question is one of extreme practicality. The Constitution of the United States lays down a provision that before a bill can become a law it must pass both Houses of Congress and be signed by the President of the United States. If the Congress of the United States and our people had ever attempted a strict interpretation of that provision of the Constitution, we never would have had any law.

The idea of appointing managers and holding a conference is to reach an agreement. If an agreement had to be reached merely on the basis of wording, there would never be any agreement. The substance, ideas, and purposes must enter into any conference arrangement.

I cannot argue the legal aspects of this question, and I do not wish to attempt to do so, especially after the decision which has been made by the Chair, which is thoroughly legal and thoroughly proper, and after the appeal has been made in extremely well-defined legal fashion. I shall vote to sustain the appeal from the decision of the Chair, and I trust the appeal will be sustained, from a practical standpoint. We had this subject before us not for days, but almost weeks. Agreement had to be reached or there would have been no legislation. Every group of conferees on controversial matters of this kind find themselves ultimately reaching one question, and that is, "Can we do what we want to do on the question of germaneness, or must we throw what we want to accomplish out the window on a strict interpretation of germaneness?"

What I am afraid of is that if the ruling of the Chair should be sustained on the basis of the Reorganization Act, and if we should embark upon a policy of tying the hands of conferees by the strict interpretation which has been laid down here today, we shall find that future conferees will have a more difficult problem than ever.

On the aspects of this case, no one wanted to leave out a certain group and argue against a certain group of veterans and benefit only certain other groups. That would not have been fair. It would not have been in keeping with what either House had tried to do.

Often in conferences we find ourselves reaching the point where germaneness must be stretched; but common sense, and that which is attempted to be accomplished, within the instructions given to the conferees, should be respected.

Mr. President, I trust that the Senate will sustain the appeal from the decision of the Chair.

Mr. MORSE. Mr. President, I shall yield the floor with this statement:

We have before us a conference report which reconciles the differences between the Senate and the House on important veteran legislation. It brings order out of confusion so far as veteran's legislation is concerned. It meets the need of thousands of veterans and a great many employers who are being greatly harassed because we have not enacted this legislation.

I submit that the conference report is germane, because the House bill included specific reference to subsistence allowances. Once it did that, the whole question of subsistence was before us, and we had the right—and I say the duty—to reconcile the differences between the Senate and the House over

subsistence questions and to bring order out of chaos in this legislation. I submit that the decision of the Chair should be overruled.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House having proceeded to reconsider the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was—

Resolved, that the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. TAFT. Mr. President, the issue here is very simple. I think the decision of the Chair should be sustained if we are going to hold conference committees to the subjects which are committed to them.

I had great concern about the decision on the question dealing with the pension fund for Government employees, although certainly in that case there was much more excuse for the action taken.

But here we have a case in which the House dealt only with the question of ceilings and the Senate dealt only with the question of ceilings. Then the House conferees said in effect, "We do not like what another bill has done about allowances." Mr. President, the actual allowance made is an entirely different matter from the question of ceilings. That is shown by the fact that the Senator from Oregon, who introduced both bills in the Senate, introduced one bill dealing with allowances and introduced another bill dealing with ceilings.

The House conferees insisted that the conference go into the question of allowances; they then proceeded to do so, and the conferees agreed to make an increase in the allowances which amounted to $49,000,000. So this conference report provides for $49,000,000 more of expenditures than the conference report would have provided if the conferees had confined themselves to the question of ceilings.

Mr. President, we had no difficulty on the qestion of ceilings. We compromised between the House figure and the Senate figure. The House figure was larger.

If the decision of the Chair is sustained, we shall go back to conference and we shall agree on the ceilings again—on the proper ceilings. If the question of allowances is to be dealt with, it should be dealt with in a separate bill.

With reference to the question of farm trainees, perhaps there should be some allowances. But that is a minor factor of this increase. The main increase is one in all the allowances for part-time educational beneficiaries of the GI bill of rights. That question was considered by our committee last year, and was considered by the House committee. Both of them decided there should be no increase, and no increase was made in the bill which dealt with allowances. But then the conferees on another subject proceeded to increase those allowances to the extent of $49,000,000.

Mr. President, I have served on many conference committees. Conference committees do not give to the questions the consideration they should give. They never do. It is a question of trying to get together and make some compromise. They never have the evidence before them; they never have all the circumstances to consider. I believe very strongly that we certainly ought not to justify the practice of conference committees going outside the matters with which both Houses have dealt, and dealing with a subject with which neither House dealt and with which neither House intended to deal when it passed the bill, and holding that because there is some language somewhere in the total language dealing with some subject, the conference committee can step away from the things that are in disagreement, and can deal with some entirely different subject.

In this case it will also be seen that section 2 amends paragraph 3 of part VII, which was not in either bill. In the bill there was no reference to paragraph 3 of part VII. But that was dragged in by the conferees because it related to what was put into the other section.

So, Mr. President, I feel very strongly that if we are going to have a reasonable provision, regardless of the merits of the increase—that can be dealt with in another bill, if we wish to do so; and I certainly have no objection to dealing with it in the full committee—the decision of the Chair should be sustained. I feel very strongly that it should be sustained.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

REDUCTION OF INCOME TAXES—VETO MESSAGE (H. DOC. NO. 589)

Mr. TAFT. Mr. President, with the consent of the Senator from Oregon, I might agree to have the conference report laid aside, so that the veto message on the tax bill might come before the Senate. I do not wish to make a motion of that kind.

Mr. MORSE. Mr. President, can we have an understanding that thereafter we shall proceed with the conference report?

Mr. TAFT. That will be satisfactory.

The PRESIDENT pro tempore. If it is the desire of the Senate to have the veto message of the President laid down, the Chair is prepared to do so. It is a highly privileged matter, and takes precedence.

Mr. WHERRY. Mr. President, is it agreeable that the veto message on the tax bill be laid down at this time?

Mr. MORSE. It is agreeable to me, with the understanding that, after the tax bill is disposed of, we shall proceed with the conference report.

The PRESIDENT pro tempore laid before the Senate the following message from the House of Representatives:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
April 2, 1948.

The House of Representatives having proceeded to reconsider the bill (H. R. 4790) entitled "An act to reduce individual income-tax payments, and for other purposes," returned by the President of the United States with his objections, to the House of Representatives, in which it originated; it was

"*Resolved*, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same."

Attest:

JOHN ANDREWS,
Clerk.

The PRESIDENT pro tempore. The clerk will read the President's message.

The Chief Clerk read as follows:

To the House of Representatives:

I return herewith, without my approval, H. R. 4790, entitled "An act to reduce individual income tax payments, and for other purposes."

It is a matter of deep regret to me that I am compelled to take this action. If I could conscientiously approve tax reductions, I would gladly do so. But I am convinced that to reduce the income of the Government by $5,000,000,000 at this time would exhibit a reckless disregard for the soundness of our economy and the finances of our Government.

All of us are aware that the world situation is one of uncertainty and, indeed, of danger. The United States, in common with other free nations, is taking positive action on many fronts to preserve conditions of peace with justice against the forces of dissension and chaos. In this endeavor, as I stated in my address to the Congress on March 17, 1948, "the United States has a tremendous responsibility to act according to the measure of our power for good in the world."

Under these conditions, the primary test which I must apply in considering this bill is whether or not it would contribute to the strength of the United States. My fundamental objection to the bill is that it would not strenghen, but instead would weaken, the United States.

This is true for two reasons.

First, the bill would reduce Government revenues to such an extent as to make likely a deficit in Government finances, at a time when responsible conduct of the financial affairs of this Nation requires a substantial surplus in order to reduce our large public debt and to be reasonably prepared against contingencies.

Second, the bill would greatly increase the danger of further inflation, by adding billions of dollars of purchasing power at a time when demand already exceeds

supply at many strategic points in the economy, and when Government expenditures are necessarily rising.

The estimates of Government expenditures for the fiscal year 1949 which I submitted to the Congress in January totaled $39.7 billion. Receipts were estimated at $44.5 billion, leaving a surplus of $4.8 billion for debt retirement and contingencies.

It has since become apparent that despite the most stringent efforts toward economy, there will be several important increases in expenditures above the January estimates. Legislation has been enacted increasing payments to veterans. Larger amounts will be required for assistance to certain foreign countries. Legislation to increase the salaries of Federal employees is being considered. It has been necessary to recommend substantial additional appropriations to the Congress to bring our armed forces to a proper strength.

Altogether these increases, after taking due account of appropriation actions by the Congress to date and of the additional tax refunds which would occur under this bill, involve additional expenditures for the fiscal year 1949 of at least $3.5 billion above the January estimates. In the fiscal year 1950, these additional programs would increase expenditures by another $2 billion, or by a total of $5.5 billion. It is clear that, if this bill which reduces taxes by $5 billion were to become law, there would in fact be a deficit in the fiscal year 1949 even under the more optimistic estimates of revenue used by the congressional committees.

The Congress proposes to extricate itself from this situation by charging $3 billion of 1949 expenditures under the European recovery program against the 1948 revenues. This might avoid a deficit in 1949. But the facts cannot be obscured by the fiscal sleight-of-hand by which a prospective deficit in 1949 is made to appear as a surplus. Actually the surplus available for debt retirement for the two years 1948 and 1949 would not be affected in the slightest by such a shift in accounting.

The public debt is $253 billion. I repeat what I have so often said before—if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect that it will ever be materially reduced.

I am aware that some hold the view that it would be proper to reduce taxes now, and that it will be time enough to restore adequate Federal revenues when the full extent and cost of our commitments are more definitely determined. I cannot subscribe to such an erratic and vacillating tax policy. We already know enough about the Government's financial outlook to demonstrate the serious effects of reducing revenues now by $5,000,000,000. The additional expenditures which are in prospect, although not exactly determined as to amount, are of sufficient size to make clear the shortsightedness of cutting taxes at the very time our obligations are increasing. If I endorsed tax reduction now, knowing that to do so would in all likelihood mean increased taxes next year, I would not be dealing fairly with the American people.

This bill would undermine the soundness of our Government finances at a time when world peace depends upon the strength of the United States.

It would also gamble with the dangers of further inflation. I have urged on many occasions that steps be taken to relieve the distressing effects of high prices. Since these steps have not been taken, the most important force restraining inflation has been the Government surplus and the use of this surplus to reduce the public debt. This bill would reduce or eliminate this important weapon against inflation.

It has been argued that tax reduction now would furnish incentives for more active investment and business enterprise and, consequently, more production. The plain facts show that neither funds nor profit incentives are lacking for investment and business enterprise at present tax rates.

Industrial expenditures for new plant and equipment reached the record level of more than $16,000,000,000 in 1947, contrasted with $12,000,000,000 in 1946 and $8,000,000,000 in 1941. Preliminary estimates indicate that industrial expenditures for new plant and equipment during the first quarter of 1948 ran much higher than the average for 1947.

Corporate profits were at extraordinary levels during 1947, reaching $17,300,000,000 after taxes, contrasted with a previous peak of $12,500,000,000 in 1946. Preliminary estimates indicate that corporate profits during the first quarter of 1948 have substantially maintained the very high level of 1947.

The national income is at a record level. Employment is at a record level. Production is at a record peacetime level. The resources and labor force of this country are fully employed. Under these circumstances, tax reduction could only result in higher prices—not in higher production.

From the viewpoint of the average family which spends most of its income to buy the necessities of life, the kind of tax reduction which this bill provided would be an evil in disguise. Inflation is still here and the cost of living has not descended to reasonable levels. The consumers' price index, which was 159 for 1947 as a whole, was 167.5 in February 1948, and preliminary figures indicate that it was even higher in March. A large tax reduction at this time would help to drive the cost of living still higher.

With wise and careful planning the American tax system can make an important contribution to economic progress. But if we dissipate the strength of our revenue system by ill-timed tax reduction, we shall sacrifice for many years our opportunities to lay a solid foundation for a more effective tax system. Major reforms are needed in all important areas of the Federal tax system—excise taxes, corporate taxes, individual income taxes, and estate and gift taxes. The enactment of H. R. 4790 would, by prematurely weakening the tax system, not only aggravate our immediate problems but also constitute a serious obstacle in the path of realizing many urgently needed fundamental tax reforms.

The tax reduction provided by this bill is inequitable as well as untimely.

In the case of the income tax, nearly 40 percent of the reduction would go to individuals with net incomes in excess of $5,000, who constitute less than 5 percent of all taxpayers.

In the case of the estate and gift taxes, nearly all of the $250,000,000 annual reduction would go to only about 12,000 of the most wealthy families. The discovery that it is possible to make very substantial savings in the gift and estate taxes by dividing a family's wealth between husband and wife has brought forth much ingenious argument to the effect that the provisions in this bill are needed to equalize the application of these taxes in community-property and common-law States. In fact, this equalization was in all essential respects achieved by legislation enacted by the Congress in 1942.

For the reasons I have set forth, H. R. 4790 is not compatible with the requirements of the critical international situation. It is not compatible with sound domestic economic and debt-management policies. If enacted, it would materially weaken this Nation's efforts to maintain peace abroad and prosperity at home.

It is bad policy to reduce taxes in a manner which would encourage inflation and bring greater hardship, not relief, to our people. It is bad policy to endanger the soundness of our national finances at a time when our responsibilities are great in an unsettled world.

I am confident that the men and women of our country prefer the maintenance of our national strength to a reduction in taxes under the present circumstances.

I consider it my clear duty, therefore, to return H. R. 4790 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 1, 1948.*

The Senate proceeded to reconsider the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? Under the Constitution, the yeas and nays will be taken.

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

Langer	Morse	Stennis
Lodge	Myers	Stewart
Lucas	O'Conor	Taft
McCarran	O'Daniel	Thomas, Utah
McCarthy	Overton	Thye
McClellan	Pepper	Umstead
McFarland	Reed	Vandenberg
McKellar	Revercomb	Watkins
McMahon	Robertson, Va.	Wherry
Malone	Robertson, Wyo.	White
Martin	Russell	Wiley
Maybank	Saltonstall	Williams
Millikin	Smith	Wilson
Moore	Sparkman	Young

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

The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. HATCH. Mr. President, twice during the course of debate on the tax-reduction bill I made brief statements. On neither occasion did I attempt to argue or debate the issue. I merely stated my position, giving only a few of the many reasons I had for opposing tax reduction. On each occasion I spoke with very little force or vigor because I felt an absolute sense of futility. It was apparent the Senate was going to pass the measure by a large majority. That it did pass the measure by a majority even larger than any of us anticipated is now a matter of history. The bill was passed by a majority which I think surprised even the distinguished and able Senator from Colorado. It was overwhelming.

Today we vote on sustaining or overriding the President's veto. Today we vote under entirely different conditions, world changing conditions.

Mr. President, during the consideration of the tax-reduction program, it was said many times, in and out of Congress, that the bill would pass because it was election year. Some were unkind enough to say that Members of Congress were more concerned with giving tax reduction because the elections will be shortly held than they were in maintaining the financial security of the country. That charge, Mr. President, is one easily made and frequently occurs when so-called popular issues are presented to the Congress during an election year. It is a charge I have never made and shall not make. As a matter of fact, today I mention this subject for the purpose of refuting it. Such charges are too often leveled at Members of Congress; they accomplish nothing and only tend to lower that respect for the integrity of Members of Congress which the public should hold. I have been a Member of this body nearly 15 years. During that period of time I have seen many changes. I have seen Senators come and Senators go. The huge Democratic majority which existed at one time has dwindled until now there is a small Republican majority. Regardless of those changes, either in men or in the political complexion of the Senate, I have found the individual Senator, no matter what his politics might be nor from what section of the country he might come, to be a man of honor and of integrity. I have not the slightest doubt that, if Members of this body really believed a reduction in taxes at this time would be detrimental and injurious to the financial solvency of the country, they would vote against tax reduction even though this is an election year.

If it were within my power today to convince my fellow Senators that overriding the Presidential veto and permitting the tax-reduction bill to become a law could grievously injure the country, I would do so, without hesitation, for such is my solemn, my strong, and my firm belief. I grant all the arguments which have been made in behalf of this bill, their reasonableness, and the sincerity of every man who spoke for the bill, but, notwithstanding that, I am more convinced today than ever that this is no time to reduce taxes.

I shall not talk of war, nor of the possibilities of armed conflict, although one could easily make out a strong case from that standpoint. Only those who are so blind that they cannot see or will not see, or so deaf that they cannot or will not hear, can have any doubt about the perilous situation of world affairs. In almost every part of the Old World conditions exist which could explode at any time. Even at this moment American men and women and our armed forces are under a virtual blockade in Berlin. What the outcome of that extremely delicate, if not dangerous, situation will be, no man in this body or any place else can foretell.

The ever-rising and higher-mounting cost of our national defense program should be apparent to the most unenlightened person in the United States. How far those costs can continue to rise no man can say.

The program of economic recovery upon which we are engaged now and will continue to be engaged throughout the coming year, and probably through other years, involves tremendous sums of money now and may involve even more before this session adjourns. I do not say that these things will occur and appropriations will be required in excess of what is being presently appropriated, but I do assert as strongly as it is possible for me to assert that there is grave possibility that we shall be called upon, before this session adjourns, for larger appropriations than are even now contemplated and which we will not dare refuse.

Because I want to speak briefly, I shall not mention other portents which may cause larger appropriations. They are known to all of us, and each of us should be aware that the surplus we now have could easily be wiped out in expenses which we will be forced and compelled to meet.

Also, I must again state, as I have often said before, that the inflationary spiral continues; it has not leveled off by any means. The huge expenditures that we are going to make and must make will all contribute to more and more inflation. Without question and beyond dispute or argument, tax reduction does increase purchasing power, and increased purchasing power means higher prices, more inflation.

To meet this issue of inflation, we may be called upon, and I think we will be called upon before we leave for the recess, to enact legislation such as that recommended by Mr. Baruch when he appeared recently before the Armed Services Committee. We may be called upon to institute another system of controls, controls none of us want to impose, and which the public will bitterly resent. Nevertheless, if it is necessary, and if there is no other course possible, the Congress will, before it adjourns, enact another system of price control. We will enact that system to fight inflation, to stop the higher and ever-increasing cost of living. Yet if we override the President's veto today, we in the Congress will be contributing to the very factors which we may later be compelled to fight through price control.

Yes, Mr. President, we may today, by reducing taxes, make it necessary to enact tomorrow drastic legislation which none of us would care to enact. On the other hand, if we do not adopt this tax-reduction program, if we sustain the President's veto, and if we take whatever surplus there may be and apply it on the public debt, which is so tremendous and so heavy, that in itself will be deflationary in character, and will be one of the brakes which might possibly prevent the adoption of price controls later. Yet today we refuse to apply this simple logic, and we will probably override the Presidential veto and later adopt a system to counteract what we do today.

Mr. President, simple as it may be, and perhaps oversimplified, when one owes debt, as our Government now owes, and has a surplus, as we will have, is it not the part of wisdom, just ordinary common sense and judgment, to pay on the debt what money is available by way of surplus? Would any man in his own private business, or in his own private affairs, voluntarily reduce his income when he was facing expenses which he knew he could not foresee, but beyond any shadow of doubt expenses which would grow larger and larger with each passing moment? Is it not wise to pay on a debt when one has the money to pay? Would not a man in his private business try by every possible means, instead of reducing his income, to increase his income, under such circumstances? As I have said, this may be oversimplified, but to me it is an argument that is unanswerable.

Mr. President, in the cold war in which we are engaged—and no man can deny that a cold war is going on, and no man with any vision or foresight or thought can deny that the cold war is growing warmer each moment—the chief weapons we are using are American dollars. They may be good weapons or they may be bad weapons; they may not accomplish what we hope to accomplish, and what we above everything else want to accomplish—that is, to avoid war and to bring some measure of peace into the disordered and chaotic world in which we live—but whether they be good weapons or bad weapons, Mr. President, they are weapons, and they are being used. In a sense, they constitute our armed forces in this cold war.

Mr. President, following the end of the shooting war, listening to the appeals of American citizens, just as we are listening today to appeals for tax reduction, we demobilized our Army and sent the soldiers back home. I have no criticism of the American fathers and mothers who wanted their sons back. I sympathized with them. I understood the

desire. But, Mr. President, I am confident that today there are certain countries in the world which so misunderstood that maneuver that when we brought our soldiers back they thought and believed America was doing after this war just as she did after the last war—that we were retreating into isolationism, and abandoning the field of battle as we did before.

As a result of that action, we have already paid a costly price. Had we not demobilized, had our strong Army, which so valiantly and gallantly swept aside the forces of the enemy in Europe, been retained in full strength there today until all the issues of peace had been settled finally and definitely, Americans would not today be blockaded in Berlin. Shall we again, now, repeat the same error? Must we always continue repeating error after error and error upon error? Shall we demobilize today the army of American dollars? Yet, Mr. President, that is exactly what is proposed by the bill which has been vetoed—that we demobilize this army and send it back home into civilian use, to increase inflation, and abandon sound business practices.

Mr. President, in my brief comments the other day I said I had voted for all the tremendous appropriations we have made. I supported the Greek-Turkish loan. I supported the interim-aid program. I supported the European recovery program. I voted for every appropriation for the national defense.

Mr. President, I shall so continue to do. I shall vote for universal military training. I shall vote for the temporary draft. I shall vote for every measure which will strengthen the United States of America. But, Mr. President, I shall not vote for all these things on the one hand and then on the other turn around and say to the people of America "You can have all these expenditures, these huge, costly expenditures, and at the same time have tax reduction." Such a position is as inconsistent as it is possible for a position to be. So far as I am concerned I shall vote for the expenditures, and I shall honestly tell the people of America, "You cannot have all these expenditures and at the same time have tax reduction."

Today, Mr. President, I would not only urge Senators, regardless of how they may have voted the other day on the bill, to vote to sustain the President's veto, but I would plead with Senators on this day to sustain the President in his vigorous, brief message, in which he has frankly told the people of America where we stand and what should be done.

I am not speaking, Mr. President, for the political fortunes of the President of the United States. I have lived too long to believe that our country is either going to rise or fall depending on whether we have a Republican or a Democratic President. I have been through administrations controlled by both parties, and have seen mistakes and errors made on both sides. I have the utmost confidence and respect for the patriotism of Senators on the other side of the aisle, as I have for the patriotism of Senators on this side of the aisle; but what I would like above everything else is to show the country, to show the world, that the Government of the United States, the executive and the legislative branches, stand together in this hour of peril. Mr. President, it is an hour of peril.

I conclude with the expression of the hope that Senators may this day vote for the interest and welfare of all America.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, 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 House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. I ask the President pro tempore if he will not make the announcement to the Members of the Senate that the conference report just received from the House of Representatives will be submitted and voted upon this afternoon. Am I correct?

The PRESIDENT pro tempore. The Senator from Nebraska is correct.

Mr. WHERRY. Senators should take due notice of that announcement, because some have asked about it already.

The PRESIDENT pro tempore. The House has acted on the conference report on the European aid bill, and the report will be submitted to the Senate at the first opportunity this afternoon.

REDUCTION OF INCOME TAXES—VETO MESSAGE

The Senate resumed the reconsideration of the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which had been vetoed by the President of the United States.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a brief statement regarding my views on the tax-reduction bill.

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

I voted for the tax-reduction bill on its passage. I shall vote to enact it despite the veto of the President. In view of the fact that I opposed tax reduction last year and have stated on numerous occasions and in correspondence with my constituents that I doubted the advisability of reducing taxes during this period of high national income, I make this brief statement of my reasons for voting to override.

The pending bill eliminates the advantage which has been enjoyed by taxpayers in community-property States to the detriment of other American citizens in the common-law States. Last year the taxpayers in my own State of Georgia paid $13,000,000 more in taxes into the Federal Treasury than was paid by taxpayers in community-property States enjoying the same income. I have fought this discrimination against the taxpayers in the non-community-property States for years. It is not only unfair to the individual taxpayer, but drains from the business and economy of the States in which they live a disproportionate part of the total State income, thereby hampering the industrial and economic development of the non-community-property States.

As a practical matter I realize that it is impossible to eliminate this inequity at a time when taxes are being increased. It can only be done in a tax-reduction bill. If this injustice is not corrected in this bill it may be years before there will be another opportunity.

I still recognize the hazard of reducing the national revenue in this period of world crisis which brings increasing demands for funds to provide for the national security. I am still committed to the proposition that we should reduce our staggering national debt while times are good and the national income is high. I shall continue to advocate elimination of unnecessary expenditures. It would be tragic if this tax-reduction bill, together with unexpected demands and the increased expenditures being voted by the Congress, should so deplete the national revenue as to bring about a revival of deficit financing. Let me point out in passing that while the executive branch of the Government has been roundly condemned for extravagance, this Congress on its own initiative has already passed or will enact laws not requested by the Chief Executive which will increase the expenses of Government by at least two billions of dollars per annum.

The passage of this bill will eliminate a long-standing injustice which has worked a great hardship on individual taxpayers and on sovereign States. It gives us a much fairer basis of national taxation. Upon the creation of this new base, applying equally to all citizens, I stand ready and willing to vote for any increase in the rates of taxation which may be necessary to maintain a sound fiscal position for the Government and to make a substantial payment each year upon our $260,000,000,000 national debt.

Mr. KILGORE. Mr. President, I voted against the tax reduction bill as it originally passed the Senate. Since that time I have received a great many communications on the subject, and also have talked with a considerable number of persons about it, and I sincerely believe this bill should not be passed over the President's veto.

This morning there appeared in the Washington News an editorial dealing with the President's veto of the tax bill. It will take me only about 2 minutes to read it, and I shall do so in order that it may appear in the RECORD. I believe every Senator should read it. I resent the criticism of Congress contained in the editorial, but I say frankly to the Members of the Senate that I believe the people of the country feel the way the editor felt when he wrote the editorial. It is as follows:

TAX VETO SHOULD BE SUSTAINED

Congress seems hell-bent on an election-year tax cut. But if we were a Member of that honorable body we would vote to sustain President Truman's anticipated veto of the Knutson-Millikin bill. A vote to override, in our opinion, would be an act of irresponsibility at a time of world crisis.

Congress has decided the situation is serious enough to justify spending $6,200,000,000 in the next year to help western Europe, Greece, Turkey, and China stand up against Communist aggression. Does it not follow, then, that it is too serious to diminish revenues our Government needs?

If peace and national security require—and we think they do—that Uncle Sam lay

his hand on the shoulders of several thousand young men for selective service and military training, then obviously this is no time to try to buy votes by taking more than 7,000,000 civilians completely off the income-tax rolls.

The public debt is $252,000,000,000, the annual interest charge $5,000,000,000, the defense budget alone rising to $14,000,000,000 or $15,000,000,000 or more. In the present state of things, when nobody can tell how many unanticipated expenditures will be necessary, there is no assurance that the Knutson-Millikin $4,800,000,000 can be spared without running the Government again into red ink.

The Republican plan is to vote on the veto as quickly as possible, with the minimum of debate. We think the issues are so paramount that the debate should be carried on long enough for public opinion to crystallize and for the people to make their wishes known.

Our belief is that most Americans at this time are more interested in saving their hides and saving the peace than in saving taxes.

Mr. President, I may say that I do not endorse the aspersions cast by that editorial, because I believe the members of both parties in Congress are sincere in the action they have taken on the tax matter, but I say, Mr. President, that we must realize that the fact that we have a Congress composed of Representatives of the people makes of our Government a true democracy, and that when the people of the United States lose faith in that body we shall no longer continue to be a democracy.

Mr. President, in the present days of world crisis I feel that the President's veto should be sustained.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. BARKLEY. Mr. President, I dislike to delay a vote on the veto by even as much as a few minutes. But inasmuch as I was unavoidably absent when the bill passed the Senate recently, I feel that I should submit for the RECORD a few observations on the President's veto.

I am not naive enough, Mr. President, to assume that anything I may say will change any votes in this body. I know in advance of the roll call what is going to happen. I realize how difficult it is to swim upstream. Nevertheless, I propose to swim upstream in what I may have to say and in the vote which I shall cast.

I imagine that no man in this Chamber, and no man in the United States, would be happier over, or who needs more than does the senior Senator from Kentucky, a reduction in his taxes. But I hope that neither in this instance nor in any other will my individual interests or my individual welfare color my attitude toward legislation of this or any other character that may come before the Congress of the United States.

I realize also the difficulty that confronts Senators in voting upon this veto and in voting originally on the bill, because of the provision contained in it affecting the so-called non-community-property States and attempting to adjust equitably among all the people of the United States the question of Federal taxation.

For a long time I have been a member of that group in the Committee on Finance and in the Senate who tried to make this adjustment by requiring those who resided in and paid taxes in the community-property States to make their income-tax reports based upon the general law of the country as applicable to non-community-property States. Originally there were nine such States, represented by 18 Members of the Senate. They had the power, and exercised it—or threatened to do so—to defeat any tax bill which undertook to bring about the leveling off of the taxing process as between the community-property States and the non-community-property States.

It became obvious, and is obvious now, that it is impossible to enact legislation of the type which for years we sought in the committee and on the floor of the Senate. In view of that situation, in a brief speech which I made in the last session of Congress and in numerous letters which I have written to my constituents and others, I committed myself to the proposition that if we could not get the dog to wag the tail I would finally, as a last resort, vote to allow the tail to wag the dog. That is what we have been driven to in the bill now before the Senate. The tail is wagging the dog. I have no objection to that, because I think that is the only way by which we can bring about an equitable adjustment in the tax situation existing in this group of States.

If it were an independent proposition, and I had the right to vote on it on its merits as an independent question, I would vote for the provision contained in the bill, in an attempt to adjust the disadvantage under which the people in 37 or 38 States find themselves in comparison with the people of the remaining 10 or 11 States. But in order to vote for that which I approve, and for which I would vote as an independent proposition, and with respect to which I have committed myself in numerous letters, if not here on the floor, I am compelled to vote for a bill which in my judgment ought not to be enacted at this time. I do not think it ought to be enacted because no man here now is wise enough, no staff is wise enough, no expert is wise enough, to know the problems which we shall face before this session of the Congress shall have been terminated.

Recently the two Houses adopted a resolution providing for a reduction of $2,500,000,000 in the President's budget. That was a species of wishful thinking. No one had any expert knowledge on the subject. No one could hold out any definite hope that $2,500,000,000 could be stricken from the President's budget. Even now, within less than 6 weeks from the time of the adoption of that resolution committing—in a Pickwickian sense—the Congress of the United States to a two-and-a-half-billion-dollar reduction in the President's budget, we know that it cannot be reduced by any such amount.

Not only do we know that it cannot be reduced by a single dollar of the two and a half billion, but we know that we shall be fortunate if we do not run into deficit expenditures and find ourselves either increasing the public debt before the end of this year or being called upon to raise taxes, not only back to where they are now but even to a higher level. No one can now predict that within the next 9 months, or even 6 months, we may not be borrowing money and thus increase our public debt. We may be borrowing money from others in order to pay those we now owe. No one can guarantee that that will not take place.

The President has sent a letter to the Presiding Officer of the Senate and to the Speaker of the House of Representatives outlining an additional expenditure, which probably will be authorized, of three and one-half billion dollars, which wipes out all the two and a half billion dollars we expected to save by cutting the budget to that extent and adds another billion dollars to it.

I do not know what Congress will do about these problems. We are faced with a very dangerous and delicate situation. Every day brings new evidence of a critical situation confronting the United States. Every day, every hour, brings the possibility of tensions, episodes, and incidents over which we have no control, and may have no control, and which may precipitate difficulties which will make a farce of our efforts now—whether for political purposes or otherwise—to relieve some of our people of the burden of taxation under which we all suffer and under which we all bend.

I have faith in the sincerity of the President of the United States. I may not agree with him about everything, and I do not agree with him about everything, any more than I have always agreed with any other President whenever my own conscience dictated a contrary course.

I have faith in the integrity and sincerity of the Secretary of State, one of the outstanding military leaders. Not only was he a great military leader, but if I may combine the description, during the war, prior to it, and since the war, in my judgment he has shown himself to be a great military statesman as well as a great military leader. If there was any man who ever was Chief of Staff of the Army of the United States who, beyond his military knowledge and beyond his military vision and beyond his skill as a military leader, combined the elements of statesmanship and vision and understanding among the nations of the world, it is George C. Marshall. I have the same abiding faith in his integrity and his sincerity today that I had when he was charting the course of our armies all over the world to win the greatest victory ever attained in the military annals of world history. I do not believe they are coming before the Congress with recommendations for increased expenditures, especially for our military equipment, without knowing whereof they speak.

There are now being held before the Committee on Armed Services hearings on the subject of universal military training and the reinstallation of the draft, the selective-service law. I have

not yet declared, either in any public utterance of mine or in any private correspondence in which I have engaged, how I shall vote on the question of universal military training. If I finally vote for it, I shall have reversed a lifelong position and lifelong convictions which I have entertained as an American citizen regarding the wisdom of universal compulsory military training. I have always been opposed to it as a policy of our Government, and I have never been convinced that it prevented war on the part of any nation that ever engaged in it. The nations who have been the aggressors and have brought about war in the past have at least been among those who had universal compulsory military training. But, Mr. President, although this has been my lifelong position on the subject and although I would regret the necessity of reversing that lifelong position, I shall not hesitate to do so if I am convinced that the safety and the integrity and the welfare of the American people require that I vote in order that we may have universal compulsory military training, because I think the safety and the welfare and the integrity of our institutions are more important than any lifelong convictions I have ever entertained on either that or any other subject.

These are times in which we have to break with the past, if compelled to do so. These are times in which we cannot advocate the status quo. These are times in which we cannot say that because for 50 or 75 or 100 years our attitude has been thus and so, therefore we shall continue it. The world is in flux everywhere. Democracy is in danger. Free institutions are in danger. We are confronted with a creeping paralysis or a creeping monster which we cannot ignore as it continues in an effort to dominate the souls and the bodies and the institutions of men all over the world. I am prepared to reverse myself on anything when I am convinced that such a reversal is in the interest of the American people and the free, democratic institutions in which we believe.

I anxiously await the report of the Committee on Armed Services on the subject I am now discussing. If we adopt it, we know that it will cost us—although not for the first year—$2,000,000,000 annually to carry out universal military training. If we are convinced of its essentiality and its indispensability, if we are convinced that it is the only alternative we can adopt to preserve our institutions and our freedom and our liberty, we know we shall adopt it, and we know we shall vote to expend all amounts of money necessary to be spent in order to bring about our safety and preserve our integrity. We know that now.

Mr. President, those who will vote for this tax bill over the veto of the President know that, and I do not question their sincerity. It is true that we may find ourselves marching down the hill and then marching up the hill before the end of this calendar year or even before the end of this fiscal year. It is not always a dignified performance to march down the hill and then have to march back up it.

We are also asked to reinaugurate selective service. Again, I do not know what the committee will report as to that. We may be confronted with a choice between universal military training and the selective service in order to equip our Army so as to bring it up to its requirements under the law. That is regarded as a somewhat temporary measure, I think, in order that we may in a hurry or rather hastily fulfill the requirements of the law with regard to our Army. The Army is now 350,000 men short of the goal set by Congress. Certainly in these trying times the Army should be up to the full requirements of the law. I wish to have done whatever is necessary to be done to bring the Army up to the full requirements, and that will cost another billion dollars. We cannot afford to create the impression, either among our enemies or among our friends, that we are lagging in the display of either the ordinary foresight or the prudence required of us in this uncertain age.

I think we should have a larger army in Germany than we have there now. I think we should strengthen our forces there in order that they may cope with any eventuality, whatever it may be. I hope they will not be needed; but certainly it is infinitely better to have them there and not need them, rather than to need them and not have them there. As between those two alternatives, I am in favor of having them there or having them wherever else they may be needed to protect not only the dignity and prestige but the welfare and the institutions of our country, in the fundamental interests of the people of the United States.

Mr. President, in my contacts among the people of the United States, not only in my State, but in other States, I have found that now, 3 years after hostilities have ceased, when we still have no peace in the world, when we are still confronted with an equal, if not greater, totalitarian danger than that which confronted us in the war we had won, or thought we had won, for democracy, the people of the United States are about 6 months ahead of Congress in their thinking about what ought to be done in this great emergency in world history. That was true prior to the war. When the Congress was trying to lay the foundation for what inevitably came, when the Congress was trying to repeal the Neutrality Act and the Embargo Act, and to enact legislation to strengthen the arms of the United States for any emergency, the American people were ahead of those of us here in the Congress of the United States in their thinking by not less than 6 months. They are ahead of us now; do not doubt it for a moment. They are in advance of us. Instead of our being leaders as we ought to be, we are forced. Perhaps that is entirely proper; perhaps we ought to hesitate and hum and haw and be cautious, because we do not always know what the sentiment in our States and districts may be. But if we are followers instead of leaders, let us follow as closely as we may the leadership of the American people. They are not fools; they are not deluded. They read more of the public press than we have time to read. They want the United States to be ready for any emergency. They may regard, as we do, the imminence of an emergency, and they undoubtedly hope as we hope that we may find some way by which to work out a peaceful solution of these problems. God knows that I hope we may. And I pray to the Almighty that I shall never again be called upon in my public life to vote to plunge this Nation into a military conflict with any other nation in the world. Between World War I and World War II I publicly stated that I doubted I should ever again vote for a resolution declaring war on the part of the United States. But in World War II I had to swallow those words. I know, as all of us know, we cannot project our minds far enough into the future to tell what we shall be called upon to do or not to do. But we know that whatever betides, whatever comes, we are going to vote and to take an attitude in favor of whatever is essential to protect the interests and rights of our people, and the democratic process throughout the world.

We have long since learned that democracy cannot succeed in America alone. It cannot succeed in the Western Hemisphere alone. Democracy must live, wherever it exists, in an atmosphere of fertility for the production of democratic institutions. Neither can we become an armed camp in the Western Hemisphere when all the rest of the world has been subjugated by this brutal and powerful, unthinkable, unbelievable, totalitarian thing which we are now fighting. We cannot afford to neglect our interests until we have been forced to become an armed camp on an island in the Western Hemisphere, called upon to defend ourselves against the approach of totalitarian monsters from every point of the compass.

So, Mr. President, without impuning the motives of anybody, without criticism of the patriotism or the integrity or the good faith of any man, irrespective of how he may vote on the veto message, I cannot avoid the conclusion that we may be living in a fool's paradise this day, we may be overlooking a Frankenstein that will rise up in the months to come to haunt us and to embarrass us.

I have many figures which I could discuss, but I shall not do that. Instead, I shall ask permission to print certain observations which I have reduced to writing, which I think are pertinent to the consideration of the veto. I ask unanimous consent, at this particular time and in this place, to include them and have them printed as a part of my remarks, so that I may not burden the Senate with their recital.

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

INCREASE IN 1949 EXPENDITURES SET FORTH IN PRESIDENT'S TAX MESSAGE

In the veto message on the tax bill, the President stated that expenditures for 1949

would probably be three and a half billion dollars higher than the original estimate. These major increases, which now appear probable, are as follows:

For foreign aid, because of increases in the aid program for China, Greece, and Turkey	$400,000,000
For employees' pay (which amount is lower than the cost of either the bill reported by the Senate committee or the House subcommittee)	500,000,000
Tax refunds under the tax bill	500,000,000
For legislation which increased veterans' allowances	150,000,000
For additional expenditures for Army, Navy, and Air Force, as outlined in the President's letter of Apr. 1	1,700,000,000
For increased expenditures for universal military training and selective service	300,000,000
Total	3,550,000,000

The over-all estimate in the tax veto took into consideration the fact that reductions had been made in some of the appropriation bills acted on to date. It likewise took into consideration the additions which Congress has made, such as the $200,000,000 for rural electrification and the probable increase in expenditures under the new proposed housing program. It seems quite apparent in the light of actions to date that Congress will not make more than a small fraction of the $2,500,000,000 decrease in estimates proposed, since this necessarily could have been attained only by making the major part of the reductions in military and foreign-aid programs. Obviously, these reductions will not be made.

ESTIMATES OF RECEIPTS

1. The estimates of Government receipts in fiscal 1949 in the President's January budget were $44,500,000,000, based on an assumption of a personal-income level of $200,000,000,000 in calendar 1948.

2. The estimates of Government receipts in fiscal 1949 by the congressional staff, before the tax reduction, are $47,300,000,000, based on an assumed personal-income level of $208,000,000,000 in calendar 1948 (p. 10 of the Senate committee report on H. R. 4790).

3. H. R. 4790, according to the congressional staff, would reduce tax receipts by $4,800,000,000 (not including the cost of additional refunds, which were included in the additional expenditures referred to by the President). This would reduce Government receipts in 1949 to $42,500,000,000.

It should be noted that the Treasury calculates the reduction in revenues resulting from H. R. 4790 at $5,000,000,000 rather than $4,800,000,000 (not counting the cost of tax refunds). Under this estimate, Government receipts would drop to $42,300,000,000 if H. R. 4790 became law.

4. Thus, expenditures can be reasonably estimated to be at least $43,200,000,000, and revenues, even under the committee's revenue estimates, would be only $42,500,000,000, leaving a deficit of $700,000,000.

It is this deficit which the Millikin amendment, charging $3,000,000,000 of 1949 ERP expenditures to 1948, would conceal.

TAX REDUCTION AND THE FEDERAL BUDGET

It is estimated by the Treasury Department that the passage of the bill before you would reduce the revenues of the Federal Government by $5,000,000,000 in the fiscal year 1949. In addition, it would result in increasing the necessary amount of tax refunds by $500,000,000. As a result, the surplus of $4,800,000,000 estimated for the fiscal year 1949 would be converted into a deficit of $700,000,000.

I am sure that this House does not want to return to deficit financing for the purpose of tax reduction during a period of unprecedented prosperity. If we face the facts, we will not reduce taxes at this time.

But it is pleasant to turn away from the facts, when doing so offers an excuse for passing a piece of legislation very close to our hearts. It is not surprising, therefore, that many voices have been raised to assure you that this bill does not represent a return to deficit financing. What these voices are saying should be subjected to the closest scrutiny.

Mr. John Hanes testified to the Senate Finance Committee that, in his opinion, the present tax structure would yield a budget surplus of at least $10,100,000,000 in fiscal 1949—$5,300,000,000 in excess of that estimated by the Treasury. He, therefore, concluded that the passage of this bill would leave a substantial surplus for fiscal 1949.

Let us look more closely into the manner in which Mr. Hanes reached his conclusion.

Mr. Hanes started from the estimate of revenues for the fiscal year 1949 made by the staff of the Joint Committee on Internal Revenue Taxation. This estimate is $2,800,000,000 higher than that made by the Treasury. The estimate of the committee staff is based on assumed personal incomes of $209,000,000,000 in calendar year 1948, as compared with $200,000,000,000 assumed in the Treasury estimates. Personal incomes for the calendar year 1947 amounted to $197,000,000,000. January 1948 is the most recent month for which a figure on personal incomes is available. The $209,000,000,000 annual rate used by the joint committee staff has been equaled only in that month and in two previous months—September 1947 and December 1947—in the entire history of the country. It would be rash to predict that this average level will not be attained for the entire calendar year 1948; but it seems to me that it is equally imprudent to rest the soundness of the finances of the United States on the assumption that it will.

The Treasury estimates assume a continuation of high-level employment and high-level production, but do not forecast further inflation. They are as high as I believe that it is safe to go. In this connection, I should like to call the attention of the House to the fact that Standard & Poor's Corp., the largest private statistical organization in the country, under date of March 15, 1948, estimated personal incomes for this calendar year at $200,000,000,000—the same estimate as that made by the Treasury 3 months previously.

The assumption of this high level of personal incomes accounts for $2,800,000,000 of the difference between Mr. Hanes' estimates and those of the Treasury. The remaining $2,500,000,000 difference is derived by reducing the expenditures projected in the President's budget by the $2,500,000,000 called for in the congressional resolution on the legislative budget.

It is easier for us here in this House to understand the implications of this second adjustment than those of the first. We all know that it is not realistic. Yesterday, we passed a $6,200,000,000 foreign-aid bill, and we know that it will be necessary to spend additional money to strengthen our armed forces. While we may be able to cut some of the domestic items in the President's budget, the growing tenseness of the international situation makes it increasingly improbable that we can even hold the over-all total of the budget to the President's January figures—much less that we can lop off the $2,500,000,000 provided in the joint resolution.

As I have said previously, it is easy to be influenced by optimistic estimates when they support what we want to do. On April 7, 1947, with less than 3 months of the fiscal year to go, Mr. Hanes wrote a letter to Senator MILLIKIN, in which he said:

"New facts have recently come to light which I believe show that substantial debt reduction and substantial tax relief are not incompatible. It is possible to have both. The most important new fact is that the Treasury, for the fiscal year ending June 30, 1947, will have a substantial surplus—probably some $3,000,000,000 to $4,000,000,000."

Unfortunately, a yet newer fact which came out on June 30 was that the surplus was only $754,000,000. Let us not again be swayed by new facts or by wishful thinking into endangering the fiscal soundness of this country as it enters the critical period which lies ahead.

CONGRESS IS FLIRTING WITH RED INK AT A WRONG TIME

(By Ernest Lindley)

It is nice to have a tax reduction. But lest the celebration get out of hand, it should be kept in mind that:

1. This tax cut probably precludes abolition or reduction of excise taxes and other tax adjustments downward in the near future.

2. It may throw the Federal budget into the red during the coming fiscal year, ending June 30, 1949.

3. The income tax may have to be raised again next year to cover mounting costs of defense.

The President's January budget estimated expenditures next fiscal year at $39,700,000,000. The Republicans of the Joint Budget Committee promised to cut it by about $2,500,000,000. They had learned something from their embarrassing blunder of the preceding year when the House Republicans promised $6,000,000,000 in cuts and the Senate Republicans, considering themselves realistic, promised only $4,500,000,000. The cuts actually made were relatively small and have been wiped out by subsequent actions.

EXPENDITURES WILL BE HEAVY

Actual expenditures next year are likely to exceed the President's January estimates by a wide margin. Outlays on the armed services and for the Atomic Energy Commission probably will be three to four billion dollars higher than his January requests. The total outlay on foreign economic aid probably will be greater than he estimated in his budget. And yet to come is some form of military lend-lease for members of the western European defense pact.

It is a safe prediction that Congress will not cut the rest of the budget, apart from the armed services and foreign economic aid, $2,500,000,000 or any sum near it. Total Federal expenditures next year probably will exceed $40,000,000,000 and may be closer to $45,000,000,000 than to $40,000,000,000.

The President estimated revenues next year at $44,500,000,000. This may prove to be too low (although it could be too high). But the income-tax cut will knock off some $4,700,000,000. In forcing through this reduction, Congress is flirting with red ink.

Senator MILLIKIN has sought to provide a cushion by earmarking part of this year's surplus to be spent on ERP next year. However valid the arguments in favor of this device, it is simply a manipulation of the books.

FIFTY-BILLION BUDGET IN 1950?

In all probability we face a rising curve of defense expenditures for several years ahead. For example, the program just laid before Congress by Secretary of Defense Forrestal is based on an Air Force of 55 combat groups. The Air Force believes it should have 70 groups, and many Members of Congress agree. The 70-group program, with reserves and procurement of new aircraft at the rate

recommended by the Finletter committee, would raise total defense expenditures to $18,000,000,000, or higher, within about 2 years.

Some realists on the Hill are talking a $50,000,000,000 over-all budget by 1950. This assumes that war is prevented. It assumes, what now seems most probable, an armed truce.

It is very likely, therefore, that one of the first tasks of the next Congress will be to increase income taxes again. Many who are voting for the cut realize that. They said that taxpayers are entitled to relief, even if it is temporary. They say, also, that something had to be done to end the glaring discrimination between income taxpayers in the growing number of community-property States and those in other States. These and other arguments have some merit. But none of them has been so influential as the well-known fact that an election is coming in November.

Mr. BARKLEY. Mr. President, if I were an optimistic man, and if my optimism overcame my instincts and my desires, I should express the hope that the veto would be sustained, because, however desirable it may be for all of us to have our taxes reduced, the American economy today does not require a tax reduction. There is a difference of opinion between the Treasury and the staff of the joint committee, due to employing a different basis of computation, as to how much surplus there will be at the end of the current fiscal year. The President's budget contained an estimate of a surplus of $7,500,000,000 for the fiscal year 1948. We have already reduced that by $3,000,000,000, through a bookkeeping process placed in the European Recovery Act in order to have the basis for a political tax reduction in 1948. Deducting the $3,000,000,000 from $7,500,000,000 means a surplus on June 30 of $4,500,000,000. If we enact the urgent appropriations sent to us yesterday in a letter to the President of the Senate and the Speaker of the House, in the amount of $3,500,000,000 for increased military expenditures, increased pay of Government employees, and veterans' benefits, we shall have reduced the estimated surplus on June 30 to $1,000,000,000.

Last year we employed bookkeeping legerdemain in order to create a phony decrease in public expenditures, by eliminating $800,000,000 provided for tax refunds. There has been lying in the Appropriations Committee for the last 2 months a request of the Bureau of the Budget for an appropriation of $800,000,000 in order to refund that sum to the American people who have overpaid their taxes. The bill we are now considering will add $500,000,000 to that, so that the refund growing out of it will be $1,300,000,000. That more than offsets the $1,000,000,000 surplus we may have on the books at the end of this fiscal year.

There is not a prudent corporation in America which would reduce its income in the days of its all-time prosperity, instead of reducing its debt. We have heard from corporations and corporate officers, and I make no complaint of that. I have tried to meet their requirements and their suggestions by a logical argument. I have asked them whether their corporations, in the time of their peak income, would reduce their income rather than reduce their indebtedness. Not one of them has said to me that he would reduce his income rather than his debt. I do not believe there is a prudent corporation in America which would follow the course we are asked to follow as members of the board of directors of the greatest corporation in the world—the United States of America.

Mr. President, just a word about the debt. We owe at this time approximately $250,000,000,000. The interest charge alone is $5,000,000,000. If we could guarantee that we could pay two and a half billion dollars on that debt every year, not only during our lives but during the lives of our children, and our grandchildren, if not our great-great-grandchildren, it would take a hundred years to pay that debt, if we did not incur any additional obligation, if no new emergency should arise to tax the economic stability of our Government and of our people. How can we guarantee no such emergency will arise? How can we say to our children and our children's children and their children that in the next hundred years there will arise no other emergency which will require greater effort on our part or the part of our successors to defend our institutions and their liberties, to prevent them from going down into the great holocaust of totalitarian domination and brutality. How can we say to them that in the next hundred years no other emergency will arise such as that which we faced twice in the last generation? We can give no such guaranty.

According to the figures for January, the American people were earning money at the rate of $210,000,000,000 annually. The corporations, after paying all their taxes, earned more than $17,000,000,000, the greatest net corporate earnings after taxes in the whole history of the United States. When we have more than 61,000,000 workers engaged in gainful employment at higher wages than have ever been paid before in the history of the United States, how can we say to our successors in public or in private life, 20 or 30 years from today, "We can guarantee that no emergency, no crisis, will arise that will prevent your going on in the even tenor of your way, discharging the debt in 100 years at the rate of $2,500,000,000 a year"? We cannot do it.

What are we to say to those who now hold the bonds of the United States which they bought under pressure and under patriotic appeal and zeal? What can we say to them if we now refuse to adopt policies that will mean as hasty a reduction of that obligation as may be possible? They may cash their bonds in the Treasury of the United States after 60 days or after 6 months, or with respect to a certain type of bond, they may sell their bonds, because they are negotiable. What will happen to the value of those bonds if we pursue policies of fiscal inadequacy, unwisdom, and folly? What shall we say to those who hold those bonds, which are the obligations of their Government and which are just as valid as the dollars I have in my pocket, because they are issued by the same Government with the same guaranty—what shall we say to them if the folly of our fiscal policy shall mean that they become doubtful, skeptical, and suspicious regarding the solvency of our Government? If we call upon them for more money in order to protect them from any danger that may arise, what are we to say to them if they become suspicious for fear that the money which the Government now owes may never be paid, to say nothing of any additional bonds or obligations which we may have to incur in order to protect our institutions in some emergency that may arise in the next month, the next 6 months, the next 6 years, or the next 20 years, or during the life of the obligations which we induced the American people to accept from their Government in order that we might win a great war against totalitarianism? That totalitarianism has been succeeded by further danger from another totalitarianism even more brutal and more sinister than that which we defeated in World War II.

Mr. President, I apologize—I suppose I should—for taking even this much of the time of the Senate to reveal my inner sentiments and convictions on this question.

We ought not to pass this tax bill. We ought not to reduce the income of our Government. We ought not to run the chance of deficit financing, which is contrary to our convictions, at a time when we are enjoying prosperity and employment greater than was ever dreamed of in the years which have passed.

I have been impelled to make these brief remarks because, notwithstanding my own desires, notwithstanding my own needs, notwithstanding the needs of many people whom I have the honor to represent here, I feel that I cannot vote to override the President's veto. I cannot vote for what I believe to be financial folly at this time in the midst of a great crisis which grows day by day and hour by hour. I believe that on this subject, as well as on many other vital subjects, the American people are not thinking in terms of politics; they are not thinking in terms of who is going to be elected President of the United States, or United States Senator, or Representative, or governor, or who is to occupy any other office within their gift. They are thinking not of themselves alone, but of those who shall come after them. As I look into the faces of the Senators and recognize the honor and integrity that shine out from their countenances, I realize it makes little difference what may happen in our time. For the most part we have lived our lives; for the most part our lives have been full of honor and service, and I am sure that all of us can feel in our hearts that whatever may happen to us does not matter very much. I am thinking of what will happen to my children, their children, and their children's children for a century or more. What is happening to democracy?

What kind of civilization, what sort of institutions, what kind of a world are we handing down to them for the future? I am not willing to compromise the kind of institutions, the kind of liberty, the kind of life I hand down to them. I am not willing to compromise them by

any temporary advantages which I might obtain by any vote I cast here, either on a tax bill or on any other bill.

So, Mr. President, I shall vote to sustain the veto of the President of the United States, and I express the hope that the Senate will do the same.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. MILLIKIN. Mr. President, the distinguished minority leader has referred to our national debt, and what those of us who vote to override the veto shall say to our children and our children's children as to the relation of that debt to passing this tax-reduction bill over the President's veto.

I suggest that we shall say that we took an action here today to put our economy in condition to bear the costs of this debt, and to bear the costs of the heavy burdens which the Senator has portrayed, and which may come upon us.

I suggest that we cannot meet the increased foreign expenditures contemplated. I suggest that we cannot meet increased demands upon us for more military expenditures, except out of a healthy economy.

I suggest that the evidence before our committee—and we had full hearings—showed that risk capital, that which is necessary to keep our economic machine going, has dried up, and that this bill is an essential step toward relieving that destructive situation.

I suggest that our surpluses, under the predictions of our staff and on the facts which were assumed, are ample to sustain the revenue reductions which may be accomplished by the bill, and still leave large amounts of surplus to be applied to debt reduction.

It is disquieting to see a sudden addiction to "nervous Nellieism," by some of those who in the past have been willing to take bold measures in the public welfare. In 1945, when we had just come out of a $50,000,000,000 deficit, and when we were running into a year which ended with a deficit of approximately $30,000,000,000, we passed a tax-reduction bill which, translated into terms of present income levels, would have amounted to about $12,000,000,000. And why did we do it? We did it to carry this country out of the war into the transition; and it served that purpose. If we had not done that, we would not have had the capital to carry on and reconvert our industrial machine, we would not have had our present levels of income and employment.

In the 1920's, after we had come out of World War I and were in conditions that are comparable to those of today, only on a smaller scale, we passed tax-reduction bills, we increased exemptions, we reduced income and corporation taxes. We passed those bills in 1921, 1924, 1926, and 1928, and we did not lose revenue, we gained revenue, through the operation, I suggest, of a simple axiom, that when the economy is loaded down with oppressive rates of taxation, and they are released, there is bound to be a stimulation of business.

Mr. President, this income-tax-reduction bill will in and of itself create income and increase income. It will help the people in the lower brackets, who need help. The evidence shows that 70 percent of the benefit of the bill goes to people with incomes of less than $5,000.

It will release the shackles on incentive, and thus will increase production.

We cannot carry the production problems which have been posed today and the increased expenditures which go with them, unless we have a free, a strong, a healthy, and an expanding economy; and this bill will aid in attaining those objectives. All these things which are mentioned, if they should come to pass, will in and of themselves require more production which will reflect in greater national income and revenue.

Mr. President, I repeat, the likelihood is that this reduction will not destroy surpluses, that it will enhance surpluses, because it will enhance the revenues.

Of course, that can be carried to the point of diminishing returns. The other day a gentleman suggested to me, "If you are sound as far as you have gone, then why not abolish all taxes?" There may be a limit to tax reduction, but we are so far away from it now that we do not need to worry about it. Also it is possible that we can increase our expenditures to a point where we will wipe out our surpluses. A man would be dishonest if he did not say so, and if he did not face the fact frankly.

I aline myself with the distinguished senior Senator from Kentucky in this: We in the Senate will do whatever is necessary to be done to keep this country strong and healthy and to meet any peril which may beset it. But we cannot do it with a weak, tax-oppressed economy.

If we should come into total mobilization, of course, if we should come into war, we might have to raise taxes, but if we have to raise them, we will have a more equitable, a more bearable base for the increases than we have at the present time, and that fact alone warrants the passing of the bill.

No man knows what is going to happen, as has been said. It is possible the things which have been envisioned may not happen, but they may happen. We may confront total mobilization—God forbid, we may become involved in war. If so, this bill is a ray of light before we enter that tunnel, and let not the Senate of the United States snuff it out today.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? The clerk will call the roll, under the Constitution.

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

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. A vote "yea" is a vote to override the veto, and a vote "nay" is a vote to sustain it; is that correct?

The PRESIDENT pro tempore. The Senator is correct.

The Chief Clerk called the roll.

Mr. WHERRY. Mr. President, the Senator from New Hampshire [Mr. TOBEY] who is necessarily absent, is paired with the Senator from Washington [Mr. MAGNUSON] and the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Washington would vote "yea," with the Senator from Oklahoma voting "nay."

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

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

On this question the Senator from Washington [Mr. MAGNUSON] and the Senator from New Hampshire [Mr. TOBEY], both of whom would vote "yea" if present, are paired with the Senator from Oklahoma [Mr. THOMAS], who would vote "nay" if present.

If present and voting, the Senator from Rhode Island [Mr. MCGRATH], the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from New York [Mr. WAGNER] would vote "nay".

The yeas and nays resulted—yeas 77, nays 10, as follows:

YEAS—77

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

NAYS—10

Barkley	Green	McFarland
Connally	Hatch	Myers
Downey	Hayden	
Fulbright	Kilgore	

NOT VOTING—9

McGrath	O'Mahoney	Tobey
Magnuson	Taylor	Tydings
Murray	Thomas, Okla.	Wagner

The PRESIDING OFFICER (Mr. CAIN in the chair). On this question the yeas are 77, the nays 10. More than two-thirds of the Senators present have voted in the affirmative, the bill is passed, the objections of the President of the United States to the contrary notwithstanding.

In event the question shall hereafter arise as to the time of the passage of the bill over the veto the Chair announces the hour to be 3:18 o'clock p. m.

FOREIGN ASSISTANCE ACT—CONFERENCE REPORT

Mr. VANDENBERG. Mr. President, if the Senator from Oregon [Mr. MORSE] does not object, I should like to present

the conference report on the omnibus recovery measure.

Mr. MORSE. Mr. President, I should be very glad to accommodate the Senator from Michigan.

Mr. VANDENBERG submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, 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 to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter inserted by the Senate amendment and the House amendment, insert the following: "That this Act may be cited as the 'Foreign Assistance Act of 1948.'

"TITLE I

"SEC. 101. This title may be cited as the 'Economic Cooperation Act of 1948'.

"FINDINGS AND DECLARATION OF POLICY

"SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

"PURPOSES OF TITLE

"(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

"(1) promoting industrial and agricultural production in the participating countries;

"(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

"(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

"PARTICIPATING COUNTRIES

"SEC. 103. (a) As used in this title, the term "participating country" means—

"(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

"(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

"(b) Until such time as the Free Territory of Trieste or either of its zones becomes eligible for assistance under this title as a participating country, assistance to the Free Territory of Trieste, or either of its zones, is hereby authorized under the Foreign Aid Act of 1947 until June 30, 1949, and the said Foreign Aid Act of 1947 is hereby amended accordingly, and not to exceed $20,000,000 out of funds authorized to be advanced by the Reconstruction Finance Corporation under subsection (a) of section 114 of this title, or under subsection (d) of section 11 of the Foreign Aid Act of 1947 notwithstanding any appropriation heretofore made under such Act, may be utilized for the purposes of this subsection: *Provided*, That section 11 (b) of the Foreign Aid Act of 1947 shall not apply in respect of the Free Territory of Trieste or either of its zones: *And provided further*, That the provisions of section 115 (b) (6) of this title shall apply to local currency deposited pursuant to section 5 (b) of that Act.

"ESTABLISHMENT OF ECONOMIC COOPERATION ADMINISTRATION

"SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

"(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed thirty days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such thirty-day period, the authority conferred upon the President by this subsection shall be extended beyond such thirty-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

"(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

"(2) If a corporation is created under this section—

"(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of any necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

"(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

"(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to Act of Congress; and

"(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such Act.

"(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

"(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed one hundred may be compensated without regard to the provisions of the Classification Act of 1923,

as amended, of whom not more than twenty-five may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

"(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

"GENERAL FUNCTIONS OF ADMINISTRATOR

"SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

"(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

"(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

"(3) provide for the efficient execution of any such programs as may be placed in operation; and

"(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

"(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

"(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"NATIONAL ADVISORY COUNCIL

"SEC. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"'SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation.'

"PUBLIC ADVISORY BOARD

"SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed twelve additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

"UNITED STATES SPECIAL REPRESENTATIVE ABROAD

"SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

"SPECIAL ECA MISSIONS ABROAD

"SEC. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Special Representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

"(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

"PERSONNEL OUTSIDE UNITED STATES

"SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States the Administrator may—

"(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

"(2) recommend the appointment or assignment of persons, the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

"(b) for the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

"(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed three months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator, and until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

"NATURE AND METHOD OF ASSISTANCE

"SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (5) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

"(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (Seventy-ninth Congress) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term "commodity" means any commodity, material, article, supply, or goods necessary for the purposes of this title.

"(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

"(3) Procurement of and furnishing technical information and assistance.

"(4) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

"(5) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

"(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

"(1) by establishing accounts against which, under regulations prescribed by the Administrator—

"(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of the United States and monies due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940 and shall constitute obligations of applicable appropriations); and

"(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries or by other persons or organizations, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe in regulations promulgated by him with the approval of the Comptroller General of the United States to assure expenditure in furtherance of the purposes of this title.

"(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion, by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

"(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the amount of such guaranties in the first year after the date of the enactment of this Act does not exceed $15,000,000), which guaranties shall terminate not later than fourteen years from the date of enactment of this Act: *Provided*, That—

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof: *Provided*, That, when any payment is made to any person under authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

"(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and

"(iii) as used in this paragraph, the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

The total amount of the guaranties made under this paragraph (3) shall not exceed $300,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section when necessary to discharge liabilities under any such guaranty.

"(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title,, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

"(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to

the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $1,000,000,000 (i) for the purpose of allocating funds to the Export-Import Bank of Washington under this paragraph during the period of one year following the date of enactment of this Act and (ii) for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section until all liabilities arising under guaranties made pursuant to such paragraph (3) have expired or have been discharged. Such notes shall be redeemable at the option of the Administrator before maturity in such manner as may be stipulated in such notes and shall have such maturity as may be determined by the Administrator with the approval of the Secretary of the Treasury. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment under this paragraph of the purchase price of such notes and repayments thereof by the Administrator shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of one year from the date of enactment of this Act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided,* That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

"PROTECTION OF DOMESTIC ECONOMY

"SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

"(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

"(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 per centum of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided,* That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 per centum of such sales price as authorized by subsection (f) of this section.

"(f) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other Act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 percentum of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The rescission of the remainder of section 32 funds by the Act of July 30, 1947 (Public Law 266, Eightieth Congress), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

"(g) No export shall be authorized pursuant to authority conferred by section 6 of the Act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the department, agency, or officer, in the executive branch of the Government exercising the authority granted to the President by such section 6 of the Act of July 2, 1940, as amended, determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however,* That such export may be authorized if such department, agency, or officer determines that such export is otherwise in the national interest of the United States.

"(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

"REIMBURSEMENT TO GOVERNMENT AGENCIES

"SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be produced replacements of similar commodities or such services or facilities: *Provided,* That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further,* That where such appropriations, funds,

or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.

"(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

"(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of one year following the date of enactment of this Act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of twelve months in order that subsequent Congresses may pass on any subsequent authorizations.

"(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

"(e) The unencumbered portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

"(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provision of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

"BILATERAL AND MULTILATERAL UNDERTAKINGS

"SEC. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title. The Secretary of State, before an Administrator or Deputy Administrator shall have qualified and taken office, is authorized to negotiate and conclude such temporary agreements in implementation of subsection (b) of this section as he may deem necessary in furtherance of the purposes of this title: *Provided,* That when an Administrator or Deputy Administrator shall have qualified and taken office, the Secretary of State shall conclude the basic agreements required by subsection (b) of this section only after consultation with the Administrator or Deputy Administrator, as the case may be.

"(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

"(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

"(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

"(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

"(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and identify and put into appropriate use, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

"(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

"(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis. Such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be held or used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title, including local currency administrative expenditures of the United States incident to

operations under this title, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

"(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreemnt, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title;

"(8) furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title;

"(9) recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, by agreeing to negotiate (a) a future schedule of minimum availabilities to the United States for future purchase and delivery of a fair share of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the participating countries, and (b) suitable protection for the right of access for any person as defined in paragraph (iii) of subparagraph (3) of section 111 (b) in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the country concerned, and (c) an agreed schedule of increased production of such materials where practicable in such participating countries and for delivery of an agreed percentage of such increased production to be transferred to the United States on a long-term basis in consideration of assistance furnished by the Administrator to such countries under this title; and

"(10) submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

"(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the three months after the date of enactment of this Act, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if (1) such country has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

"(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to ensure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

"(e) The Administrator shall encourage arrangements among the participating countries in conjunction with the International Refugee Organization looking toward the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title.

"(f) The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

"(g) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

"WESTERN HEMISPHERE COUNTRIES

"SEC. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

"OTHER DUTIES OF THE ADMINISTRATOR

"SEC. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

"(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

"(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones, funds made available for the purposes of this title shall be used insofar as practicable by the Administrator, under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones. Where practicable the Administrator is directed to make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee. The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and relief packages.

"(d) The Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities which go into the production of any commodity for delivery to any nonparticipating European country which commodity would be refused export licenses to those countries by the United States in the interest of national security. Whenever the Administrator believes that the issuance of a license for the export of any commodity to any country wholly or partly in Europe which is not a participating country is inconsistent with the purposes and provisions of this title, he shall so advise the department, agency, or officer in the executive branch of the Government exercising the authority with respect to such commodity granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, and if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"TERMINATION OF ASSISTANCE

"SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

"EXEMPTION FROM CONTRACT AND ACCOUNTING LAWS

"SEC. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

"EXEMPTION FROM CERTAIN FEDERAL LAWS RELATING TO EMPLOYMENT

"SEC. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 107 (a), as a member of an advisory committee appointed pursuant to section 107 (b), as an expert or consultant under section 104 (e), or as an expert, consultant, or technician under section 124 (d), shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"UNITED NATIONS

"SEC. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies or other international organizations, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities. Nothing in this title shall be construed to authorize the Administrator to delegate to or otherwise confer upon any international or foreign organization or agency any of his authority to decide the method of furnishing assistance under this title to any participating country or the amount thereof.

"(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

"(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

"TERMINATION OF PROGRAM

"SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the twelve months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"REPORTS TO CONGRESS

"SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title, including the text of bilateral and multilateral agreements entered into in carrying out the provisions of this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"JOINT CONGRESSIONAL COMMITTEE

"SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), to be composed of ten members as follows:

"(1) Three members who are members of the Committee on Foreign Relations of the Senate, two from the majority and one from the minority party, to be appointed by the chairman of the committee; two members who are members of the Committee on Appropriations of the Senate, one from the majority and one from the minority party, to be appointed by the chairman of the committee; and

"(2) Three members who are members of the Committee on Foreign Affairs of the House, two from the majority and one from the minority party, to be appointed by the chairman of the committee; and two members who are members of the Committee on Appropriations of the House, one from the majority and one from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

"(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this Act.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 and 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

"SEPARABILITY CLAUSE

"SEC. 125. If any provision of this Act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"TITLE II

"SEC. 201. This title may be cited as the 'International Children's Emergency Fund Assistance Act of 1948'.

"SEC. 202. It is the purpose of this title to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations.

"SEC. 203. The President is hereby authorized and directed any time after the date of the enactment of this Act and before July 1, 1949, to make contributions (a) from sums appropriated to carry out the purposes of this title and (b) from sums appropriated to carry out the general purposes of the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, Eightieth Congress), as amended, to the International Children's Emergency Fund of the United Nations for the special care and feeding of children.

"SEC. 204. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, which would cause the sum of (a) the aggregate amount contributed pursuant to this title and (b) the aggregate amount contributed by the United States pursuant to such joint resolution of May 31, 1947, to exceed whichever of the following sums is the lesser:

"(1) 72 per centum of the total resources contributed after May 31, 1947, by all governments, including the United States, for programs carried out under the supervision of such Fund: *Provided*, That in computing the amount of resources contributed there shall not be included contributions by any government for the benefit of persons located within the territory of such contributing government; or

"(2) $100,000,000.

"SEC. 205. Funds appropriated for the purposes of such joint resolution of May 31, 1947, shall remain available through June 30, 1949.

"SEC. 206. There is hereby authorized to be appropriated to carry out the purposes of this title for the fiscal year ending June 30, 1949, the sum of $60,000,000.

"TITLE III

"SEC. 301. This title may be cited as the 'Greek-Turkish Assistance Act of 1948'.

"SEC. 302. In addition to the amounts authorized to be appropriated under subsection (b) of section 4 of the Act of May 22, 1947 (61 Stat. 103), there are hereby authorized to be appropriated not to exceed $275,000,000 to carry out the provisions of such Act, as amended.

"SEC. 303. (a) Subsection (a) of section 4, of such Act of May 22, 1947, is hereby amended by adding at the end thereof the following: 'The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this Act, as amended, in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose.'

"(b) Subsection (b) of section 4 of the said Act is hereby amended by inserting after the word 'repaid' the following: 'without interest'.

"SEC. 304. Subsections (2) and (3) of section 1 of such Act of May 22, 1947, are hereby amended to permit detailing of persons referred to in such subsections to the United States Missions to Greece and Turkey as well as to the governments of those countries. Section 302 of the Act of January 27, 1948 (Public Law 402, Eightieth Congress), and section 110 (c) of the Economic Cooperation Act of 1948 (relating to investigations of personnel by the Federal Bureau of Investigation) shall be applicable to any person so detailed pursuant to such subsection (2) of such Act of 1947: *Provided*, That any military or civilian personnel detailed under section 1 of such Act of 1947 may receive such station allowances or additional allowances as the President may prescribe (and payments of

such allowances heretofore made are hereby validated).

"TITLE IV

"SEC. 401. This title may be cited as the 'China Aid Act of 1948.'

"SEC. 402. Recognizing the intimate economic and other relationships between the United States and China, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in China endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. It is the sense of the Congress that the further evolution in China of principles of individual liberty, free institutions, and genuine independence rests largely upon the continuing development of a strong and democratic national government as the basis for the establishment of sound economic conditions and for stable international economic relationships. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to China, it is declared to be the policy of the people of the United States to encourage the Republic of China and its people to exert sustained common efforts which will speedily achieve the internal peace and economic stability in China which are essential for lasting peace and prosperity in the world. It is further declared to be the policy of the people of the United States to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China, and to sustain and strengthen principles of individual liberty and free institutions in China through a program of assistance based on self-help and cooperation: *Provided*, That no assistance to China herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that assistance provided by the United States under this title should at all times be dependent upon cooperation by the Republic of China and its people in furthering the program: *Provided further*, That assistance furnished under this title shall not be construed as an express or implied assumption by the United States of any responsibility for policies, acts, or undertakings of the Republic of China or for conditions which may prevail in China at any time.

"SEC. 403. Aid provided under this title shall be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. It is not the purpose of this title that China, in order to receive aid hereunder, shall adhere to a joint program for European recovery.

"SEC. 404. (a) In order to carry out the purposes of this title, there is hereby authorized to be appropriated to the President for aid to China a sum not to exceed $338,000,000 to remain available for obligation for the period of one year following the date of enactment of this Act.

"(b) There is also hereby authorized to be appropriated to the President a sum not to exceed $125,000,000 for additional aid to China through grants, on such terms as the President may determine and without regard to the provisions of the Economic Cooperation Act of 1948, to remain available for obligation for the period of one year following the date of enactment of this Act.

"SEC. 405. An agreement shall be entered into between China and the United States containing those undertakings by China which the Secretary of State, after consultation with the Administrator for Economic Cooperation, may deem necessary to carry out the purposes of this title and to improve commercial relations with China.

"SEC. 406. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made pursuant to section 404, to make advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this title in such manner and in such amounts as the President shall determine. From appropriations authorized under section 404, there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section.

"SEC. 407(a) The Secretary of State, after consultation with the Administrator, is hereby authorized to conclude an agreement with China establishing a Joint Commission on Rural Reconstruction in China, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of China appointed by the President of China. Such Commission shall, subject to the direction and control of the Administrator, formulate and carry out a program for reconstruction in rural areas of China, which shall include such research and training activities as may be necessary or appropriate for such reconstruction: *Provided*, That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

"(b) Insofar as practicable, an amount equal to not more than 10 per centum of the funds made available under subsection (a) of section 404 shall be used to carry out the purposes of subsection (a) of this section. Such amount may be in United States dollars, proceeds in Chinese currency from the sale of commodities made available to China with funds authorized under subsection (a) of section 404, or both."

And the Senate agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

A. H. VANDENBERG,
A. CAPPER,
A. WILEY,
T. CONNALLY,
W. F. GEORGE,
Managers on the Part of the Senate.

C. A. EATON,
J. M. VORYS,
K. E. MUNDT,
S. BLOOM,
J. KEE,
Managers on the Part of the House.

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

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

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

Mr. VANDENBERG. Mr. President, I should like to make a very brief explanation of the conference report and what it contains.

In a general way the text of the various Senate bills which have been included in the ultimate omnibus bill remains substantially unchanged, except in a few particulars; and I shall indicate to the Senate the differences between the bill as reported by the conferees and the original three separate bills as passed by the Senate. I shall omit a number of mere clarifying and procedural amendments which I am sure are of no particular concern to the Senate.

I may say that the conference report has just been adopted in the House by a vote of 317 to 75.

The first difference between the conference report and the previous action of the Senate is that the conference report includes provision for economic and human relief in Trieste to the amount of $20,000,000. The Senate did not have that subject before it, but the $20,000,000 involved for Trieste is included within the totals previously voted by the Senate. Therefore it represents no additional expenditure.

The Senate may be interested in knowing that the conferees removed from the bill the recognition of Spain as a participating country, as voted originally by the House. It was the attitude of the Senate conferees—and the House conferees ultimately agreed—that the membership in the European recovery program is an autonomous institution of its own, that the 16 European participating countries are the ones who control the right of membership in their cooperative adventure, and that it is not for us to undertake to dictate the membership. It is for this reason, fundamentally, without passing upon the merits of the question itself, that the Spanish amendment was eliminated.

The conference report includes permission to the Administrator to organize a corporate form of administration if he concludes that it is desirable to do so. I know that that is a matter of interest to some Senators, because many of them favored the corporate form in the first instance; and at least to the extent that a corporate form is permissive, their viewpoint is reflected in the conference report.

The House bill sought to eliminate what has been loosely called the "watch dog" committee, which was a device created in the Senate bill to provide constant liaison between Congress and the administrative operation involved in the entire European recovery program, so that we could be in constant touch with every phase of the problem from day to day, and thus be in a position to pass adequate judgment upon the annual occasions when it is renewed. I repeat, the House voted out what has been called the "watch dog" committee, but in conference it was restored, except that the type of its membership was identified in a different way. It will now consist of three members of the Senate Foreign Relations Committee, two members of the Senate Appropriations Committee, and three members each of the comparable committees in the House.

Under the Senate bill as originally passed the authorization was for 4 years, although, of course, annual appropriations had to be made under the authorization. The House insisted that the authorizations as well as the appropriations must be annual, and the Senate conferees receded upon that point. That is the basis upon which the bill is written.

As the bill passed the Senate it involved a total of $5,300,000,000 for loans and grants. There was no specification as to the amount which had to be segregated for loans. As the bill passed the House $1,000,000,000 was required to be segregated for loans and for the guaranties which are made to industry in respect to the convertibility of currency. The House provision for $1,000,000,000, representing loans and credit guaranties, was put upon the basis of being financed by Treasury notes instead of by taxation. The Senate agreed to that arrangement. As a result, the appropriation under the bill would require at its maximum $4,300,000,000 instead of $5,300,000,000, the additional billion being segregated to loans and guaranties.

Some changes were made by the House in the Senate language in respect to the acquisition of strategic materials. All the changes were in the direction of a greater insistence upon the recognition of our right to a reciprocal consideration in regard to strategic materials; and since every one of those changes is in the direction of an additional recognition of the right of the Government and the people of the United States in this cooperation in regard to strategic materials, I am sure that the Senate will be very happy with those changes.

So far as exports are concerned, the House by its action underscored the fact that there is considerable dissatisfaction with export control as exercised in the Department of Commerce, particularly in respect to some of the nonparticipating countries in the European enterprise. In the final conference report, sympathizing as we did with some aspects of that criticism, it is now arranged that while the export control, both to participating and nonparticipating countries, continues to remain in the Department of Commerce under the statute which covers that situation, nevertheless, if the Administrator of the European relief program finds that the exercise of this authority in the Department of Commerce is colliding in any fashion with what he believes to be the national interest and the national security in respect to the European recovery program, that dispute may be taken to the President, as umpire, precisely as the Senate may recall was the arrangement made if, as, and when there might be any dispute on foreign policy between the Secretary of State and the Administrator.

With respect to aid to China——

Mr. PEPPER. Mr. President, would the Senator prefer to wait until he has finished before any questions are asked? The reason I rise at this time is that in the report of the conferees the subject which comes next after the general functions of the Administrator, to which the Senator has just referred, and the National Advisory Council, is that of the Public Advisory Board, and the action taken by the conferees with respect thereto.

Mr. VANDENBERG. I shall be glad to comment on that subject. If the Senator will allow me to conclude my general summary first, I shall then speak about the Public Advisory Board.

Mr. PEPPER. Very well.

Mr. VANDENBERG. So far as the Senate bill was concerned, the Senator from Florida will recall that the only definition of eligibility to the Public Advisory Board was a requirement—I have forgotten the precise language—that the members should be chosen from among citizens of the United States of broad and varied experience in matters affecting the public interest. The House amended that provision so as either to require or suggest that various specified interests—agricultural interests, labor interests, and so forth—should be covered in the selection of the Public Advisory Board.

Mr. LANGER. Mr. President, let me inquire how many members there are to be on the board.

Mr. VANDENBERG. There are to be not to exceed 12 members.

Mr. LANGER. I thank the Senator.

Mr. VANDENBERG. The Senate conferees felt that although it is highly desirable that the selection of the public advisory board should represent in the greatest possible degree a cross-section of the various fundamental interests in the life of the Nation, with particular emphasis upon agriculture and labor, nevertheless because of the small size of the public advisory board it would be exceedingly difficult if the President were required to start to divide it up categorically in respect to representation for various interests, because if it were ever undertaken to make that sort of division by categories, probably there would be more categories than there would be places that could be filled. The Senate conferees felt that in the final analysis, the public advisory board amounts to the dignity of such a tremendous responsibility in behalf of the public welfare that there should be no criterion in respect to the appointment of the members of the board except the fundamental criterion that they are totally equal to the total responsibility which they assume. I wish to repeat that that is said without derogation of the expectation and desire that the interests and the voice of labor, agriculture, and other fundamental interests most certainly will be considered and should be considered in the selection of the board.

Mr. PEPPER. Mr. President, I thank the Senator from Michigan very much. I think the words he has just uttered clarify the conference report, and they are entirely satisfactory.

Mr. VANDENBERG. I thank the Senator for his observation.

Mr. President, there are only one or two things more to be said.

The conference report includes an authorization of $60,000,000 for the International Children's Fund which was provided for in the House bill, but was never brought to the independent attention of the Senate. That has been included in the omnibus bill.

So far as the Greek-Turkish provision is concerned, it appears in the conference report in the precise form in which it passed the Senate. Therefore, there can be no Senate controversy at that point.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. VANDENBERG. I ask the Senator please to permit me to finish this statement first.

Mr. LANGER. Certainly.

Mr. VANDENBERG. So far as the China-aid provision is concerned, it follows the general form of the text of the bill passed by the Senate, with the exception of the adoption of the preamble from the House text and a change in the figure of $100,000,000 which the Senate allowed for an independent grant to the Government of China. The conference report provides for an increase of that amount from $100,000,000 to $125,000,000, with a proportionate reduction in the amount available for economic aid.

I should add that in the Chinese aid provision there is now identified specifically, as was the case in the House bill, a recognition of the tremendously valuable rural reconstruction enterprise which is being carried on by a great organized group in China, and which the Senate conferees agreed with the House conferees represents one of the great tangible hopes of value for China in connection with this aid program.

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

Mr. VANDENBERG. I wish to yield first to the Senator from North Dakota.

Mr. LANGER. Mr. President, I should like to get the name of the children's organization the Senator from Michigan mentioned.

Mr. VANDENBERG. It is the International Children's Fund.

Mr. LANGER. What countries does it include?

Mr. VANDENBERG. I am unable to tell the Senator. It is a specialized agency of the United Nations; and so far as I am advised, it covers all nations which qualify for the fund as a result of the surveys.

Mr. LANGER. Would it include the children of western Germany?

Mr. VANDENBERG. Up to the present time western Germany has not been included in the program of the children's fund, but it is my understanding that arrangements may be made at a later date for such participation.

Mr. LANGER. Would it also include the children of the ten or eleven million expellees who have come into western Germany from other countries?

Mr. VANDENBERG. Yes.

Now I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I was not quite clear as to the amount allowed in the China program for rural reconstruction.

Mr. VANDENBERG. Up to 10 percent of the portion of the fund which is considered primarily for economic purposes. That would be $30,000,000 or $35,000,000. It is to be available either in dollars or in the local currency funds, because in the interior of China the local currency funds may be more useful.

Mr. PEPPER. Will the Senator tell us how that fund is to be expended or what sort of supervision or direction it is to have?

Mr. VANDENBERG. I am afraid I have no specific information for the Senator upon that score. All of it is subject to the investigation and exploration of the Administrator of our fund before anything is done about it.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. I think the important thing is that that, too, comes under the supervision of the American administrator, so he can see to it that those funds reach that objective.

Mr. VANDENBERG. The Senator is entirely correct.

Mr. PEPPER. Mr. President, I wish to commend, indeed, both the chairman and the conferees for specifically allocating funds for that purpose. I hope that in future appropriations we can constantly enlarge that kind of aid. I think it is extremely vital in the interests of democracy.

Mr. VANDENBERG. I agree with the Senator that it symbolizes a type of aid which is most refreshing in its prospectus.

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

Mr. VANDENBERG. I yield.

Mr. SMITH. On page 23 of the conference report, title III says:

SEC. 301. This title may be cited as the "Greek-Turkish-Chinese Assistance Act of 1948."

Mr. VANDENBERG. Mr. President, that is a typographical error.

Mr. SMITH. I assumed it was.

Mr. VANDENBERG. And it has been corrected in the conference report as submitted.

Mr. SMITH. Then the Chinese Act is title IV, known as the "China Aid Act of 1948," and is a separate title; is it?

Mr. VANDENBERG. That is correct.

Mr. President, I think that covers the water front.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. PEPPER. Mr. President, there is one other question which I wish to ask the Senator. The amount provided in the conference report for the International Children's Emergency Fund is $60,000,000, I believe.

Mr. VANDENBERG. That is correct.

Mr. PEPPER. I wish to express regret that the amount was not made larger than the $60,000,000. As the Senator will recall, we debated that question somewhat in the Senate when we had the original European relief program bill before us. At that time we were told that perhaps we had better not add an amendment to the then pending bill, because an appropriation or authorization on that subject was coming through.

What disturbed the Senator from Florida was that the report of the international organization, the International Children's Emergency Fund, said they needed $250,000,000 and that in the world there were 20,000,000 children who were hungry and needed help, and that the United States was going to have to bear, obviously, the principal part of that burden.

Although I am gratified that $60,000,000 has been provided, it must be remembered that it is for the children of the world, and there are probably 30,000,000 or 40,000,000 who need help; but 20,000,000 need help at the present time.

Heretofore we had allowed only $15,000,000; that is to say, the United States had appropriated $15,000,000 for this purpose. That was on the basis of matching, which required 43 cents to be made available by other countries for every 57 cents put up by us.

Although this is a beginning and it is a step forward, yet I wonder whether the Senator from Michigan can give us any encouragement to believe that as this fund is expended, if the need is made to appear, and if the international organization conducts its affairs in a way that inspires the confidence of the Congress, we may hope for further assistance from the United States Government for this humanitarian purpose of aiding the children of the world.

Mr. VANDENBERG. The Senator from Michigan can understand the enthusiasm of the Senator from Florida for this great cause. Of course, it will depend upon events.

Mr. President, inasmuch as the conference report follows almost completely the various Senate bills on the subject, I doubt that there is any controversy, and I wonder whether we may have a vote on the conference report at this time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LUCAS obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator from Illinois yield? I was suggesting a voice vote on the conference report. The Senator could then be recognized on the other pending question.

Mr. LUCAS. In that event I would lose the floor, so I propose to proceed.

Mr. WHERRY. That could be taken care of by a unanimous-consent agreement.

Mr. CONNALLY. No; I think not.

Mr. VANDENBERG. The Senator would not lose the floor. I ask unanimous consent that he do not lose the floor, if he yields for a vote on the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the conference report.

The report was agreed to.

THE MEAT-PACKING STRIKE—RESOLUTION OF DE KALB LIVESTOCK FEEDERS ASSOCIATION

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram under date of March 31, from Naperville, Ill., setting forth the veiws of producers, as contrasted with those of others, in reference to the strike that is now occurring in the meat-packing industry.

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

NAPERVILLE, ILL., *March 31, 1948.*

Senator HUGH BUTLER,
Senate Office Building,
Washington, D. C.:

The following resolution was adopted by the De Kalb County Livestock Feeders Association tonight:

Whereas official Government figures show that at the very peak of commodity price levels so far reached, the income of factory workers was 469 percent of the 1909–13 levels while commodity price levels were only 242 percent of that level; and

Whereas any assertions that the proportionate total income taken home by workers is not now at the highest level in history and that they must have a wage raise to break even, is just sheer nonsense and poppycock and disapproved by the actual figures; and

Whereas commodity prices have broken sharply and livestock prices have broken until livestock feeders have been forced to take bad losses on the meat animals now being marketed; and

Whereas inability to market livestock that are ready to market will force greater consumption of feed grains which are already in short supply, and thereby jeopardize meat supplies of the future; and

Whereas history has shown that always during major wars commodity prices advance, only to decline after the deficits created by war have been filled up, a point rapidly being approached now; and

Whereas the strike of the unions in the packing industry is not so much a strike against the packers as it is an effort to gouge more from the consumers or the livestock feeders, and, that if successful, it will distort still more the natural balance between labor wages and the prices received by livestock feeders to our detriment: Now, therefore, be it

Resolved, That we, the De Kalb County, Ill., Livestock Feeders Association, affiliated with the Illinois Livestock Feeders Association and the Corn Belt Livestock Feeders Association, demand that the strike at the packing houses be ended and ended immediately; be it further

Resolved, That we call to the attention of organized labor in all branches of industry and the packers as well that it was the embattled farmers of Concord and Lexington who fired the first shots for liberty; that farmers are determined that this liberty shall be retained; that this country shall not be run by any labor czar or Communist organization operating under the guise of a labor union; that the farmers of this Nation outnumber the labor unions in votes and they can, if necessary, outnumber them in violence to preserve the liberty for which they have fought from Concord through every strife to date; that if it becomes a question of holding our livestock on farms until they show further big losses due to inability to slaughter because of a strike in the packing plants, we can and will take over the slaughter of that livestock so that the meat can move into consumption at fair prices both to the consumer and to the feeders; that we want action, and we want it now; so be it finally

Resolved, That we call on the President of the United States to get action to stop this impediment to the flow of livestock to market at fair prices.

PAUL ARNDT,
President, De Kalb County Livestock Feeders Association.

C. B. WATSON,
President, Illinois Livestock Feeders Association.

MARK W. PICKELL,
Executive Secretary, Corn Belt Livestock Feeders Association.

UMT AND SELECTIVE SERVICE—STATEMENT BY JOHN F. BRADY

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an outstanding statement made yesterday before the Armed Services Committee by Mr. John F. Brady, president of the Blinded Veterans' Association, in support of universal military training and selective serv-

ice. In sharp contrast to that statement, I ask to have printed immediately following it in the body of the RECORD a statement issued by the Communist Party of California, in opposition to the national defense program. After reading both statements I hope the Congress will expedite passage of the legislation required to place our defenses in first-class condition.

The PRESIDING OFFICER. Is there objection?

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

STATEMENT OF JOHN F. BRADY, PRESIDENT, BLINDED VETERANS' ASSOCIATION, WASHINGTON, D. C.

The CHAIRMAN. Mr. Brady, are you ready to give your testimony?

Mr. BRADY. Yes, sir.

The CHAIRMAN. All right. You may proceed in your own way. We are mighty glad to have you with us.

Mr. BRADY. Thank you, Senator.

Mr. Chairman and gentlemen, I speak in behalf of the Blinded Veterans' Association, a national organization whose membership is constitutionally limited to men who lost their sight through service-connected cause while in the armed services.

The primary concern of our organization has been, and is, the rehabilitation of the blinded veteran, so that he may regain and take his place in his community as a useful and worth-while citizen.

In order that we could concentrate our energy for this purpose, we have made no commitments on matters of national public interest. Only the importance of the subject before us impels us to do so now.

The blinded veteran has clearly indicated his support of universal military training. To be certain of the sentiment of our organization, we asked our members to consider whether universal military training would not enhance the possibilities of our living in a peaceful world.

The answer of those men who answered the inquiry, 90 percent of them voted in favor of universal military training. Less than 9 percent expressed opposition.

Our opinion would have little significance here if it was measured simply by the yardstick of our numbers. The head wounds which were the chief cause of blindness were frequently fatal. Therefore, the number of blinded veterans is relatively small. However, there is no single group of men that has greater reason to abhor war. We carry with us daily a reminder of war's horrors, and its consequences.

For that reason you can be certain that in considering the matter we weighed carefully the aspects of UMT on world peace.

Experts have appeared before the committee over several weeks who are better qualified than we are to discuss the military, political, economic, social, or moral aspects of the proposed legislation. We will limit our remarks to the personal experience, base our conclusions on the personal experience that we, like all other veterans, have acquired through our years of service in training and combat.

We can remember vividly December 7, 1941, when those of us who were then in service, among the small number of men that were under arms at that time, had just completed a major series of maneuvers in which we trained with wooden guns and flags, and with trucks that were labeled "tank."

If the morale of the forces at that time was not particularly good, one could hardly expect it in view of the equipment we trained with.

We can remember then the years that followed, in which it was necessary for the country to call up millions of men, and to train them, and start training from scratch. We were fortunate in that we had time to train these men. It was borrowed time, however; it was time that we borrowed from the English, who were also later to supply the bases from which we could jump off in a counterattack.

At the same time, during that time, even though we had this 2½ years in which to prepare, we found that before long we were cutting the limited time allotted to military basic training, and before long we were throwing men into combat with no advanced training at all, and with only token basic training.

We can remember, too, that when we were hit, it was not on our mainland, any of the cities in our mainland, but one of our outposts, Pearl Harbor, and we have a pretty good idea of what some of our cities might have looked like. We have seen the cities of France, in Germany, and in the Low Countries, and the Philippines, and in Japan. It is not difficult to take their foreign names and transpose them to the names that sound more familiar, like New York, Cincinnati, St. Louis, or San Francisco.

It has been argued that the next war will be a push-button war. We know little about atomic or push-button warfare. It has been argued that during the next war we will not need men with basic training, but highly trained specialists.

We reject this argument and contend that even these long-range specialists will need essential basic training in evaluating the situation.

And taking these memories we have of the past, transposing them into visions of the future, we find no room for comfortable thinking. There can be no guaranty that there will not be a next time. Nor can anyone guarantee that when the next time comes it will give us the time we had before in which to train the millions of men we will need. There can be no guaranty that the next time, when we are hit, that we are not going to be hit in our own mainland, in our cities and towns across the country, nor is there any guaranty that we can hold long enough and prevent an aggressor from engulfing foreign bases from which we can jump off in a counterattack.

Certain arguments have been advanced that we find in the light of our own experience are easy to reject. It has been suggested or stated that military conscription, compulsory training breed war. This argument, we think, lacks validity in the face of the fact that within a single generation we have been involved in two wars. That is, two world wars.

It has been argued, too, that 6 to 12 months of basic training is worthless. We hold that this is not valid, that basic training is essential for any type of force that we put in the field, and the next time we may not have the time to acquire it.

It has always been said that UMT will make us a military nation, will make us militaristic, will give us a permanent military posture, and that UMT will affect or damage the physical or moral fiber of the young men who are exposed to it.

We can personally evaluate this in the light of our experience. We have been in the service from 1 to 5 years, and when we look at these charges, it is easy to dismiss them.

The thought of war is repugnant to us, and it is difficult for us to bring ourselves to the position of considering it, or considering any matter that touches remotely on it. However, in the face of the situation in today's troubled world, we feel that if we shut our minds to the world situation, that we would become mentally, as well as physically, blind.

For these considerations we support UMT as necessary in the interests of our national security.

We also support a temporary or stopgap draft, designed to bring up and keep up the authorized strength of our armed forces until such time as UMT, the long-range aspects of it, begin to be realized.

Finally, gentlemen, we feel that in both universal military training, and the proposed selective-service draft, that it will give us a safeguard that will prevent thousands of young Americans from joining the ranks of the blinded or other seriously disabled veterans.

That is all, sir.

The CHAIRMAN. Let me compliment you, Mr. Brady. First let me say that almost without exception everyone testifying before this committee during the last 2 weeks has read from a prepared statement. You must have a prepared statement in your mind. You have come far, I would say, in overcoming your handicap.

Mr. BRADY. Thank you, sir.

The CHAIRMAN. The most complete statement of sequence of events and fine continuity of your statement is amazing to me, and I am deeply grateful, and thank you very much.

Senator KNOWLAND.

Senator KNOWLAND. Mr. Chairman, I merely wish to say that I am sorry that all of the members of this committee did not have a chance to hear the statement, and that all of the Members of the Congress of the United States did not. Here is certainly a group well qualified to speak, and with every right to speak, who recognize the fact that in addition to the rights of citizenship, there are certain obligations of citizenship, and I, speaking merely as one Member of the Senate of the United States, hope that the chairman of this committee will have the testimony of the witness transcribed and will either read it or present it to the Senate of the United States, to have it published in the CONGRESSIONAL RECORD, so that it may have the distribution that I feel it well warrants.

Mr. BRADY. Thank you, sir.

The CHAIRMAN. I certainly will follow your suggestion, Senator KNOWLAND.

Are there any further statements or questions?

Thank you very much, Mr. Brady, and thank the rest of your group that came down here today.

Mr. BRADY. Thank you, sir.

The CHAIRMAN. We are glad to have you stay with us the rest of the afternoon, if you so desire.

Mr. BRADY. Thank you very much.

HALT THE WAR DRIVE!—AN ANSWER TO TRUMAN'S WAR SPEECH

(Issued by Communist Party of California, San Francisco, Calif.)

The American people are in grave danger of being plunged into military adventures by the latest war moves of the Truman administration.

The President's demand for universal military training and selective service is made at the behest of the brass hats of the Army and Navy and the Wall Street bankers, who are swarming in all key Government positions in Washington.

President Truman is seeking to ride back into office by stampeding the country into a war hysteria.

Wall Street is arrogantly telling the world that it will use military force against any government that does not conform to its liking. In Greece and China, the excuse for intervention was the civil war in those countries. In Italy, the prospect that a democratic election will result in a popular majority for the bloc of left parties is the excuse being used to threaten American military intervention.

The administration that fails to use troops to guarantee a democratic election in the South, or prevent a lynching, is getting ready to use troops in Italy for the April elections.

The warmongers who are demanding immediate atomic war against the Soviet Union are dangerously close to having their way, unless the American people arouse themthemselves to the danger of being dragged into a bloody world war.

Now the sham that the Marshall plan is a humanitarian project for civilian relief to Europe is exploded, and it is revealed as part of a war plan that includes military measures against the people of Europe and Asia.

We have hardly buried the dead of the last war against fascism, when the American people are being propagandized for war against our former allies.

The veterans have hardly laid aside their uniforms when they are being asked to shoulder arms again, this time for imperialist intervention against the peoples of other lands.

But there is still time to stop this mad drive to war.

There is still time for the American people to make known their will for a policy of peace through the United Nations and against the war plans of Wall Street.

There is still time, if the people act now.

Let every American, every organization that wants peace, inform the President, your Congressmen and Senators that you are opposed to the war measures proposed by the President, that you are opposed to the draft and universal military training, and that you are for a return to the policies of Roosevelt, for American-Soviet friendship, and United Nations unity to maintain world peace.

Let every American make sure that in the coming elections he supports those candidates who fight for peace and defeats the warmongers and the candidates of Wall Street.

PROGRAM FOR REMAINDER OF DAY

Mr. WHERRY. Mr. President, before the Senator from Illinois proceeds, I should at least like to announce to the Senate that the pending question is the appeal from the decision of the Chair relative to the conference report on Senate bill 1393, on which there may be a yea-and-nay vote. Senators should be advised that there will be another vote before the Senate concludes its work for the day.

The PRESIDING OFFICER. Senators are so advised.

THE WORLD POLITICAL SITUATION

Mr. LUCAS. Mr. President, what the Senator from Illinois will have to say in the next few minutes bears directly on the conference report on the European recovery program, which was just adopted by the Senate.

In less than two centuries this country has risen from colonial status to world power. Until a generation ago our national energies were preoccupied with organizing and unifying a continent. Matters of foreign policy were of secondary concern. Today it is not too much to say that the formulation of policy in foreign affairs poses a question of the survival of our people under a democratic form of government.

Two great world wars have been fought in which we played a decisive role. Our domestic economy has been drastically affected by the overwhelming expenditure of blood and treasure which these convulsions have brought forth. In the light of this recent history, it is little less than tragic for anyone to believe that we can insulate our economy and our domestic policy from the play of world forces.

Unless we insist upon being deaf, dumb, and blind, unless we want to live in the twilight of somnambulism, there is no escape from the hard fact that our national existence is entangled beyond remedy with what goes on in the outside world. To analyze our world position and construct an adequate foreign policy to protect our vital interest is the anxious task of this generation. At the close of World War II, we were at the pinnacle of power, superior in the military field, and a beacon light to which the people of a war-torn world could turn for help and guidance. We were confident that the defeat of Hitlerism was the beginning of an everlasting peace for all mankind. We were so confident that we demobilized as fast as possible the millions of men and women who wore the uniform.

When we review the existing world political situation and the balance of international forces, we find that the United States today has a preponderance of economic and potential military power. Despite this potential superiority, Americans feel uneasy about the military might of the Soviet Union, as well as the ideological preparation for further Soviet expansion throughout the strategic areas of the world.

I doubt that there has been a time in our history when we have felt such a foreboding sense of impending calamity. Mr. President, Americans must understand that we are facing the greatest challenge in our history. To analyze that challenge and to use our power in meeting it effectively is the great task of American statesmanship.

Unless we find the solution, Mr. President, America is in great danger, because we may well face for the first time, virtually alone, the communistic nation which threatens to dominate the whole European continent and which seeks ultimately to dominate the world.

The threat of Russian military expansion is not presented to the world in crude terms of conquest by force of arms, although no one should discount the present Russian military strength. It is rationalized in slogans of revolutionary justice for the oppressed and thereby seeks to enlist and exploit all forces of social division, discontent and frustration in the areas of its intended expansion. The Politburo is now realizing the fondest dreams of Czarist imperialism with lying promises of emancipation and abundance to the exhausted peoples of Europe. When a man has not enough to eat, he will believe and follow any leader who promises him bread. If a man starve, liberty to him is just a phrase. He will barter his freedom for a crust. Man must live before he can think of living well. In the backwash of war is an immense volume of frustration which the Communists, with consummate skill, have turned into anger against the civilized order of western society. They have organized this hostility into mass parties which are used with terrible effectiveness to interrupt the productive life of the community and create commotion, disorder, and civil war.

These mass parties do not work within constitutional limits. The individual in Russia and her satellite nations has no rights enforceable against the state, and no judicial remedy against the terror of its secret police. Opposition in America may lead one to the Presidency. Opposition in Russia is sure to lead one to jail. In Russia, there is no political opposition which is permitted to function as such. This is the critical test of freedom. It is the acid test of a free society.

A visiting delegation of British trade-unions once visited Stalin in the 1930's and asked why there was only one political party in the Soviet Union. "In Russia," protested Stalin, "we have many political parties, but it is only the Communist Party that governs. All the other parties sit in jail."

We in this country believe that a far more perfect form of economic democracy is attainable when economic power is shared, as it is here, by the millions of private owners of capital funds and that the productivity of our system is enhanced, beyond comparison with any other, by allowing individuals to venture these capital resources in the expectation of private gain. We are convinced that this is a system that has no equal or parallel. However, we recognize that there may be other roads to freedom and abundance, and the peoples of Europe have every right to choose theirs, provided they are allowed to make their choice freely. Therein lies all the difference between democracy and communism—between socialism and communism, if you please. We have no objection to communism in Europe if that is the free choice and will of the people, but we know that in Poland, Rumania, Bulgaria, Czechoslovakia and all the other satellite nations which have been swallowed by Russia, free elections were a mockery. The Communists conquered these countries through fear, force, and intimidation.

The Communist parties are conspiratorial organizations whose purpose is the establishment of a universal dictatorship with Moscow as the center. The bosses of the totalitarian states know that great masses of people with a grievance will listen to what the leaders of the new gospel will promise, failing to see what these leaders do.

Mr. President, I can understand how the weary, the weak, and the lame can become the prey to an ideology which promises the millennium, but what cuts me to the bone is to find in our own America there are approximately 100,000 Communists following with the utmost obedience the edicts laid down by the Kremlin in Moscow. If the Communist party sought to expand only the principles of communism, it would be less reprehensible, but we know that the Communist party in America is the blind servant of the Soviet Union. It is not a political party as we understand. It is an arm of the Russian Government. Few of these Americans are Communists because of poverty, misery, and despair. Many of them are blessed with the better things of life.

May I remind the American people of this important fact: In 1917, when the Russian Revolution occurred and the Bolsheviks came into power, there was only one Communist in Russia for every

2,277 Russians. Today in America we find one Communist for every 1,814. This Communist force in America stands ready at any moment to seize upon any weakness, real or imaginary, as a sounding-board for the advocacy of fundamental Communist tenets.

Mr. President, what a travesty of government it is that the American Communist uses the Constitution of the United States as a shield to protect his right of free speech, free press, and free elections; yet if permitted, that same American Communist would destroy the Constitution overnight, replacing it with a ruthless dictatorship under which our inalienable rights, the gift of a divine providence, would be mercilessly suppressed. They believe in, advocate, and teach the overthrow of government by force and violence. That same American Communist longs for the day when the blessed stars and stripes may be taken from the dome of the Capitol and the red flag of anarchy and terrorism be run up in its place.

This shall never come to pass in a country where freedom and liberty are in the very bone and marrow of our people, beginning with the landing of the *Mayflower* in Massachusetts in 1620.

Mr. President, whether or not any American citizen has the right to enjoy and use the fruits of free government for his own safety and protection, when he has taken a solemn and sacred oath to overthrow that government at the first available opportunity, may well pose a serious question for determination in the hectic days to come.

Why do I speak so bluntly? Because, Mr. President, the hour is already late. The American people must know the truth. They must be aroused. They must meet this creeping menace in America with words, deeds, and actions. It must not, it will not, happen here.

Listen to this, my distinguished and eminent colleagues:

Under the most humanitarian slogans of freedom and emancipation, and in the name of a more progressive social order, communism for 30 years has systematically liquidated millions of people within the Soviet Union. All who oppose it have been slaughtered or enslaved. The Senator from Illinois has learned from one of the highest authorities in this Government that twelve to fifteen millions of miserable victims languish in Soviet Arctic work camps where the population of slaves is slowly worked to death under conditions without parallel in recorded history. Let American labor who live under the free-enterprise system remember that the worker in Russia cannot leave his job without permission of the state. He has no voice whatever in fixing the wages or other conditions of his employment. The bosses and Politburo give the people phrases about 5-year plans and call it bread. They give them work camps and call it liberty. All this blood-letting and all this hypocrisy goes on in the vast spaces of the Soviet Union without limit and without end. The Russian masses are not to blame. They know little or nothing about the rest of the world.

Today communism is absolute master not only in the Soviet Union; it holds in its clutches all the countries east of the iron curtain and is working day and night to expand further. It is the combination of this military threat and the implacable attack upon our basic cultural values that constitutes the great crisis of western civilization.

Can we not make peace on some terms with this force?

That is the question upon the tongue of every American. Following World War II, all America hoped we might exist side by side with Russia in friendly competition for the support of peoples of the world. But after 2 years of earnest endeavor to reach such an amicable understanding with Russia, every sane American has about reached the point where he realizes there is no compromise with communism. We who have been hopeful and tolerant must now understand once and for all that the basic philosophy of communism lays down the proposition that the liquidation of western liberalism is historically inevitable; that the dictatorship of the proletariat is the instrument ordained by history to carry out this task; that ultimately victory for communism is certain; and that no scruple of a humanitarian or ethical nature can be allowed to prevent the complete liquidation and extermination of all opposition throughout the world. It cannot, therefore, conceive a permanent peace with the capitalist world without compromising its historical mission.

The world political situation at any given moment may require the Communist leaders to make temporary changes of tactics, sometimes to increase, sometimes to abate the pressure of attack. These zigzags are only maneuvers for more strategic positions. While in mortal danger during the war, we saw them agree to many political retreats. We hoped that these might be the beginning of sincere and lasting cooperation. If it now appears that immediately following the war, we demobilized our forces too fast and that we seemed to follow a doctrine of semiappeasement with the Russian bear, it was an honest course in view of our historical past. Humanitarian, nonaggressive, peace-loving Americans would approve no other policy. By our very democratic nature and our hope for an enduring and universal peace, we were deceived for the moment, forgetting or ignoring the ultimate goal of communistic strategy.

Mr. President, the determination of the Communist to destroy western society in a conquest of all power by the international Communist movement is and must be unalterable. Stalin himself cannot compromise on this proposition without entirely surrendering the ideological content of communism as a philosophy in a world movement. I doubt that this goal can be altered by any inducement. However, as one United States Senator and as a citizen of the United States, I am still willing to try, but, in the end, it is my studied judgment that we have only the alternatives of intelligent and continuous resistance or complete capitulation, and, Mr. President, we will never capitulate. Stalin and his sycophants of the Politburo should not miscalculate either the strength or the temper of the American people.

A singular fascination takes hold of some of our liberals at the sight of this monstrous power, like the rabbit staring, hypnotized, at a boa constrictor and awaiting its fate in a state of bliss. The failure, yes, even the treason, of some of our intellectuals has been one of the most dreadful symptoms of the sickness of our times. Who, if not our intellectual elite, should give voice to the horror and indignation of civilized mankind at the murder and enslavement of so many millions and at the endless cruelties of the Soviet Union? A generation ago, the trial of Sacco and Vanzetti roused a world-wide chorus of liberal disapproval. Where are those voices today, when hundreds of millions within the Soviet prison are writhing in their torment?

Some of these self-same liberals who then screamed their moral condemnation and today lack no eloquence to denounce the imperfections of our own social order, are filled with moral resignation and philosophical submission as they contemplate the cruelties of the Soviet system, or even condone these petty aberrations of what they call a higher achievement than our own in economic democracy. Such liberals as these—some confused or feeble minded, some consumed by personal envy, some ambitious for power, but all traitors to the historical tradition of liberalism—are now the leading collaborators of the Communist movement in this country and can be depended upon to confuse the people with their cries for peace with the Soviets as if it were we and not they who were the aggressors. Any American following this line of nonsensical chatter is either a dupe or a fool. There has never been such dangerous demogoguery in the name of peace and prosperity in all our history. To assume such individual or collective responsibility is playing fast and loose with the liberty of millions of people.

If we cannot make peace with world communism, how then shall we meet this threat to the world order? Shall we now resort to the force of arms? Shall we make our present potential military and economic power a reality, creating a preventive war and, with our atomic bombs, destroy the Communist world base?

Mr. President, this solution, simple and plausible though it may seem, is, at this time, utterly out of the question. Rooted in the American tradition is the deep conviction, amounting to an article of mystical faith, that war is the greatest of all earthly evils, and, unless forced upon us by the adversary, must be avoided at any risk short of national annihilation. Our innate abhorrence of war is so strong that it will not take into account considerations of prudence and refuses to admit the possibility of a distinction between making a just and an unjust war. This attitude toward war, deeply shared by the vast majority of our people, gives the enemy the diplomatic initiative in all forms of aggression short of open force, allows him to build up his power undisturbed, and gives him the initiative in delivering the first blow.

We are dealing here not with considerations of ordinary prudence, but with the deepest religious instincts of our people. Who can say that this conviction is wrong or that it does not express some deeper rationality even in the world of practical affairs? For a people so deeply pacific can be roused to terrible fury when its liberty, security, and freedom are threatened, either directly or indirectly, by an aggressive enemy whom it has refrained from striking. I hope no nation in this tormented world has forgotten that this country in World War II produced the most powerful Navy, Army, and Air Force ever mobilized under any banner in all the history of time. Hitler was as certain as all other previous would-be world conquerors that he had the key to world victory.

Mr. President, some advocate war now, but such a proposal is sheer stupidity. A preventive war, even if we were fully victorious, would not solve the world crisis. The international economy would lay in far greater ruins than today. Enormous effort to win, the certainty of great damage to some of our cities, would leave our own economy enfeebled and less capable of dealing with world chaos. Chaos would spawn a new crop of ideological monstrosities, all beating furiously upon the shores of liberty. For economic and other reasons, America could not successfully police the world. That, Mr. President, is a truism that applies to Russia or any other world power. There is no nation that can police the earth.

Victory would again have underlined the indefeasible truth that in modern war there are no victors. Let every aggressor learn that lesson before it is too late.

If we will not resort to surgical violence, what then is our policy?

Simply this:

We must rebuild Europe west of the Soviet Union into an economic and political force, independent of the Soviet Union as well as ourselves. This is the policy, the first step toward which we, as a people, are now debating, and which is now before the Congress in the form of the plan for European recovery. The Senate has just completed action on the conference report on the foreign-aid bill. My hope is that the Appropriations Committees of the House and the Senate will act upon the authorization with all convenient speed. The bitterness with which the project has been attacked by Communists and their sympathizers throughout the world is in itself a sufficient indication that in this countermove we touch upon the raw nerves of Soviet strategy. The recovery and reconstruction of Europe means the end of the Communist dream for dominating the whole of Europe. By postponing every basic issue of the world settlement and by using the mass Communist parties in the west as battering rams against their domestic economies, the Soviet Union has kept Europe in a state of economic disorganization, has aggravated the misery of European peoples, and has gained time in which to complete its own industrial and military rearmament.

We now propose to check at its roots this tactic of promoting and feeding upon world chaos, by giving to the 16 nations involved in the Marshall plan economic and moral support. We hope through this plan they also may become politically independent.

What is included within this Europe to which we hope to give a new political and economic constitution? All authorities agree it must include not only the German workshop, but also the agricultural areas of the Balkans. Without exchange of industrial products for Balkan foodstuffs, Europe cannot become permanently self-supporting and independent of continuous American aid. The Marshall plan is based upon the concept of east and west trade.

America, too, must continue trading with Russia, even under the present conditions, except in those goods which contribute to her war potentialities. There are some Americans so naive as to advocate a complete embargo upon all exports to Russia from this country. This is a dangerous and foolish policy. Total economic sanctions are utterly unthinkable. That is a step which leads to the breaking of diplomatic relations between nations, and when the latter happens it is only a step short of actual war.

Mr. President, any American who advocates that our Government engage in an all-out economic warfare with Russia, to the end that a complete embargo be placed upon all our goods, is playing with economic dynamite that could easily explode into an international disaster.

It should be remembered that before the last war the continent of Europe west of the Soviet Union was a great deal more unified economically than most people supposed. Despite its fragmentation into a congeries of independent states and a bewildering variety of customs barriers, this European area, when considered as a whole, formed a rational equilibrium between industry and agriculture, and, therefore, in a real sense was a unified market for the production and exchange of goods.

The vastly greater part of the foreign trade of each of the European states was with other European countries. To restore the exchange of goods in this area, to purge it of obsolete customs barriers and other artificial restrictions, and to develop forms of political unification which are correlative to the dominant European interest in preserving the freedom of this market, these, I say, ought to be, and must be, the goals of policy. Some form of political organization, tentative and elementary at first, confined in the beginning as necessarily it must be, to the nations of western Europe, will go hand in hand with the recovery of the European economy and with the growing recognition by Europeans themselves of their economic and political interdependence.

Only by the will of its peoples to reestablish Europe as a political and economic entity can we hope for the ultimate elimination of the iron curtain. Western Europe revived and revitalized by its own efforts and with American assistance and producing all of the kinds of manufactured goods which agricultural economies cannot produce for themselves will be drawn by powerful economic attraction to the other European areas east of the iron curtain. They will see the benefits and join us. No obstructive force, no iron curtain, can in time withstand the will of a revived Europe to establish the conditions of a viable existence.

When we speak of an independent Europe, what do we mean?

First, and primarily, a Europe capable of satisfying the minimum expectations of its peoples for the bare necessities of life; second, a Europe whose people have reached a general understanding that they are living under a just and fair social order, that is to say, a social order in which there is hope that by hard work a higher standard of living is attainable; third, a Europe which is capable of providing for its own defense. For it is the hard truth, and I hope I shall never be taxed as being cynical for saying so, that under present historical conditions independence means the ability of Europe to produce or buy whatever is necessary to defend its political integrity and sovereignty. Only a politically unified Europe will have the means to accomplish that objective.

To accomplish this plan, we have both the time and the means. Time, which the Soviet Union is using feverishly to build atomic war plants, we can use to create a great counterforce in Europe, which, because it wants to be independent, will have the ability and the will to resist Soviet expansion. We also have the means. I am not suggesting that the disbursement of these great sums is a matter of no consequence. It will definitely impose sacrifices on our people. But, Mr. President, the people understand. I submit they are far ahead of the Congress on the European recovery program. They cannot understand why we do not move with greater speed. They want Italy and the other western democracies who show signs of neurotic tension to be assured of our help before it is too late. If this analysis of the existing historical situation is correct, and if our policy is adequately responsive to the needs of the time, I am confident its success will insure the peace of the world during the next historical period.

Mr. President, let me say in conclusion that we are living in a century of wars and revolutions. Western civilization is in the midst of the deepest crisis in its history. The great revolution of the totalitarian states against individual freedom as an ideal for the organization of society is still in process with the issue in doubt. We are in the most dangerous phase of that revolution. Communism, no longer a mere conspiracy, but a world power with an immense material base, is in full and cold war against the civilization of the West. Its ultimate aim is the military and moral defeat of the United States. Its ultimate goal is the political and ideological mastery of the world. Its tactic is the reduction of Europe to economic chaos, wherever it cannot achieve control—as a preliminary to the absorption of its enormous potential power within the Soviet system.

To counter this, we must lay the material foundations for a Europe reconstituted as an independent economic and political force—a third force, if you

please, independent not only of the Soviet Union but of ourselves. To do this requires a great act of statesmanship on the part of the American people. We must bring to bear resources ample for the task at hand. We must be firm and frugal with our aid. Yet we must have care not to exploit the temporary necessities of our friends by imposing onerous or humiliating conditions. We must not use our help to bludgeon political concessions. Through the generosity and self-restraint display by the American people, we are about to take the first great step to restore Europe and to save the peace and the civilization of the West in its hour of agony.

Mr. FULBRIGHT. Mr. President, I want to compliment the Senator from Illinois on the very excellent statement of the present world conditions he has just made, and to say that I especially am pleased with his reference to the necessity for a politically unified Europe. I hope the Senator will give some further assistance along the road of getting an expression from the Senate as to the endorsement of that aspect of the problem, because I could not agree more strongly than I do that that is an essential element of the success of the Marshall plan, and the program the Senate has just acted upon in adopting the conference report on the foreign-aid bill.

Mr. LUCAS. I thank the Senator from Arkansas for his remarks.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States, and it was signed by the President pro tempore.

LABOR-MANAGEMENT RELATIONS—MINORITY VIEWS PRESENTED BY MR. PEPPER

Mr. BALL. Mr. President, on March 15, 1948, the Joint Committee on Labor-Management Relations filed its progress report, as required by the Labor-Management Relations Act.

Last night the Senator from Florida [Mr. PEPPER] on behalf of himself, the Senator from Montana [Mr. MURRAY], and Representatives JOHN LESINSKI, of Michigan, and AUGUSTINE KELLEY, of Pennsylvania, filed minority views in connection with the report of the majority of 10 members of the joint committee. Ordinarily I would not comment on the filing of minority views, but I think the circumstances in connection with the filing of the minority views are so unusual that I cannot let the opportunity pass without placing a few facts in the RECORD.

The first fact goes to the interest shown by the four Members who filed the minority views in the work of the joint committee. Since our organization last summer the committee has held four major meetings. The first one was on October 7 and 8, of 1947, when we had a review of the staff work up to that time. None of the four minority Members who filed minority views was present at those meetings.

On December 17 we held another meeting, at which we reviewed the staff work up to that time; and again all four of these members were absent.

On March 1 we held a meeting with the National Labor Relations Board, at which we reviewed the Board's work in connection with the law up to that time. Representative KELLEY was present at the meeting for the first time, and the Senator from Montana [Mr. MURRAY] was present. The other two members who signed the minority views were absent.

On March 9 and 10 the committee met both days to view the preliminary report which was filed on March 15. The Senator from Montana was present on both days for a short time. None of the other three members signing the minority views were present on either day.

Furthermore, Mr. President, neither the chairman of the joint committee—myself—nor the chief counsel, Mr. Thomas E. Shroyer, has at any time received any suggestions from any one of the four minority members who in their minority views, condemned the majority report so vehemently as to the work of the joint committee, its staff, or what should be included in its report. It seems to me rather unusual for minority members of a committee who have shown so little interest in the work of the committee suddenly to develop minority views.

I think the answer is perhaps found in the preface to the minority views, which contains this paragraph:

> We called upon the Public Affairs Institute, a scientific research organization, to assist us in assembling the data which underlie this report. The institute's specialist in labor-relations problems, Herman Lazarus, has rendered the minority untiring expert assistance.

I was rather interested in what the Public Affairs Institute is, and who Herman Lazarus is. It develops that Herman Lazarus was a legal assistant to former general counsel Gerhard Van Arkel, of the National Labor Relations Board, in charge of legislative liaison; and all during the debate last year on the Taft-Hartley bill he sat in the gallery and conferred with Senators who were opposing the passage of that bill. When the chief counsel, Mr. Van Arkel, resigned from the National Labor Relations Board, claiming that the Taft-Hartley Act was unworkable and I may add that he is now counsel for the International Typographical Union—Mr. Lazarus also resigned, and apparently is now the labor relations expert for the Public Affairs Institute, which is labeled as a scientific research organization.

The origin of the Public Affairs Institute, which issued its first report in February 1948 is rather interesting. The head of the sponsoring committee was Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, whose position in regard to labor relations and labor relations legislation can hardly be termed scientific or objective.

The same applies to the other sponsors listed in a letter signed by the executive director of this so-called research institute, who is Dewey Anderson. Senators may recall that in 1946 Dewey Anderson was head of the staff of the Small Business Committee of the Senate, and was under constant fire from Senators because of his slanting of hearings and reports of the committee. He is an extreme political left-winger, and seemingly could not keep from inserting his personal views into reports of the committee.

Representative THOMAS L. OWENS, of Illinois, inserted in the Appendix of the RECORD, volume 93, part 12, page A3423, a circular issued by the Grand Lodge of the Brotherhood of Railroad Trainmen, which cites some expenditures made by Mr. Whitney to which exception was taken, showing, for example, that Mr. Dewey Anderson was on the pay roll of the Brotherhood of Railroad Trainmen from February 18 to May 31, 1947, along with a number of other so-called research analysts of writers, including, I might add, Charles Kramer, a research writer who drew $2,250 from the Brotherhood of Railroad Trainmen during that year. To those who are familiar with subversive activities and Communist activities in Washington, D. C., the name of Charles Kramer will be very familiar.

So I submit that this so-called scientific research organization, the Public Affairs Institute, is extremely far from being a research organization, and should be more properly labeled a straight propaganda organization.

I do not care to comment on the body of the minority views. I think they speak for themselves. Any Member who cares to read them will see that they are a straight presentation of extreme left-wing union views. I may add that the only sources quoted in the report are such statements as these: "It is generally recognized by experts," or "It has been widely reported," or such a general statement as "Bootleg contracts have become the fashion." Those are the sources for many generalizations and findings proceeding from that basis. There are no facts to amount to anything in the report, whereas I believe that every single finding in the majority report is supported by a wealth of factual material.

As I say, it is unusual, and I do not like to make such a statement about a minority of the committee of which I happen to be chairman; but I think the circumstances demand that the facts of the situation be placed in the RECORD.

BENEFITS FOR DEPENDENTS OF DISABLED VETERANS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement issued by me on benefits for dependents of disabled veterans.

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

STATEMENT OF HON. EDWIN C. JOHNSON, OF COLORADO, UNITED STATES SENATE, APRIL 2, 1948

Mr. JOHNSON of Colorado. Mr. President, recently I had called to my attention an article written by Mrs. Ann Weber, national adjutant of the Disabled American Veterans Auxiliary, 220 East Washington Street, Colorado Springs, Colo., which gives very pertinent and complete information as to the benefits available through Federal agencies to the wives, widows, children and dependent parents of service-disabled veterans, living and dead.

The information and suggestions in this featured article ought to be brought to the attention of all the wives, widows, and parents of veterans. With the hope that many of them may be enabled to become informed as to their rights under existing laws pertaining to them, I insert this excellent article in full as follows:

"BENEFITS FOR DEPENDENTS OF DISABLED VETERANS

"Pensions are payable to the widows, orphans, and dependent parents of those members of the armed forces who died while serving actively in World Wars I and II and of such war veterans as have died as a result of their war-service-connected disabilities, at monthly rates as follows:

"Widow	$60.00
Widow with 1 child	78.00
Each additional child	15.60
No widow, but 1 child	30.00
No widow, but 2 children (equally divided)	45.60
Each additional child (total to be equally divided)	12.00
Dependent mother or father	54.00
Dependent mother and father (each will receive)	30.00

"Pensions are also payable to the dependent widows and orphans of most other deceased World War I veterans at rates as follows:

"Widow but no child	$42.00
Widow and 1 child	54.00
Each additional child	6.00
No widow, but 1 child	21.60
No widow, but 2 children	32.40
No widow, but 3 children (equally divided)	43.20
Each additional child (total equally divided)	4.80

"Pension is payable to a widow with no children (or to a child alone) whose annual income does not exceed $1,000, or to a widow with a child or children whose income does not exceed $2,500 a year.

"The World War I service must have been before November 12, 1918 (or before April 2, 1920, if service was in Russia) and the veteran must have served under conditions other than dishonorable for 90 days or more, or if the veteran served less than 90 days and was not discharged or released from active military duty on account of a disability incurred in line of duty, he must, at time of death, have been receiving or be entitled to receive compensation, pension, or retirement pay for a service-connected disability of 10 percent or more.

"Similar pensions are payable, under the provisions of Public Law 483, to certain dependent widows, children, or orphans of World War II veterans, who had a service-connected disability at time of death of 10 percent or more, even though death was due to some other disability, with the same income limitations.

"DEPENDENTS OF TRAINEES

"War-disabled veterans with one or more dependents receiving vocational rehabilitation under Public Law 16, who are rated less than 30 percent disabled, receive their disability compensation, plus a subsistence of $90 per month, plus $10 for the first child, plus $7 for each additional child, plus $15 for each dependent parent, with a minimum monthly subsistence of $115.

"War-disabled veterans with one or more dependents receiving vocational rehabilitation under Public Law 16, who are rated 30 percent or more disabled, receive their disability compensation, plus a subsistence of $90 per month, plus $20 for the first child, plus $15 for each additional child, plus $15 for each dependent parent, with a minimum monthly subsistence of $135.

"War-disabled veterans with dependents receiving on-the-job training under Public Law 16 may receive additional subsistence from their trainer-employer (exclusive of their disability compensation), which, when added to the subsistence received from the Veterans' Administration, shall not exceed the journeyman's wage rate prevailing in the particular job for which they are in training.

"Veterans receiving education under the GI bill, if actually enrolled in a full-time course of instruction in an approved institution of learning, receive monthly subsistence of $105 with one dependent and $120 if married with one or more children. This does not apply to those who are enrolled in part-time educational courses or on-the-job training. The latter receive monthly subsistence of $90 or fraction thereof (if they have one or more dependents), depending upon the number of hours actually in school per week or the number of hours actually working on the job. Those receiving on-the-job training may receive additional subsistence from their trainer-employer not exceeding $200 per month (including the amount received from the Veterans' Administration) if they have one or more dependents.

"DEFINITIONS

"The term 'widow of a World War I veteran', according to Public Law 483, is defined to mean a woman who was married prior to the date of the act December 14, 1944, or for a period of 10 or more years, to the person who served, provided that (1) the widow must have lived continuously with the veteran from date of marriage to the date of his death, except where separation was without fault on the part of the widow; and (2) the widow must not have remarried since the veteran's death.

"The term 'widow of a World War II veteran' means a person who was married to the veteran prior to the expiration of 10 years after the end of the war. Remarriage bars all rights to pension.

"For both World War I and II the term 'child' means: A legitimate child; a child legally adopted; a stepchild if a member of the veteran's household; an illegitimate child, but as to the father only, if acknowledged in writing signed by him, or if he has been judicially ordered or decreed to contribute to the child's support, or has been, prior to his death, judicially decreed to be the putative father of the child, or if he is otherwise shown by evidence satisfactory to the Administrator of Veterans' Affairs to be the putative father of the child.

"A child must be unmarried and under the age of 18, unless prior to reaching the age of 18 years it became permanently incapable of self-support because of mental or physical conditions; except that a child pursuing a course of instruction in an approved school may receive compensation or pension until completion of education or training (but not after reaching the age of 21).

"Husband or widower of a woman who served is no longer recognized under any laws. Widowers who were in receipt of death compensation under prior legislation may continue to receive benefits, but are not entitled to the increases provided by the later acts.

"Public Law 144 gives the following definition for parents: A natural mother or father of the veteran; mother or father through legal adoption; persons who have stood in loco parentis to a member of the military or naval forces at any time prior to entering into active service for a period of not less than 1 year. Not more than one father and one mother (as defined) can be recognized, and preference will be given to the mother or father exercising that relationship at time of or most nearly prior to date of entering active service. Dependency must be shown and remarriage of parent will not bar benefits if dependency continues to exist.

"Where payments of death compensation to a widow have been denied or terminated because of her marriage, payment to a child or children of a deceased veteran may be made as though there is no widow.

"Remarriage of the widow stops all right to claim but does not bar children from applying. A widow, upon remarriage, need not file a new claim for her minor children. She must, however, submit a certified copy of her marriage certificate before the pension will be changed over in favor of her children. To accept and cash checks after marriage would constitute a fraud and is punishable by law.

"No pension is ever paid unless written application is made for same.

"PROOF OF ELIGIBILITY

"Proof of the existence of a service-connected disability at time of death may be submitted by the widow after his death. Obtaining evidence of service connection of a disability, after death, is, however, obviously more difficult than while the veteran is living.

"Technically establishing the service connection of a measurable degree of disability, as to a World War II veteran, at least 10 percent in degree, is therefore, equivalent to a paid-up insurance policy, which, during the period of eligibility, will assure payment of a monthly income which might otherwise require an investment of from $4,500 to $19,000 yielding 4-percent interest per year, depending upon the number of dependents and their ages.

"It is very much to the interest of the wife of a veteran suffering with a service-connected disability to see to it that there is filed, in her husband's case record with the Veterans' Administration, during his lifetime, such evidence as would quickly clear the way for establishing her entitlement to pension in the event of his death. Such evidence should include a certified copy of the public record of her birth, the birth of each of her children, a certified copy of the public record of her marriage, as well as certified copies of the public record of all of her previous marriages, divorces, or deaths of previous husbands, if any, and also of her husband's previous domestic relationships, if any.

"Complications, by reason of previous civil and common-law marriages and divorces too often arise after death, which are very difficult and, in many cases, impossible to unravel, after death, which could, during the lives of both parties, have been straightened out, so that the Veterans' Administration would be able to ascertain who was lawfully married to whom, and whether an alleged widow is the lawful one.

"Any veteran who has himself been previously married, or who is married to a woman who has previously been married, should be sure that the woman with whom he is living, and regards as his wife, is actually his lawful wife, and would, in the event of his death, be regarded by the Veterans' Administration as his lawful widow.

"If application for death pension is made by a widow, otherwise eligible, within 1 year after date of death of her veteran husband, she would be entitled to receive such pension payments effective as of the date of

his death. If she makes the application more than 1 year after his death, she would be entitled to such pension payments only from the date of application and proof of eligibility therefor.

"APPORTIONMENTS

"Disability pension, compensation, emergency officers' retirement pay and service pension, amounting to more than $20 monthly, payable to veterans, may be apportioned to their dependents under the following conditions:

"(a) When the disabled person and his wife are not living together by reason of estrangement.

"(b) Where the child or children are not in the custody of the disabled veteran.

"(c) Where action is being taken to appoint a fiduciary for an incompetent or insane beneficiary.

"(d) In those cases where an incompetent veteran, who is entitled to pension for non-service-connected disability under the provisions of the Economy Act, has no guardian and is being maintained in a Government institution, apportionment may be made to a wife, child, or dependent parent.

"(e) Where an institutional award in behalf of an incompetent or insane beneficiary is in order, pending action on a special apportionment.

"Except as outlined above, apportionment of disability compensation, emergency officers' retirement pay, or disability pension, amounting to more than $20 per month, will be made as follows:

Disabled veteran and	Portion for disabled veteran	Portion for wife where children are in her custody	Portion for children not in custody of wife or veteran
	Percent	*Percent*	*Percent*
Wife but no child	70	30	----------
Wife and 1 child	60	40	20
Wife and 2 children	55	45	[1] 25
Wife and 3 or more children	50	50	[1] 30
No wife but 1 child	80	----------	20
No wife but 2 children	70	----------	[1] 30
No wife but 3 or more children	65	----------	[1] 35

[1] Equally divided.

"Apportioned amounts due a wife for herself and children in her custody are paid in one check. If children are not in the wife's custody, their share is paid to the person having custody or to a guardian as determined in each individual case.

"When a veteran who is receiving additional compensation because of dependency of a parent neglects or refuses to contribute to the parent's support, the additional amount may be apportioned and paid directly to the dependent.

"Non-service-connected pensions, payable to permanently and totally disabled veterans of World Wars I and II, are also subject to apportionment.

"Apportionment for a child will continue until he or she is 18 years of age, and until 21 if he or she is enrolled in an approved school before reaching the age of 18 and remains in attendance at an approved school.

"The right of a child to share an apportioned award, even after the mother remarries, is distinct and separate from the mother's right and continues after the remarriage of the mother.

"A wife is entitled to apportionment after an interlocutory decree of divorce has been granted and until the decree becomes final.

"The veteran or his estranged wife and/or his dependent children may apply for relief from the regulations in effect regarding apportionment on account of hardship, etc., but both sides, after they have stated their case in writing, must abide by the judgment of the Veterans' Administration.

"No apportionment of disability benefits will be authorized:

"(a) To a wife found guilty of infidelity by a court, or to children legally adopted by another person, except the amounts specifically authorized by the World War Veterans Act as reenacted by Public Law 141, to be paid to wife and children.

"(b) When a child is not in custody of the disabled person because of the child's entry into active military or naval service.

"(c) Unless and until relationship and dependency are established as required by Veterans' Administration regulations.

"(d) When the disabled veteran or his guardian has been directed by court decree to render support.

"(e) Where the monetary benefit payable is $20 monthly or less.

"(f) Of pension payable under the Economy Act for non-service-connected disability, except as described previously.

"(g) Of any amount in excess of the rate for total disability.

"CIVIL-SERVICE PREFERENCES

"The wife or dependent widowed mother of a veteran suffering with a service-connected disability who, by reason thereof, is himself unable to qualify for a civil-service position may make application for the 10-point preference on a civil-service examination, and would be entitled to the other civil-service preferences, which includes the right to reopen any active register for an examination which would otherwise go to her husband or son.

"The widow or unremarried widowed mother of a deceased veteran is entitled to receive 10 points in addition to her earned rating as to a civil-service examination and to the other preferences granted to veterans as to civil-service examinations, appointments, and retentions.

"The DAV Woman's Auxiliary took an active interest in the adoption of the Veterans' Preference Act and is quite interested in seeing that its provisions are carried out in every instance.

"BURIAL EXPENSES

"The widow, or the next of kin, of a deceased war veteran is entitled to apply for reimbursement of burial expenses, as to the body of the deceased veteran, in an amount not to exceed $150, and is entitled to receive the United States flag used to drape the casket at the funeral, provided that application is made therefor within 2 years after the date of burial of the veteran.

"A $150 burial allowance will also be allowed for all veterans discharged or retired from all branches of the armed forces for a disability incurred in line of duty or in receipt of benefits for a service-connected disability. The veteran must have enlisted before 12 o'clock noon, December 31, 1946.

"The widow may arrange for the body of the veteran to be buried in a national cemetery, and is entitled to receive, from the Department of National Defense, a marble, stone, or bronze headstone or marker for the grave of the veteran.

"Deceased veterans of all wars and peacetime service, who were discharged under conditions other than dishonorable from their last period of service, as well as all persons who die while serving actively in the armed forces, are eligible for burial in national cemeteries free of charge.

"A veteran's wife may be buried in a national cemetery regardless of whether her burial follows or precedes his. Her remains may be interred in the same grave as those of the veteran, or in a separate grave adjoining his, or a grave site assigned to him for his future interment; but the wife's burial, under any circumstances in advance of that of her husband, is only permissible if and when he agrees in writing to be buried with or beside her, irrespective of whether or not he remarries, and consent that in the event that he is not so buried, her remains are to be disinterred and removed from the cemetery without expense to the Government. In the event the veteran husband precedes the wife in death and if she remarries, she forfeits her right to burial with him.

"DEPENDENTS OF DISABLED VETERANS

"Notwithstanding the fact that dependency was recognized by all branches of the armed forces while a man or woman was serving, the living war disabled veteran's dependents have been completely ignored. The DAV auxiliary is doing all within its power to enact H. R. 2716, which is now pending in the Eightieth Congress, the provisions of which will grant additional allowances for dependents, based entirely upon the degree of disability for which such disabled veteran is now receiving compensation.

"Wives and widows of disabled veterans cannot help but be interested in problems of their husbands, and ought, therefore, to be intensely interested in the legislative, employment, and service programs of the DAV and should consequently be interested in helping to build up the membership of the DAV itself, and of its service-giving auxiliary.

"Formed in 1921, the DAV Auxiliary restricts its membership to the wives, widows, daughters, mothers, and sisters of war disabled veterans, both living and dead.

"At the present time this service-giving organization has various chapters scattered throughout the entire United States. Annual membership dues average $3. Mrs. Josephine Jeths, 11330 S. Lowe Street, Chicago 28, Ill., is the national commander.

"The voluntary services freely extended by the DAV Auxiliary have brought hope and cheer to thousands of hospitalized veterans all over the country."

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CAIN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BALL (for Mr. TAFT), from the Committee on Labor and Public Welfare:

Lydia M. Zetzsche, and several other candidates for appointment in the Regular Corps of the Public Health Service; and

Paul H. Stevenson, and sundry other candidates for appointment in the Regular Corps of the Public Health Service.

CONFIRMATION OF EXECUTIVE NOMINATIONS

Mr. WHERRY. Mr. President, as in executive session, I ask that the Senate now proceed to the consideration of the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the clerk will proceed to state the nominations.

CIVIL AERONAUTICS BOARD

The legislative clerk read the nomination of Joseph J. O'Connell, Jr., of New York, to be a member of the Civil Aeronautics Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of Elliot B. Roberts, to be commander in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Roswell C. Bolstad to be lieutenant commander in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harley D. Nygren, to be ensign in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. WHERRY. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

Mr. WHERRY. I also ask that the President be notified forthwith of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

SPAIN AND THE MARSHALL PLAN

Mr. CHAVEZ. Mr. President, I am sorry that a greater number of Members of the Senate are not present at this time. However, I am very happy that three members of the Foreign Relations Committee are present, because I wish to call attention to a matter which to my mind is extremely serious.

This afternoon we heard the senior Senator from Illinois [Mr. LUCAS] make a statement. It was a grand statement. I would say that the senior Senator from Illinois contributed something definite to American ideals and American statesmanship and the American way of doing things. It is because I agree with him and because I believe in what he discussed that I wish to call the attention of the Senate generally, and particularly the attention of the three members of the Foreign Relations Committee who are present at this time and are tolerant enough to listen to what I have to say, to a matter which I believe to be most important.

Mr. President, I wish the record kept straight. The main part of the speech of the Senator from Illinois was in regard to fighting communism. I believe in doing that. But, Mr. President, to my mind, the action of the conferees in striking out the amendment to the European recovery program bill which would have included Spain within the Marshall plan was extremely unwise and untimely, and I believe that ultimately it will be regretted by the American people.

Mr. President, these are perilous times. The tension in the world today is greater than that which existed prior to Pearl Harbor. Yet if the United States will only follow a consistent, steady, and unvarying foreign policy, the danger of war will be lessened. It is when a vacillating policy results in unnecessary tension that ordinary incidents become magnified, and will, if not controlled, result in another world conflagration, the horror of which no man can completely envision, and the outcome of which no man can predict.

So, Mr. President, why single out Spain and throw up our hands in horror as if we were dealing with the devil himself? Such action on our part cannot be dedefended on either moral or logical grounds. Why cannot we be realistic for once and think of ourselves and adopt a policy by which we would come out first?

Spain seems to have gotten along fairly well since she kicked out the Communists, whom we desire to fight, and against whom we talk so much. It seems to me that Spain has done fairly well since she kicked the Communists out of that section of Europe. At the present time she does not owe this country a single cent. She has never defaulted on any of her bank obligations. At the present time she is seeking credits for farm machinery and fertilizer which would help her increase her agricultural production and, in turn would help the remainder of Europe to recover.

Spain is the only nation in western Europe which today is exporting food. Three million tons of foodstuffs are shipped annually from Spain. That amount would be increased to 9,000,000 tons if we would assist her with credits for farm machinery and fertilizer, and that would relieve the strain on our own agricultural production and shipping and would strengthen the economy of the nation which first told the Communists to get out, and when they did not get out, threw them out by the seat of their britches, and has kept them out ever since.

We are fighting communism. So from a moral standpoint, why should we tell the Spanish people or any other people what kind of a government they should have? Mr. President, I do not agree with the Spanish Government. I could not be a Democrat in this country and at the same time agree with the Spanish Government. If I lived in Spain, I might be one of the persons now in jail there, or possibly I would be treated worse than that. There are many Americans who do not agree that a socialistic government is best for Great Britain. Nevertheless, the British people decided in no uncertain terms that the conservative government led by their wartime leader, Winston Churchill, should not continue in office, and they voted the Socialist Party into power, and subsequent elections have confirmed the strength of that party. Simply because we do not agree with that form of government, should we deny to the British people the aid they need for their economic recovery and to enable them to fight world communism?

Mr. President, I cannot see anything democratic in the Government of Turkey or the Government of Greece or the Government of Portugal, and I cannot see that Spain was any more unneutral than Ireland or Sweden during the recent war. At the time when the veto message was being considered today, it was intimated, in parliamentary language, of course, that it was possible that those who would vote to override the veto might be doing so for political reasons. I would not go so far as to say that the aid to Ireland and the aid to Sweden and the aid to Communist Italy were based on politics. Yet we arm and assist Turkey and Greece because they are bulwarks against communism. That is correct.

An invitation was extended to the governments headed by Mr. Stalin, Mr. Dimitrov, Mr. Tito, and Mr. Gottwald to join the European recovery program. They declined the invitation. Nevertheless, the invitation still stands, and I wish to make that record here. On what moral grounds can we justify the dictatorial governments of this crew of international highjackers? But we have not withdrawn the invitation. Probably we are hoping against hope that they will join in the plan. Does the Government in Yugoslavia or the Government in Bulgaria or the Government in Czechoslovakia strike you, Mr. President as being democratic? I should certainly dislike living under the governments of those dictators. These men call our Government Fascist and reactionary. That is what they say. One may pick up any edition of the Washington Star and, by reading the article entitled "What the Russians Are Saying About Us," see that that is what they are saying.

They are sowing the seeds of a new world war by their propaganda, which describes our Government as totally in the hands of Wall Street and the bankers. Would anyone classify those dictators with such advocates of democracy and the republican form of government as Jefferson, Tom Paine, or Carl Ritter?

Mr. President, do you know who first discovered that these men were, as some might say, rascals, international racketeers, whose one thought was world domination? In 1936 the Franco government and the Spanish people were fighting these very same people in the Spanish Civil War. They knew them to be then what we have at this late date discovered them to be, and, thank God, they did something about it. They fought a long and bloody civil war, and Tito, Dimitrov, Gottwald, and the present leaders of the Communist Party in Italy were run out of Spain. In Spain communism was wiped out completely; they have not been back since, and, in my opinion, notwithstanding the fact that I do not agree with the Spanish Government so long as the present Government of Spain continues, they will not be back in Spain. So the only ones who are being pleased now and appeased are the Communists of France, the Communists of Germany, the Communists of Italy, the Communists—the third party—in the United States. That is all that is being accomplished by leaving out Spain.

I referred to the election in Britain. The Spanish people had an election only recently. By common admission, by reports from such reliable American newspapers as the Baltimore Sun, the election was secret and completely free. We hope so. Yet 83 percent of the Spanish people—not 83 percent of the voters, but 83 percent of the Spanish people—voted in favor of the present Spanish Government. Mr. President, I hope you will

carefully read the returns of the election to be held on the 18th of April in Italy, as between the Communist Party and the King—the King of the moment, that is.

Logically, the omission of Spain from the aid program cannot be defended. We all know it cannot be defended. We want to stop communism. Why not help the only country that has stopped communism within its borders—that is, if we mean what we say and do not want to appease the Communists in the United States, in Italy, in Greece, or anywhere else. There are more Communists in France and in Italy than can be found anywhere else, in any Latin-American or Spanish country.

We are hoping and praying that the Communists will lose the election in Italy. I am afraid it is wishful thinking. We know that they number about 40 percent of the electorate in Italy, which country is a beneficiary of this fine piece of work we are doing against communism. France has a large Communist voting population, and incidentally the founder of the French Communist Party, André Marty, was among the many international Communists who were run out of Spain by Franco.

What in God's name is there in Europe to stop the Communist arms if they choose to move? Does anyone in his right mind believe that General Clay with all his ability can stop the Russians with his 250,000 occupation troops? Stalin could have his armies on the Channel and on the Atlantic within 48 hours if he chooses to move and there is nothing on earth capable of stopping the progress of his arms except the English Channel, the Pyrenees, and the Spanish Army. Spain has the only army in western Europe, and Spain and the British Isles are the only bases in Europe available to us if we should get into trouble and have to fight.

I realize that what has been done would be difficult to change at this late hour. I do not claim to be a prophet, but my voice was the first to be lifted in the United States Senate to urge recognition of Franco by this Government, in 1939, not because I liked his government—he is worse than any Republican ever dared be in the United States [laughter]—but on the basis of his overwhelming victory over the forces of international communism. These same forces are once again on the march.

If the truth were known, the only objection to helping Spain further came from Communists, who have more power and more "say" with our Government than those who are trying to carry out what we have in mind in fighting communism. Country after country is falling into their grasp. Austria and Italy are doomed unless we help with something more than election speeches.

Spain stands today as she did in 1936, an unalterable foe of international communism. I do not think this country needs the friendship of any other country when it comes to a show-down, if we have to fight it out; but, nevertheless, it would be well to have Spain's friendship, and we will regret our totally unwarranted action in excluding her from the assistance which would do so much to contribute to the recovery of Europe and to check the further advance of communism.

Mr. GEORGE and Mr. MORSE addressed the Chair.

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

Mr. CHAVEZ. I yield first to the Senator from Georgia.

Mr. GEORGE. Mr. President, perhaps I may appropriately respond to my distinguished friend's statement regarding the elimination of Spain from the European recovery program, by this statement: I do not agree now, and I have not for quite a while, with the policy of the United States with respect to Spain. I do not think it can be justified. I know it is not an intelligent policy. But I want to say to the Senator from New Mexico that neither the Senate bill nor the bill agreed to in conference closed the door to Spain; that is to say, it did not exclude Spain from participation in the benefits of the Marshall plan. But inasmuch as the original invitation was made to those nations of western Europe who themselves would meet in conference and as a result thereof canvass their own resources and needs, and make suitable recommendations to us; and since Spain was not invited, or did not participate in that conference, it would seem altogether impossible that we should name Spain as one of the recipient nations under the European recovery program.

I want to assure the Senator that it was not because anyone wanted to appease anyone who was critical of Spain, although perhaps all of us disagree with the form of her government. It was because the European recovery program was conceived to be a means and method of promoting economic recovery of western European nations which were able to cooperate with each other. Since Spain was not in that group and did not participate in the meeting at Paris, we felt it would be entirely improper at least to include Spain by name as a beneficiary in the European recovery program. But the bill which the Senate passed and the conference report which has been agreed to by both Houses today do not close the door to Spain. If Spain, in cooperation and collaboration with the nations of western Europe, is able to reconcile her differences, if any exist, and bring herself into harmony with her sister states, she will be eligible, even under the technical provisions of the European recovery program.

I thought I should say that, Mr. President, because of my very great respect for the distinguished Senator from New Mexico, who is my personal friend.

Mr. CHAVEZ. I want to thank the Senator from Georgia for his remarks. There is not one iota of doubt in my mind as to his sincerity of purpose and his trying to do the right thing; but I call his attention to my statement that it was about time that Uncle Sam should be taking care of his own. Of course Spain was not invited. The Communists in Europe did not want her. If we are sincere regarding these matters, I believe it is wrong to leave Spain out. Under the law she probably can be included.

Congress is supplying $4,600,000,000 to western Europe. Does it belong to the European countries? It does not, but those Communist countries will tell us where it is to be spent. That is the point I am trying to make. I am not interested in Spain as a government, but I am interested in proving to the world that what we are trying to do is to act with sincerity; that when we say we are fighting communism we mean it, and will not be bluffed by any communistic government in Europe. I care not how the people may vote in Italy. We shall not be able to buy them with money. They are still going to be Communists. We cannot influence the Italian election on the 18th of April. So long as they receive the money they will say they are not Communists. But they are. That is also true of Greece and of France. So let us be sincere about these things once in a while, or at least let the American people know exactly how the record stands.

The Washington Star of yesterday contained an editorial entitled "Spain in ERP." In order to carry out the idea which I have tried to express to the Senate I think I should read it. It is a short editorial. It is as follows:

SPAIN IN ERP

The House vote for a gesture toward the inclusion of Spain in the European recovery program has been subjected to two kinds of criticism—rational and emotional.

The soundest criticism concerns the use which the European Communists may make of the House decision.

That is the Washington Star speaking, that is not apt to give impulsive opinions—

It is claimed, for example, that the bid to Franco to return to the democratic family, coming at this time, may swing a million doubtful votes into the Communist column in the forthcoming Italian election.

Because we try to be fair, because we try to carry out an American ideal and an American tradition, the million Communists in Italy will vote the other way. They deserve lots of attention.

If there is any truth to this, then it obviously would be unwise to go through with the invitation to Spain.

Another possibly sound objection is that the calculations which have been made for disbursement of the Marshall plan money would be upset if Spain should become eligible for a share of it. It may be doubted, however, that this presents any immediate problem. As adopted by the House, the proposal is that Spain be admitted only if accepted by the 16 participating nations, and, furthermore, the United States administrator of the program must be satisfied that Spain needs the aid and also that Spain is willing and able to conform to the 16-nation economic program.

In the light of these reservations, the House provision emerges for what it is—a gesture of good will. Perhaps the Communists will be able to make some propaganda capital out of it, but it is most unlikely that acceptance by the Senate would upset the timetable for the first year of the Marshall plan's operation.

The emotional criticism runs to the complaint that Franco is a dictator and that he is hostile to the democracies in his sympathies.

I might possibly agree with that. I think we have some members of the third party in our own country who are hostile to democracy.

Perhaps this is true. But it is not relevant to the real question.

In the first place, Russia and her satellites were invited, even urged, to come in on the program, and they would be welcomed today as participants. Are Stalin, Tito, Dimitrov, and company any less dictatorial in their rule than Franco? Are they not at least equally as hostile to democracy? If Franco should be barred on this ground, the others should never have been invited in.

Beyond this, however, there is the more important point that Spain would be a useful ally—

I maintain that we can get more cooperation and more genuine sincerity of purpose in Spain than we can in Italy and France put together—

that Spain would be a useful ally, both economically and strategically, in our struggle with communism. In the tight spot that we are in we have to look to the future, not to the past. If Spain, when all of the considerations are balanced, can be helpful—

And that is the point I want to make—

in the effort to check the spread of communism, that fact, and not emotional ideology, should govern our decision.

Mr. President, I believe that is a good editorial. It is in keeping with what the Senator from Illinois had in mind with regard to helping western Europe.

RESPONSIBILITY OF THE UNITED NATIONS IN SOLVING INTERNATIONAL PROBLEMS

Mr. MORSE obtained the floor.

Mr. FLANDERS. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. FLANDERS. Mr. President, 2 weeks ago in this place the junior Senator from Vermont presented a resolution requesting the President to take steps to call together the General Assembly of the United Nations, in order that it might consider the actions taken by the United States and the so-called western nations on the one hand and the Union of Soviet Socialist Republics and the governments of its so-called satellites on the other, and the effects of these actions on the maintenance of world peace and the principles of the charter of the United Nations.

Events have moved rapidly since then. Finland is being slowly sucked into the Communist whirlpool. Within the past 36 hours the Russians have started their campaign for pinching off the connections between the western nations and the areas assigned to them in Berlin. Events move fast. Our actions are slow and one-sided. We become the hapless sport of destiny instead of its master.

Mr. President, our fundamental error, in which we have persisted for many months, has been in relying on military means alone to solve the grave problem which we face. Higher and higher we have piled our stack of military chips. Louder and louder have been our protestations of military strength. Longer and stronger has gone our military support to friendly nations on the fringe of the Russian sphere.

Only in late months have we deployed our forces on the economic front. Today, and perhaps too late, we are authorizing a full occupation and exploitation of that front, but with the knowledge in our hearts that the military situation may outflank it and submerge it.

Yet today and for months and years past we offer no defense, let alone offense, on the political front, along which our adversary has so inexpensively and so efficiently made its advances. It takes but little hindsight to convince us that this front has been neglected. May I, Mr. President, call the attention of this body to the fact that for two of its Members, at least, that hindsight which we now all possess existed as prophetic foresight nearly a year ago?

The first Greek and Turkish loan is clear in our memories. We all voted it reluctantly. We were disturbed at the bypassing of the United Nations in this undertaking. Only the deep concern and ingenuity of the distinguished chairman of the Foreign Relations Committee established a formal postnatal connection with what should have been the parent body.

At that time the respected senior Senator from Virginia [Mr. BYRD] realized perhaps more keenly than any of us the morass into which we were moving. He submitted Senate Resolution 101, which read:

Resolved, That it is the sense of the Senate that the United States Representative to the United Nations Organization bring before the United Nations Organization immediately, for its immediate consideration, the present problems which have arisen with respect to Greece and Turkey with a view to having said organization take such action with respect to such problems as it may deem necessary for the immediate solution thereof.

Another Senator, the distinguished junior Senator from Utah [Mr. WATKINS], supported that resolution with his maiden speech on the floor of the Senate on April 22, 1947. He wanted to know why, with the declarations of the Atlantic Charter and the purposes of the United Nations as clear commitments on the part of the United Kingdom, the Soviet and ourselves, the questions which had arisen between these nations and which were troubling the whole earth were not brought before the Assembly of the United Nations. Mr. President, I ask that question again today. We have seen the world situation disintegrate. We have seen what we used to call the great powers, with their engines stilled and their rudders unhung, drifting into collision with each other in a tempestuous sea.

Mr. President, what is the United Nations for, anyway? I read from article 1.

To maintain international peace and security, and to that end to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.

Is it not incredible, is it not indefensible, is it not outrageous and not to be suffered longer that the situation now existing should be hurrying to its fateful conclusion outside the authority, outside the influence, outside the official knowledge of the organization set up to bring such global disasters within human control?

Mr. President, I raise my voice today and shall continue to raise my voice until this Nation grasps the available weapon for waging and establishing peace—a weapon which we ourselves largely fashioned and which we are now allowing to rust in a discarded scabbard. I ask early action by the Foreign Relations Committee on Senate Concurrent Resolution 47, introduced on this floor 2 weeks ago today.

Mr. MORSE. Mr. President, I wish to say to the distinguished Senator from Vermont that I would have been very happy to join him in the United Nations resolution if I had had opportunity to do so. I certainly second everything the Senator has just said in the brief remarks he has delivered regarding the United Nations.

Mr. FLANDERS. Mr. President, I ask the Senator from Oregon whether he may not from time to time join in any voices which may be raised in pursuance of the purpose of the resolution?

Mr. MORSE. I certainly shall give it my full support.

Mr. FLANDERS. I thank the Senator.

RELEASE OF POWER FROM SHASTA DAM

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nevada?

Mr. MORSE. What is the purpose of the Senator from Nevada in asking me to yield?

Mr. McCARRAN. So that I may make a brief statement.

Mr. MORSE. I yield.

Mr. McCARRAN. Mr. President, on Monday morning of this week I gave to the press a statement calling for immediate action by the Bureau of Reclamation to release additional power from Shasta Dam for the purpose of relieving the stringent power shortage in northern California and northern and western Nevada.

Because it will save repetition, and at the same time lay the proper foundation for what I am about to say, I ask unanimous consent that the statement which I issued last Monday morning may be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

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

STATEMENT BY SENATOR M'CARRAN

The central Pacific coast area, particularly California and northern and western Nevada, is now entering its third dry season, having had 27 consecutive months of unusually dry weather.

As a result rivers in this area are at a very low stage and the snow cover in mountainous regions of the area is far below normal.

Underground water tables have fallen and the difficulties of obtaining water by pumping are increasing.

This prolonged drought has led to a serious power shortage throughout the area, particularly in northern California and northern and western Nevada. This power short-

age has made necessary emergency action by the public utilities commissions of California and Nevada, including the appointment of an emergency power director in California and the issuance, in both California and Nevada, of orders and regulations prohibiting or severely restricting the use of electrical energy for outdoor advertising, for exterior illumination on commercial and public buildings, for new electric ranges or water heaters in residences and new space heaters and air-conditioning units in living and working areas, for general business and industrial use, and for agricultural irrigation pumping and other agricultural purposes.

The restrictions already necessarily imposed upon power for ranges, water heaters, space heating, and air conditioning are hampering efforts to complete the construction of new housing.

Restrictions imposed upon the use of power for agricultural purposes threatens to interfere disastrously with the production of needed crops.

Normal conduct of many businesses and industries in the area has been rendered temporarily impossible.

The welfare of more than 10,000,000 persons is directly affected, and whatever can be done to alleviate the situation should be done with all possible speed.

The Pacific Gas & Electric Co. serves all of northern and central California, and has for many years supplied an appreciable portion of the power used in northern and western Nevada. They have quite recently expanded and extended their contract with the Sierra Pacific Power Co. to supply substantially larger blocks of power to Nevada at appreciably lower rates.

Power from the Shasta plant of the Central Valley project in California became available in June 1944. The Pacific Gas & Electric Co. has purchased every bit of energy available from this great project. It has supplied to the people of California and Nevada more than 4,000,000,000 kilowatt-hours of this power for which it has paid the Government over $11,000,000. The Pacific Gas & Electric Co. makes no profit on the power it purchases from the Shasta project and can make none because the California Utilities Commission permits this company a return only on the investment it makes itself in its own facilities.

In statements made before the Senate Interior Appropriations Subcommittee, of which I have been a member for many years, the Pacific Gas & Electric Co. has repeatedly indicated its willingness to provide an immediate market for all power ever to be made available from the Shasta project, and has agreed to pay a price set by the appropriate Government agency.

Substantial amounts of additional power—power so desperately needed in California and Nevada—could be made available at once from this Government project by release of additional water. Demands for irrigation will require release of additional water by or before April 15. When that water is released, the full amount of additional power which then can be produced must be made available to the people in the power-shortage area of California and Nevada.

The Governor of California has publicly stated that the Pacific Gas & Electric Co. is the only possible taker of Shasta power since it is the only one with facilities in place to transmit and distribute it. The company is willing and ready to take this power.

However, the Bureau of Reclamation and the Interior Department continue to insist that before they will make this additional power available to northern California and Nevada, the Pacific Gas & Electric Co. must agree to carry this power as agent of the Bureau of Reclamation, to customers which the Bureau proposes to take away from the company, thus putting the Bureau further into the power-distribution business in competition with private industry.

The Bureau of Reclamation now has one line extending between Shasta Dam and Shasta substation over which some 160,000 kilowatts of power are being delivered to the Pacific Gas & Electric Co. The Bureau says another 75,000 kilowatts will be available at Shasta around April 15. The Pacific Gas & Electric Co. stated in its testimony before the California Public Utilities Commission on March 12 that its engineers are convinced that 70,000 kilowatts of this new power can be transmitted over the Bureau's present line to Shasta substation where the Pacific Gas & Electric Co. has all required facilities to transmit it to points of use. It is my position that the Bureau of Reclamation should be forced to release this additional power the instant it is available.

As a matter of fact, because of the delay on the part of the Bureau of Reclamation in getting the new generators in operation, the Bureau must accept partial responsibility for failing to meet the present power shortage. Two units with total capacity of at least 150,000 kilowatts were loaned by Shasta to Grand Coulee for use during the war. In the early part of 1946 they were returned to Shasta and should have been in operation last summer. One is now promised for use April 15 and the second several months from now—almost a year later than scheduled. I am told that during this same period—from the spring of 1946 to the spring of 1948—which it took the Bureau of Reclamation merely to recondition and install the units moved from Coulee, the Pacific Gas & Electric Co. will have built a completely new major plant from the ground up.

In July of last year the Congress provided the Bureau of Reclamation with $1,500,000 for transmission lines extending from Shasta Dam to Shasta substation. These lines will have all the transmission capacity the Bureau will ever need to market all the power ever to be produced at Shasta and Keswick Dams.

I am reliably informed that the Bureau of Reclamation is not building these lines along the shortest and most direct route, about 25 miles in length, but along a route some 7 miles longer than the route of the Bureau's present line. The Bureau of Reclamation must be called upon to explain why this is being done, and why, even though the Bureau has had the money for these lines for about 9 months, they have on questioning recently admitted these lines were only about 15 percent complete.

By this attitude and espoused policy, the Bureau of Reclamation is attempting to set up and establish a bureaucratic autocracy over the territory and the private industries which will be served by this power. They are trying to build themselves up by taking advantage of this emergency.

This policy, espoused by the Bureau of Reclamation under and by authority of the Deparatment of the Interior, and implemented by refusal to deliver power to the proper distributor, is working and will work irreparable damage and injury to private industry of all kinds in the natural service area of Shasta power, including northern California and northern and western Nevada.

The Committee on Appropriations has reported the various appropriations bills providing money for the construction of the Shasta Dam and for the maintenance and operation of the Shasta power plant and the necessary transmission lines to get the power to Shasta substation, where Pacific Gas & Electric Co. now has ample facilities for transmitting to market all power ever to be produced at Shasta and Keswick Dams.

The committee is now being asked to appropriate, for the coming fiscal year for operation of the power division of the Department of the Interior, which advises the Bureau of Reclamation with respect to its power policies and functions, and for the operation of the Bureau of Reclamation, which directly controls the power produced from the Shasta and Keswick power plants.

It will be the duty of the committee to determine what appropriations if any should be made for power lines, interchange, and other works to make possible additional distribution of Shasta power.

The committee does not, I feel sure, favor putting the Bureau of Reclamation or the Department of the Interior any further into the business of distributing and selling power in competition with private industry.

Transmission lines do not produce power. It takes generators to do that.

Congress has supplied the Bureau of Reclamation with the money for the plants and for lines to market the power. The Bureau is far behind in completing both these jobs, much to the disadvantage of the people in California and Nevada.

The Bureau has had much to say in the press lately about preference to public agencies and provisions of reclamation law. Reclamation law states simply that in the sale or lease of Government power preference shall be given to municipalities and other public bodies. Certainly this cannot be construed to mean that the Bureau can force a private company to carry power over its lines to customers the Bureau intends to take away from the private distributor. The Bureau is using the present emergency to try to force the people of California and Nevada to agree to provisions and edicts which will be a step toward socialization of the power industry in northern California and northern and western Nevada.

I call upon the Bureau, and the Department of the Interior, to abandon this destructive and self-seeking policy; and, in no case later than April 15, to make all the additional power that can be generated at Shasta Dam available to the people of California and Nevada by turning it over to the Pacific Gas & Electric Co. at Shasta substation, under the present contract or an extension thereof.

Mr. McCARRAN. Mr. President, on Monday afternoon of this week, only a few hours after I had issued that statement, the Bureau of Reclamation agreed, at a meeting in San Francisco, before the California Public Utilities Commission, to deliver the additfonal power soon to be available from Shasta, into the Pacific Gas & Electric Co. system, which provides power to northern and central California and parts of Nevada. I do not contend that the statement which I issued in the morning was in any way responsible for the action taken in the afternoon.

The point to which I wish to call the attention of the Senate is that the Bureau of Reclamation, though it did agree to deliver additional Shasta power into the hands of the only logical distributor of such power, nevertheless refused—the Bureau refused—to enter into any contract for delivery of this additional power. On the contrary, the Bureau of Reclamation promised the available additional power from Shasta Dam on a day-to-day basis only, though on the same basis, with respect to cost, as that provided in the present contract between the Bureau of Reclamation and the Pacific Gas & Electric Co., which expires at the end of this year .

To even this much, in my opinion, the Bureau of Reclamation would not have agreed except for the tremendous pressure of public opinion and the untenability of the Bureau's position. But this

agreement is not enough. Not only does it lack permanency, but the very insistence of the Bureau of Reclamation that the agreement should be on a temporary, day-to-day basis, and without commitments for the future, makes it obvious that the Bureau, while bowing to logic and the weight of public opinion at the moment, still cherishes the idea and the intention of again advancing and asserting, at some later date, its scheme for getting both feet into the power distribution business in California and Nevada through an ultimate refusal to release Shasta power except upon the Bureau's own terms.

In my opinion, the Bureau of Reclamation should be called upon to enter promptly into a permanent contract agreement with respect to this additional power which would cover furnishing the power on the same basis as that provided in the present contract between the Bureau and the Pacific Gas & Electric Co.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans' Regulation No. 1 (a), as amended.

Mr. MORSE. Mr. President, I shall now proceed for a few minutes to discuss the conference report on Senate bill 1393, which is the unfinished business before the Senate.

I have agreed with the Senator from Nebraska and others that final action on the conference report shall go over until next week, the date to be fixed by the Senator from Nebraska. I have entered into that agreement because the Senator from Ohio [Mr. TAFT], who raised the point of order in regard to the conference report, found it necessary to leave the Senate late this afternoon, and he will not be back until some time after the first part of next week.

It is always my desire to cooperate with individuals both on my side and on the opposite side of any issue on which I find myself. But I do not want the RECORD closed today, Mr. President, without this brief statement, which I shall endeavor to make as crystal clear as I am capable of making it on the issue I have with the Presiding Officer of the Senate, insofar as his ruling on the conference report earlier in the day is concerned. I want to say to the Members of the Senate that the issue involved in the ruling is of great importance to each one of us insofar as our rights and privileges under the Reorganization Act are concerned with our duties and jurisdiction as conferees on conference committees.

My appeal from the decision of the Chair goes to the merits of this issue, and I hope that Members of the Senate will look at the merits of the issue and vote accordingly. I am disturbed about what is told me in the cloakrooms today. Several Senators have come to me and said that the motivating force which will determine the vote when we come to vote on the matter will not be the merits of my position on the issue. They have said in effect, "You know, WAYNE, it is awfully hard to get people to overrule the Presiding Officer of the Senate. As a matter of courtesy they are inclined to vote to sustain his rulings, even though as in this case, many of them may be satisfied that he is dead wrong."

No one has a greater affection or a higher regard or a deeper respect for the President pro tempore of this body than does the junior Senator from Oregon, but I want to say to my colleagues in the Senate that it is my honest opinion that the President pro tempore of the Senate [Mr. VANDENBERG] is clearly wrong in his ruling, and I think that when he is wrong he should be reversed. I think if Senators will go into the merits of the matter they will find that the ruling handed down by the President pro tempore of the Senate is one which, in the interest of the Reorganization Act and in the interest of the rights of the Members of the Senate, and in the interest of future work of conference committees, should be overruled.

I want to point out what has happened in this matter. The Senate passed Senate bill 1393. Senate bill 1393 sought to amend only part of the basic so-called GI bill of 1944, dealing with on-the-job ceilings. We proposed in our amendment to change the amount of the ceilings from $175 for single veterans to $200, and from $200 for married veterans to $250. So all we did was amend the proviso clause of paragraph (6) of section 400 (b) of Public Law 346 of the Seventy-eighth Congress, which is the basic act. But that is not what the House of Representatives did, Mr. President, when S. 1393 reached the House of Representatives. What the House of Representatives proposed to do and proceeded to do was to amend not only the proviso clause of the basic law, but it amended other portions of paragraph (6) of section 400 (b) of the basic act. And unless the Presiding Officer of the Senate can find some eraser, Mr. President, that will erase the clear meaning of the language in the House bill which I am now going to read into the RECORD then I say he cannot sustain his ruling that what we have done in the conference report is to include new matter or material that is not germane to the two bills which were before us for reconcilement through conference.

I shall read the language of the House bill. What the House did was to strike all the language of Senate bill 1393, after the enacting clause, and insert the following language by way of an amendment to paragraph (6) of section 400 (b) of the basic law:

> While enrolled in and pursuing a course under this part, * * * such person, upon application to the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year.

I say, Mr. President, that the language "subsistence allowance" and the figures relating to subsistence, placed before the conference committee the question of subsistence, and gave us jurisdiction to consider the subsistence issue. I do not know any way of escaping that fact, Mr. President.

Listen now to some more language of the House bill:

> Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of his apprentice or other training on-the-job at institutions, business or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances as may be determined by the Administrator: *Provided*—

Then the House proceeds with language that deals with on-the-job ceilings. But the language preceding the proviso clause—and the Senate bill dealt only with the proviso clause—the language preceding the proviso clause in the House bill dealt with subsistence allowances and dealt with attending courses on a part-time basis.

Now, Mr. President, what was wrong with the House bill from the standpoint of the task that confronted the conference committee in reconciling these two bills which were before us? Had we adopted the House bill—and no one certainly will deny that we would not have had the right to adopt the House bill—it would have had the effect of repealing the subsistence allowance increases of Public Law 411, passed on February 14, 1948. I say that because the figures in Public Law 411 passed by the Congress on February 14, 1948, were not figures of $65 and $90 respectively, but figures of $75, $105, and $120. On the very first day of our conference, Mr. President, we saw at once that we could not reconcile this first section of the House bill with what had already happened in regard to subsistence, namely, subsistence as set out in Public Law 411. Hence we said, "Well, we must try to reconcile this bill with the law already on the books," because when the House came to amend the basic law it did not amend the basic law on the basis of Public Law 411, but went back to the old basic law No. 426 of the Seventy-eighth Congress of 1944.

Now, for my good friend the Senator from Ohio [Mr. TAFT] to point out that the House just did not recognize the mistake it made is no answer to my argument at all. It is not for us in the Senate to try to determine what the intentions or the motives of the House were. The fact is the House on this subject sent us a bill containing a section on subsistence as well as on ceilings. We found ourselves in disagreement with the House, and I repeat the House bill contained reference to questions relating to and regulations of subsistence allowance both on a full-time and a part-time basis, as well as reference to ceilings. I am at a complete loss to understand how it can be argued by the President of the Senate that a House bill which specifically sought to amend the basic law as to subsistence and as to allowance for courses of study on a part-time basis failed to give us jurisdiction under the Reorganization Act, either by way of a substitute bill or by way of modifications over the issue of subsistence allowances set out in the House bill. Until we can

read out of the House bill the words "subsistence allowance" and the words "attending a course on a part-time basis" then the ruling of the Presiding Officer of the Senate today has no merit, in my judgment.

In conference we were confronted with the task of reconciling the differences between the law as proposed by way of amendment by the House and the law then existing, including Public Law 411, which was not referred to by the House in its bill; but rather the House put figures in its bill which could not be reconciled with Public Law 411. This question arose on the first day of the conference. As I recalled to the Senator from Ohio this afternoon—and it was verified by the Senator from Utah [Mr. THOMAS], and will be verified next week by the Senator from Alabama [Mr. HILL], the question of germaneness of the subsistence issue arose on the first day of the conference, and we argued the question pro and con.

Finally it was agreed that it was germane for us to proceed to consider subsistence allowance matters under the two bills, and that is what we did. We were in deadlock for several days. I proposed certain figures with respect to on-the-job ceilings. Those figures were finally adopted with one minor change, as I recall, and they appear in the final conference report. But once having the authority, as I think we clearly had, to start dealing with subsistence, then we had the right under the Reorganization Act to offer the amendments or proposals which we offered with regard to part-time training, because the act provides that a conference committee has the right to propose a substitute on the same subject matter, or it has the right to make germane modifications of the subject matter in disagreement. Once having started on the subsistence issue, then we certainly had the right to offer the amendments which we offered with regard to part-time training. We could not have reached an agreement on ceilings as continued in the Senate bill unless we reached an agreement on subsistence as raised by the House bill.

Earlier today the Senator from Ohio asked me if it was not true that neither the House bill nor the Senate bill proposed any increases in subsistence. That is true. But the point to which I should like to invite the attention of the Senator from Ohio once more, so that he may study it and answer it when he returns, is that when the House proposed in its bill subsistence allowances of $65 and $90, which were less than were provided for in the law at that time we automatically had the entire subsistence issue within our jurisdiction as conferees. We must not forget that the law at the time of the conference, and the law as it still exists, including Public Law 411, provided subsistence allowances of $75, $105, and $120—but the House bill in part reduced those allowances for subsistence to $65 and $90.

I should like to know what answer can be made to that argument. There is no doubt about the fact that the provision of the House bill which proposed subsistence allowances of $65 a month for single veterans and $90 a month for married veterans was a change from the present law. For the Senator from Ohio to say that the House was not aware of the fact that it was making any change in Public Law 411 does not in any way support his position on the ruling handed down by the Chair, because the fact is that this is the bill which the House gave us. The fact is that the literal meaning of that bill, the only meaning which can be given to that bill, is a meaning which recognizes a change in the subsistence allowance passed by the House, different from, and in this instance less than, the subsistence allowance in the basic law as amended by Public Law 411.

Mr. SPARKMAN. Mr. President, I should like to propound some questions to the Senator from Oregon, if I may.

Mr. MORSE. I shall be glad to answer them if I can.

Mr. SPARKMAN. I was hopeful that the appeal from the ruling of the Chair would come to a vote this afternoon, in order that I might be present to vote in favor of the appeal, in line with the argument of the able Senator from Oregon. I understand that the vote will go over until next week, when I shall not have the privilege of being present.

I should like to ask the Senator from Oregon if this is not true: If the ruling of the Chair is sustained, will we not then be in the position of saying to the House that its action was illegal, that it had no right to do what it did, and that it did not know what it was doing when it did it?

Mr. MORSE. I would not say that such action would amount to saying to the House that its action was illegal.

Mr. SPARKMAN. I should not have used the word "illegal." Let us say contrary to the rules.

Mr. MORSE. I think that if we sustain the ruling of the Chair and turn down this conference report, it will amount to saying to the House, "Either accept the Senate bill and the figures proposed by the Senate conferees with respect to on-the-job training ceilings, or you will get no bill."

Mr. SPARKMAN. That was another question which I was about to ask the Senator. Is it not true that the very fate of this bill hangs on the ruling of the Chair? Does the Senator believe that if this ruling is sustained we shall be able to get legislation?

Mr. MORSE. It is my sincere judgment that if the ruling of the Chair is sustained, we shall have lost any chance of getting legislation on this subject this year. If I am correctly informed by Members of the House, they feel that this bill is a proper, equitable, and fair reconciliation of the differences between the House and the Senate. They feel that the Senate conferees who signed the report ought to be sustained because of the hard work which they devoted to this question in bringing the two groups together and because their position is sound on the merits.

Mr. SPARKMAN. If we adhere to the ruling of the Chair the result will be, will it not, that we shall not be giving the relief for which the veterans have been asking for lo, these many months?

Mr. MORSE. That is my personal opinion.

Mr. SPARKMAN. We feel that they are entitled to such relief.

Mr. MORSE. That is my personal opinion.

Mr. SPARKMAN. Let me say to the able Senator from Oregon that I believe that the arguments which he has presented here today are exactly in point. They are sound from every standpoint. I regret that I shall not be able to be present when the question comes to a vote, so that I might vote with him. I am trying to arrange a live pair, in order that I may be recorded in favor of the conference report as the able Senator from Oregon has presented it.

Mr. MORSE. I thank the Senator from Alabama.

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

Mr. MORSE. I yield.

Mr. BALL. I think it would be very unfortunate if the statement were left in the RECORD that sustaining the point of order and the ruling of the Chair would eliminate any chance of legislation on the question of on-the-job ceilings, which was the major question dealt with by both the House and Senate. If I am correctly informed, the parliamentary situation is this: If the ruling of the Chair should be sustained, then a motion for the Senate to insist on its amendments, refuse to concur in the House changes, and ask for another conference would be perfectly in order. To say that the bill will be defeated simply because the House takes the adamant position that it will not yield to the Senate on any point unless the Senate agrees to violate its own rules and include matter which should not have been included under the rules of the Senate, it seems to me is an untenable position to take.

I am sure the Senator from Oregon did not intend to imply that the other House would defeat legislation by that kind of tactic.

Mr. MORSE. Mr. President, if the Senator from Minnesota has any misunderstanding as to what I intend, I certainly wish to make my intention very clear right now. My sincere opinion is that if we sustain the ruling of the Chair, we shall have an impossible obstacle to overcome in another conference on this proposed legislation, because sustaining the Chair on this matter would be sustaining the Chair in the commission of what I think is a clear error under the rules of the Senate.

I do not agree with the Senator from Minnesota that the Chair has issued a correct ruling. My argument is that the House had a perfect right to pass the bill that it passed. It had a perfect right to amend the basic law by amending the language preceding the proviso clause. It had a perfect right to deal with the subsistence issue along with the ceiling issue. That is what the House did. It sent us a bill that amended the basic law, including the language preceding the proviso clause of paragraph 6, section 400 (b) of the basic law. We cannot escape that fact, Mr. President. The House bill constitutes an amendment of that language. I clearly dealt

with the subsistence issue and the Senator from Minnesota cannot erase that part from the House bill no matter how hard he tries. The House bill cannot be reconciled with the existing law at the time, because it does not refer to or include the subsistence figures of Public Law 411. It substituted other figures—other figures on what? Other figures on subsistence. The moment it put in other figures on subsistence and the moment it put in language on a course of training on a part-time basis, its bill was dealing with subsistence. Once subsistence became a part of the House bill, then it fell within the jurisdiction, I repeat, of the Senate conferees to proceed to modify the subsistence provisions in accordance with the modification the conferees made.

I wish to close my argument by pointing out what that modification is. The modification includes part-time training and institutional, on-the-farm training, and provides that the subsistence allowances referred to in the House bill shall be prorated to these part-time trainees on the basis of a formula of the number of hours they spend in their course of study in relation to the number of hours in a full-time course of study.

So I say the issue is just this simple, Mr. President; I do not know how I can put it any clearer than this: Did the House bill refer to subsistence? Did it refer to part-time training courses?

Mr. President, the language shows clearly that it did. If the House bill referred to subsistence and to part-time training courses, then the subsistence issue and these part-time trainees fell within the jurisdiction of the conferees. The conferees then had a right to proceed to consider the whole question of subsistence, and either to increase it or decrease it or modify it in other respects. We certainly had the clear duty of modifying the subsistence figures of the House of Representatives in providing, as it did in its bill, for an amendment of the old basic law so as to provide for a subsistence allowance in an amount less than the amount provided for in Public Law 411. That was admitted on the first day of the conference. It was agreed that we had to do something about the subsistence figures in the House bill. It was agreed that if the first section of the House bill were to stand, it would have the effect of repealing Public Law 411. Why? Because of a very elementary principle of law that when Congress passes two inconsistent statutes, the statute which is last passed is the one that will prevail.

In this instance, the figures on subsistence, if we were to adopt the House bill, would be $65 and $90, and not $75, $105, and $120.

So we had to reconcile that situation with Public Law 411. When we had the right to do that—and that right was admitted on the first day of the conference—then we had the right, both because of germaneness and the power to amend by way of a substitute, to bring ourselves into agreement on what we were going to do about these part-time trainees who felt they were being discriminated against because not any of the increase was going to go to them.

That is the case in a nutshell or, at least, as clearly as I can state it. That is the issue on which the Senate will have to vote when the time comes to vote on the question of sustaining the decision of the Chair.

Mr. GEORGE. Mr. President, on account of a serious illness in the family, I ask unanimous consent to have leave of absence from the Senate next week.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. GEORGE. Before I leave, I wish to express regret that I shall not be here to vote on the question of the appeal from the decision of the Chair, which has just been discussed by the Senator from Oregon. I do not attempt to discuss it now, Mr. President. My opinion is that while the Chair's ruling might be narrowly and technically justified, yet it is not in harmony with the rule which ought to be applied in this case, and that inasmuch as the broad subject-matter of subsistence pay and part-time pay has been dealt with by either the House bill or the Senate bill—I understand it was dealt with by the House bill—then that question necessarily is in the conference, and that under any fair and broad application of the rules, this appeal should be sustained.

It is much like providing for a change in subsistence allowance for a particular group of Federal employees under the Civil Service system—for instance, the group in CAF-4. When we touch that basic law with respect to their allowances, of necessity we must keep a balance between all respective grades in the Civil Service system. That is precisely this situation, as I see it, in principle.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, it appears that the debate on the conference report on Senate bill 1393, which now is the unfinished business, and which has been so ably debated this afternoon, will not be concluded until all Senators on both sides of the case who are interested in it have an opportunity again to submit their views.

For that reason, the Senator from Ohio [Mr. TAFT] and the distinguished Senator from Oregon [Mr. MORSE], who met this afternoon with the acting majority leader, have agreed to ask the Senate to continue the conference report on Senate bill 1393 as the unfinished business, and that until Senators who would like to be heard on it and vote on it may return—which may not even be next week, although I hope it will be—or until some further arrangement can be made, it shall be the unfinished business, and may be displaced by unanimous consent only for the consideration of other proposed legislation.

Is that about the agreement we had?

Mr. MORSE. Yes.

The PRESIDING OFFICER. Does the Chair correctly understand that the Senator from Nebraska is proposing a unanimous-consent request for the continuation of the conference report on Senate bill 1393 as the unfinished business?

Mr. WHERRY. No, Mr. President; that does not require a unanimous-consent request.

The PRESIDING OFFICER. Very well.

DAYLIGHT-SAVING TIME IN THE DISTRICT OF COLUMBIA

Mr. WHERRY. Mr. President, in view of the fact that the conference report on Senate bill 1393 is the unfinished business, rather than to displace it—because an arrangement might be made for its consideration either early next week or late next week and it is the desire to have it remain the unfinished business—I now ask unanimous consent that it be temporarily laid aside for the consideration of Senate bill 1481, Calendar 485, the so-called District of Columbia daylight-saving-time bill. I now ask unanimous consent that that bill be made the unfinished business.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HATCH. Is that agreeable to the Senator from Florida?

Mr. ELLENDER. Is it agreeable to my colleague?

Mr. WHERRY. Yes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

LEGISLATIVE PROGRAM—RECESS TO TUESDAY

Mr. WHERRY. Mr. President, before moving a recess I should like to make an announcement. In the event the consideration of the daylight-savings bill is concluded on our next meeting day at an early hour, I advise the Members of the Senate that it is the purpose to make Calendar No. 1017, Senate bill 2287, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes, the pending business following the daylight-savings bill. My only reason for mentioning it is that I like to keep the Senate informed at least 2 or 3 days ahead, so Senators may know what will be brought up for consideration.

On Tuesday, if the Senate recesses until next Tuesday, in the event consideration of both those bills is concluded, House bill 296, which has not yet been reported to the calendar but which is expected to be reported on Monday, should be brought up next in order, if agreeable to Members of the Senate. It is a bill which has to do, I understand, with social-security benefits, freezing the rates, and status quo. I make this statement in order that the Senate may be advised of the measures to be considered on next Tuesday and Wednesday.

Mr. HATCH. Has the Senator from Nebraska consulted with the Senator from Kentucky [Mr. BARKLEY]?

Mr. WHERRY. Yes.

Mr. HATCH. And is the program announced agreeable to him?

Mr. WHERRY. In fact, I submitted a complete calendar of several bills to the minority leader, who expects to be absent all of next week. These bills are not controversial.

Mr. HATCH. Has the Senator agreed to them?

Mr. WHERRY. No. He agreed that any of the measures I have indicated could be brought up next week. He did not agree to give unanimous consent for their consideration. I did not ask that, as I did not think it necessary. But I am satisfied the arrangement will be perfectly agreeable to the minority leader.

Mr. HATCH. But the Senator from Kentucky understood the program, did he?

Mr. WHERRY. Yes; no doubt of it.

Mr. HATCH. That is all I wanted to know.

Mr. WHERRY. Mr. President, the Senate is pretty well caught up on its calendars. With the exception of a treaty, we have cleared the Executive Calendar. With the exception of old bills, the Legislative Calendar, from the point where it was last considered on March 29, has, I think, only about a dozen bills on it. It is not my purpose therefore to ask for a call of the Legislative Calendar until the Senate convenes next week and after proper notice. There are not very many bills on the calendar. I think notice to this effect should be given to Senators.

Mr. President, having in mind that our calendars are pretty well cleared, and in view of the fact that there is much important legislation now under consideration by the Appropriations and the Armed Services Committees, I move that the Senate recess until Tuesday next at noon.

The motion was agreed to; and (at 5 o'clock and 44 minutes p. m.) the Senate took a recess until Tuesday, April 6, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, April 2 (legislative day of March 29), 1948:

UNITED STATES DISTRICT JUDGE

Wilson Warlick, of North Carolina, to be United States district judge for the western district of North Carolina, vice Hon. Edwin Y. Webb, retired.

UNITED STATES ATTORNEY

Brian S. Odem, of Texas, to be United States attorney for the southern district of Texas. (Mr. Odem is now serving in this office under an appointment which expires May 9, 1948.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidate for appointment in the Regular Corps of the Public Health Service:

To be medical director (equivalent to the Army rank of colonel), effective date of acceptance:

Sanford M. Rosenthal

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2 (legislative day of March 29), 1948:

CIVIL AERONAUTICS BOARD

Joseph J. O'Connell, Jr., to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1953.

COAST AND GEODETIC SURVEY

Elliott B. Roberts, to be a commander in the Coast and Geodetic Survey, to rank from March 1, 1948.

Roswell C. Bolstad, to be a lieutenant commander in the Coast and Geodetic Survey, to rank from March 1, 1948.

Harley D. Nygren, to be an ensign in the Coast and Geodetic Survey, from March 8, 1948.

POSTMASTERS

MARYLAND

Charles A. Snavely, Baldwin.
C. Gorman Griffith, Gaithersburg.
Calvin Burns, Grasonville.
Milton W. Corkran, Mount Wilson.
William E. Spoerlein, Oakland.
Joseph B. Rawson, Salisbury.
Edward P. Harris, Snow Hill.
Maybelle R. Baker, Union Bridge.

NEW MEXICO

Alorie V. Young, Hollywood.
Mary L. Mitchell, Oil Center.
Antonio J. Trujillo, Questa.
Paul Madrid, Vaughn.

NORTH CAROLINA

Ben B. Jaynes, Autryville.
Raeford E. Brown, Burgaw.
Claiborne R. Oakley, Carrboro.
Lacy E. Price, Cliffside.
William E. Newton, Currie.
Henry D. Johnson, Farmville.
Thurman R. Smith, Hazelwood.
Columbus Few, Hendersonville.
Robert Willis Pope, Lucama.
Robert H. Ballew, Nebo.
William Lester Farrell, Pittsboro.

SOUTH CAROLINA

James D. Watson, Blaney.
Jesse W. Parris, Clifton.
Della S. Beaty, Crescent Beach.
John Woods, Marion.
Alfred D. Parker, Sr., Pacolet Mills.
Raymond W. Coleman, Pamplico.
Helen A. Geraty, Yonges Island.

VERMONT

John J. Burns, Burlington.
John R. Kennett, Montgomery Center.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 2, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou Ancient of Days, whose love hath begotten us, to know Thee is blessed contemplation and to serve Thee is perfect freedom. In the perils of this life we are safe, not in our own virtue or wisdom, nor in any power we may possess, but in the plenitude of Thy mercy.

Thou hast put the keys of our Nation's life and destiny in our hands; shame upon any who seek to deny the privileges of our Republic to gratify their own selfish aims, as they talk in a wilderness of confusion. O remove the clouds which have been woven out of the warp and woof of hate and unrighteous ambition, that our priceless gifts of peace and freedom may survive. Lead us ever to praise the power that made us free, and bless the flag which declares to the world our national honor. Each day may we be united in purpose, strong and confident in Thee, and Thine shall be the praise forever.

Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 30, 1948:

H. R. 1809. An act to facilitate the use and occupancy of national-forest lands, and for other purposes; and

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

On March 31, 1948:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 472. An act to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; and

S. Con. Res. 46. Concurrent resolution providing for the printing of additional copies of Senate Report No. 986, on labor-management relations.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Andrews, Ala.	Hendricks	Rains
Bland	Jackson, Calif.	Richards
Blatnik	Jarman	Rizley
Boykin	Jenkins, Pa.	Rooney
Buck	Lesinski	Shafer
Buckley	McMillen, Ill.	Sikes
Chapman	Manasco	Stratton
Cole, N. Y.	Morgan	Taylor
Cox	Norrell	Thomas, N. J.
Dingell	O'Toole	Vursell
Grant, Ala.	Owens	
Hartley	Passman	

The SPEAKER. On this roll call, 398 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE TAX-REDUCTION BILL—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 589)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4790, entitled "An act to reduce individual income-tax payments, and for other purposes."

It is a matter of deep regret to me that I am compelled to take this action. If I could conscientiously approve tax reductions, I would gladly do so. But I am convinced that to reduce the income of the Government by $5 billion at this time would exhibit a reckless disregard for the soundness of our economy and the finances of our Government.

All of us are aware that the world situation is one of uncertainty and, indeed, of danger. The United States, in common with other free nations, is taking positive action on many fronts to preserve conditions of peace with justice against the forces of dissension and chaos. In this endeavor, as I stated in my address to the Congress on March 17, 1948, "the United States has a tremendous responsibility to act according to the measure of our power for good in the world."

Under these conditions, the primary test which I must apply in considering this bill is whether or not it would contribute to the strength of the United States. My fundamental objection to the bill is that it would not strengthen, but instead would weaken, the United States.

This is true for two reasons.

First, the bill would reduce Government revenues to such an extent as to make likely a deficit in Government finances at a time when responsible conduct of the financial affairs of this Nation requires a substantial surplus in order to reduce our large public debt and to be reasonably prepared against contingencies.

Second, the bill would greatly increase the danger of further inflation, by adding billions of dollars of purchasing power at a time when demand already exceeds supply at many strategic points in the economy, and when Government expenditures are necessarily rising.

The estimates of Government expenditures for the fiscal year 1949 which I submitted to the Congress in January totaled $39.7 billion. Receipts were estimated at $44.5 billion, leaving a surplus of $4.8 billion for debt retirement and contingencies.

It has since become apparent that despite the most stringent efforts toward economy, there will be several important increases in expenditures above the January estimates. Legislation has been enacted increasing payments to veterans. Larger amounts will be required for assistance to certain foreign countries. Legislation to increase the salaries of Federal employees is being considered. It has been necessary to recommend substantial additional appropriations to the Congress to bring our armed forces to a proper strength.

Altogether these increases, after taking due account of appropriation actions by the Congress to date and of the additional tax refunds which would occur under this bill, involve additional expenditures for the fiscal year 1949 of at least $3.5 billion above the January estimates. In the fiscal year 1950, these additional programs would increase expenditures by another $2 billion, or by a total of $5.5 billion. It is clear that, if this bill which reduces taxes by $5 billion were to become law, there would in fact be a deficit in the fiscal year 1949 even under the more optimistic estimates of revenue used by the congressional committees.

The Congress proposes to extricate itself from this situation by charging $3 billion of 1949 expenditures under the European recovery program against the 1948 revenues. This might avoid a deficit in 1949. But the facts cannot be obscured by the fiscal sleight-of-hand by which a prospective deficit in 1949 is made to appear as a surplus. Actually, the surplus available for debt retirement for the 2 years 1948 and 1949 would not be affected in the slightest by such a shift in accounting.

The public debt is $253 billion. I repeat what I have so often said before—if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect that it will ever be materially reduced.

I am aware that some hold the view that it would be proper to reduce taxes now, and that it will be time enough to restore adequate Federal revenues when the full extent and cost of our commitments are more definitely determined. I cannot subscribe to such an erratic and vacillating tax policy. We already know enough about the Government's financial outlook to demonstrate the serious effects of reducing revenues now by $5 billion. The additional expenditures which are in prospect, although not exactly determined as to amount, are of sufficient size to make clear the short-sightedness of cutting taxes at the very time our obligations are increasing. If I endorsed tax reduction now, knowing that to do so would in all likelihood mean increased taxes next year, I would not be dealing fairly with the American people.

This bill would undermine the soundness of our Government finances at a time when world peace depends upon the strength of the United States.

It would also gamble with the dangers of further inflation. I have urged on many occasions that steps be taken to relieve the distressing effects of high prices. Since these steps have not been taken, the most important force restraining inflation has been the Government surplus and the use of this surplus to reduce the public debt. This bill would reduce or eliminate this important weapon against inflation.

It has been argued that tax reduction now would furnish incentives for more active investment and business enterprise and, consequently, more production. The plain facts show that neither funds nor profit incentives are lacking for investment and business enterprise at present tax rates.

Industrial expenditures for new plant and equipment reached the record level of more than $16 billion in 1947, contrasted with $12 billion in 1946 and $8 billion in 1941. Preliminary estimates indicate that industrial expenditures for new plant and equipment during the first quarter of 1948 ran much higher than the average for 1947.

Corporate profits were at extraordinary levels during 1947, reaching $17.3 billion after taxes, contrasted with a previous peak of $12.5 billion in 1946. Preliminary estimates indicate that corporate profits during the first quarter of 1948 have substantially maintained the very high level of 1947.

The national income is at a record level. Employment is at a record level. Production is at a record peacetime level. The resources and labor force of this country are fully employed. Under these circumstances, tax reduction could only result in higher prices—not in higher production.

From the viewpoint of the average family, which spends most of its income to buy the necessities of life, the kind of tax reduction which this bill provides would be an evil in disguise. Inflation is still here, and the cost of living has not descended to reasonable levels. The consumers' price index, which was 159 for 1947 as a whole, was 167.5 in February 1948, and preliminary figures indicate that it was even higher in March. A large tax reduction at this time would help to drive the cost of living still higher.

With wise and careful planning the American tax system can make an important contribution to economic progress. But if we dissipate the strength of our revenue system by ill-timed tax reduction, we shall sacrifice for many years our opportunities to lay a solid foundation for a more effective tax system. Major reforms are needed in all important areas of the Federal tax system—excise taxes, corporate taxes, individual income taxes, and estate and gift taxes. The enactment of H. R. 4790 would, by prematurely weakening the tax system, not only aggravate our immediate problems but also constitute a serious obstacle in the path of realizing many urgently needed fundamental tax reforms.

The tax reduction provided by this bill is inequitable as well as untimely.

In the case of the income tax, nearly forty percent of the reduction would go to individuals with net incomes in excess of $5,000, who constitute less than 5 percent of all taxpayers.

In the case of the estate and gift taxes, nearly all of the $250 million annual reduction would go to only about 12,000 of the most wealthy families. The discovery that it is possible to make very substantial savings in the gift and estate taxes by dividing a family's wealth between husband and wife has brought forth much ingenious argument to the effect that the provisions in this bill are needed to equalize the application of these taxes in community-property and common-law States. In fact, this equalization was in all essential respects achieved by legislation enacted by the Congress in 1942.

For the reasons I have set forth, H. R. 4790 is not compatible with the requirements of the critical international situation. It is not compatible with sound domestic economic and debt-management policies. If enacted, it would materially weaken this Nation's efforts to maintain peace abroad and prosperity at home.

It is bad policy to reduce taxes in a manner which would encourage inflation and bring greater hardship, not relief, to our people. It is bad policy to

endanger the soundness of our national finances at a time when our responsibilities are great in an unsettled world.

I am confident that the men and women of our country prefer the maintenance of our national strength to a reduction in taxes under the present circumstances.

I consider it my clear duty, therefore, to return H. R. 4790 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 1, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and the bill and message will be printed as a House document.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Mr. KNUTSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 311, nays 88, not voting 32, as follows:

[Roll No. 39]

YEAS—311

Abbitt	Crow	Hedrick
Abernethy	Cunningham	Herter
Allen, Calif.	Curtis	Heselton
Allen, Ill.	Dague	Hess
Allen, La.	Davis, Ga.	Hill
Almond	Davis, Tenn.	Hinshaw
Anderson, Calif.	Davis, Wis.	Hoeven
Andresen, August H.	Dawson, Utah	Hoffman
	Devitt	Holmes
Andrews, N. Y.	D'Ewart	Hope
Angell	Dirksen	Horan
Arends	Dolliver	Hull
Arnold	Domengeaux	Jackson, Wash.
Auchincloss	Dondero	Javits
Bakewell	Donohue	Jenison
Banta	Doughton	Jenkins, Ohio
Barden	Durham	Jennings
Barrett	Eaton	Jensen
Bates, Mass.	Elliott	Johnson, Calif.
Battle	Ellis	Johnson, Ill.
Beall	Ellsworth	Johnson, Ind.
Bender	Elsaesser	Johnson, Okla.
Bennett, Mich.	Elston	Jones, Ala.
Bennett, Mo.	Engel, Mich.	Jones, N. C.
Bishop	Fallon	Jones, Wash.
Blackney	Fellows	Jonkman
Boggs, Del.	Fenton	Judd
Boggs, La.	Fisher	Kean
Bolton	Fletcher	Kearney
Bonner	Folger	Kearns
Bradley	Foote	Keating
Bramblett	Fuller	Keefe
Brehm	Fulton	Kelley
Brooks	Gallagher	Kerr
Brophy	Gamble	Kersten, Wis.
Brown, Ga.	Garmatz	Kilburn
Brown, Ohio	Gary	Kilday
Bryson	Gathings	Knutson
Buffett	Gavin	Kunkel
Bulwinkle	Gearhart	Landis
Burke	Gillette	Lane
Busbey	Gillie	Lanham
Butler	Goff	Larcade
Byrnes, Wis.	Goodwin	Latham
Camp	Gossett	Lea
Canfield	Graham	LeCompte
Carson	Grant, Ind.	LeFevre
Case, N. J.	Griffiths	Lemke
Case, S. Dak.	Gross	Lewis
Chadwick	Gwinn, N. Y.	Lichtenwalter
Chenoweth	Gwynne, Iowa	Lodge
Chiperfield	Hagen	Love
Church	Hale	Lucas
Clason	Hall, Edwin Arthur	Lyle
Clevenger		McConnell
Clippinger	Hall, Leonard W.	McCowen
Coffin		McCulloch
Cole, Kans.	Halleck	McDonough
Cole, Mo.	Hand	McDowell
Colmer	Harness, Ind.	McGarvey
Corbett	Harris	McGregor
Cotton	Hart	McMahon
Coudert	Harvey	McMillan, S. C.
Cravens	Hays	Mack
Crawford	Hébert	MacKinnon
Macy	Ramey	Snyder
Maloney	Rankin	Stanley
Martin, Iowa	Redden	Stefan
Mason	Reed, Ill.	Stevenson
Mathews	Reed, N. Y.	Stockman
Meade, Ky.	Rees	Sundstrom
Meade, Md.	Reeves	Taber
Merrow	Regan	Talle
Meyer	Rich	Teague
Michener	Riehlman	Thomas, Tex.
Miller, Conn.	Riley	Thompson
Miller, Md.	Rivers	Tibbott
Miller, Nebr.	Robertson	Tollefson
Mills	Rockwell	Towe
Mitchell	Rogers, Fla.	Twyman
Morris	Rogers, Mass.	Vail
Morrison	Rohrbough	Van Zandt
Muhlenberg	Ross	Vinson
Mundt	Russell	Vorys
Murray, Tenn.	Sadlak	Vursell
Murray, Wis.	St. George	Wadsworth
Nicholson	Sanborn	Walter
Nixon	Sarbacher	Weichel
Nodar	Sasscer	Welch
Norblad	Schwabe, Mo.	West
O'Hara	Schwabe, Okla.	Wheeler
O'Konski	Scoblick	Whitten
Pace	Scott, Hardie	Whittington
Patterson	Scott, Hugh D., Jr.	Wigglesworth
Peterson		Williams
Philbin	Scrivner	Wilson, Ind.
Phillips, Calif.	Seely-Brown	Wilson, Tex.
Phillips, Tenn.	Sheppard	Winstead
Ploeser	Short	Wolcott
Plumley	Simpson, Ill.	Wolverton
Potter	Simpson, Pa.	Wood
Potts	Smith, Kans.	Woodruff
Poulson	Smith, Maine	Worley
Preston	Smith, Ohio	Youngblood
Price, Fla.	Smith, Wis.	Zimmerman

NAYS—88

Albert	Fernandez	McCormack
Andersen, H. Carl	Flannagan	Madden
	Fogarty	Mahon
Bates, Ky.	Forand	Mansfield
Beckworth	Gordon	Marcantonio
Bell	Gore	Miller, Calif.
Blatnik	Gorski	Monroney
Bloom	Granger	Morton
Buchanan	Gregory	Multer
Burleson	Hardy	Murdock
Byrne, N. Y.	Harless, Ariz.	Norton
Cannon	Harrison	O'Brien
Carroll	Havenner	Patman
Celler	Heffernan	Peden
Chelf	Hobbs	Pfeifer
Clark	Holifield	Pickett
Combs	Huber	Poage
Cooley	Isacson	Powell
Cooper	Johnson, Tex.	Price, Ill.
Courtney	Karsten, Mo.	Priest
Crosser	Kee	Rayburn
Dawson, Ill.	Kefauver	Sabath
Deane	Kennedy	Sadowski
Delaney	Keogh	Smathers
Dorn	King	Smith, Va.
Douglas	Kirwan	Somers
Eberharter	Klein	Spence
Engle, Calif.	Ludlow	Stigler
Evins	Lusk	Trimble
Feighan	Lynch	

NOT VOTING—32

Andrews, Ala.	Hendricks	Passman
Bland	Jackson, Calif.	Rains
Boykin	Jarman	Richards
Buck	Jenkins, Pa.	Rizley
Buckley	Lesinski	Rooney
Chapman	McMillen, Ill.	Shafer
Cole, N. Y.	Manasco	Sikes
Cox	Morgan	Stratton
Dingell	Norrell	Taylor
Grant, Ala.	O'Toole	Thomas, N. J.
Hartley	Owens	

So, two-thirds having voted in favor of, the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

On this vote:

Mr. Chapman and Mr. Owens for, with Mr. Rooney against.

Mr. Sikes and Mr. Rizley for, with Mr. Morgan against.

Mr. Shafer and Mr. Passman for, with Mr. Dingell against.

Mr. McMillen of Illinois and Mr. Buck for, with Mr. Lesinski against.

Mr. Cox and Mr. Stratton for, with Mr. Buckley against.

Mr. Jenkins of Pennsylvania and Mr. Richards for, with Mr. O'Toole against.

Mr. Boykin and Mr. Hartley for, with Mr. Bland against.

General pairs:

Mr. Cole of New York with Mr. Norrell.

Mr. Taylor with Mr. Andrews of Alabama.

Mr. Jackson of California with Mr. Rains.

Mr. Thomas of New Jersey with Mr. Manasco.

The result of the vote was announced as above recorded.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to announce the program for the balance of today and for next week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, after the conference report on the foreign-aid bill is disposed of, so far as I know, there is no further business for today. I might advise that a record vote is expected on the conference report.

Later in the day I shall ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next. I also intend to ask unanimous consent that the Consent Calendar may be called on Tuesday, so that on Tuesday of next week, both the Consent Calendar and the Private Calendar will be called.

On Wednesday it is expected that we will take up H. R. 5098, the so-called hoof-and-mouth-disease research bill.

On Thursday we expect to take up H. R. 5888, to extend the Federal-Aid Highway Act.

The business for Friday is undetermined.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I call up the conference report on the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, 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 Ohio.

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 amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic

conditions essential to a peaceful and prosperous world, 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 admendment of the Senate to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment and the House amendment, insert the following:

"That this Act may be cited as the 'Foreign Assistance Act of 1948'.

"TITLE I

"SEC. 101. This title may be cited as the 'Economic Cooperation Act of 1948'.

"Findings and declaration of policy

"SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

"Purposes of title

"(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

"(1) promoting industrial and agricultural production in the participating countries;

"(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

"(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

"Participating countries

"SEC. 103. (a) As used in this title, the term 'participating country' means—

"(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

"(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

"(b) Until such time as the Free Territory of Trieste or either of its zones becomes eligible for assistance under this title as a participating country, assistance to the Free Territory of Trieste, or either of its zones, is hereby authorized under the Foreign Aid Act of 1947 until June 30, 1949, and the said Foreign Aid Act of 1947 is hereby amended accordingly, and not to exceed $20,000,000 out of funds authorized to be advanced by the Reconstruction Finance Corporation under subsection (a) of section 114 of this title, or under subsection (d) of section 11 of the Foreign Aid Act of 1947 notwithstanding any appropriation heretofore made under such Act, may be utilized for the purposes of this subsection: *Provided*, That section 11 (b) of the Foreign Aid Act of 1947 shall not apply in respect of the Free Territory of Trieste or either of its zones: *And provided further*, That the provisions of section 115 (b) (6) of this title shall apply to local currency deposited pursuant to section 5 (b) of that Act.

"Establishment of Economic Cooperation Administration

"SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

"(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed thirty days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such thirty-day period, the authority conferred upon the President by this subsection shall be extended beyond such thirty-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

"(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

"(2) If a corporation is created under this section—

"(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of any necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

"(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

"(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to Act of Congress; and

"(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such Act.

"(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

"(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed one hundred may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than twenty-five may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and

not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

"(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

"General functions of Administrator

"SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

"(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

"(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

"(3) provide for the efficient execution of any such programs as may be placed in operation; and

"(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

"(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

"(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"NATIONAL ADVISORY COUNCIL

"SEC. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"'SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation."

"Public Advisory Board

"SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed twelve additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

"United States special representative abroad

"SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowance as a chief of mission, class 1, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

"Special ECA missions abroad

"SEC. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Special Representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

"(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

"Personnel outside United States

"SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States the Administrator may—

"(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

"(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits

of section 528 of the Foreign Service Act of 1946.

"(b) For the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

"(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed three months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator, and until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

"Nature and method of assistance

"SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (5) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

"(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (Seventy-ninth Congress) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term "commodity" means any commodity, material, article, supply, or goods necessary for the purposes of this title.

"(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

"(3) Procurement of and furnishing technical information and assistance.

"(4) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

"(5) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

"(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

"(1) by establishing accounts against which, under regulations prescribed by the Administrator—

"(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of the United States and monies due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940 and shall constitute obligations of applicable appropriations); and

"(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries or by other persons or organizations, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe in regulations promulgated by him with the approval of the Comptroller General of the United States to assure expenditure in furtherance of the purposes of this title.

"(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion, by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

"(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the amount of such guaranties in the first year after the date of the enactment of this Act does not exceed $15,000,000), which guaranties shall terminate not later than fourteen years from the date of enactment of this Act: *Provided*, That—

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof: *Provided*, That, when any payment is made to any person under authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

"(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and

"(iii) as used in this paragraph, the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

The total amount of the guaranties made under this paragraph (3) shall not exceed $300,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section when necessary to discharge liabilities under any such guarantee.

"(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

"(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $1,000,000,000 (i) for the purpose of allocating funds to the Export-Import Bank of Washington under this paragraph during

the period of one year following the date of enactment of this Act and (ii) for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section until all liabilities arising under guaranties made pursuant to such paragraph (3) have expired or have been discharged. Such notes shall be redeemable at the option of the Administrator before maturity in such manner as may be stipulated in such notes and shall have such maturity as may be determined by the Administrator with the approval of the Secretary of the Treasury. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment under this paragraph of the purchase price of such notes and repayments thereof by the Administrator shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of one year from the date of enactment of this Act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

"Protection of domestic economy

"SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

"(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

"(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 per centum of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 per centum of such sales price as authorized by subsection (f) of this section.

"(f) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other Act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 per centum of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The rescission of the remainder of section 32 funds by the Act of July 30, 1947 (Public Law 266, Eightieth Congress), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

"(g) No export shall be authorized pursuant to authority conferred by section 6 of the Act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940, as amended, determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however*, That such export may be authorized if such department, agency, or officer determines that such export is otherwise in the national interest of the United States.

"(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

"Reimbursement to Government agencies

"SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided*, That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further*, That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of

Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

"Authorization of appropriations

"SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.

"(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

"(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of one year following the date of enactment of this Act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of twelve months in order that subsequent Congresses may pass on any subsequent authorizations.

"(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

"(e) The unencumbered portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

"(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provision of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

"Bilateral and multilateral undertakings

"SEC. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title. The Secretary of State, before an Administrator or Deputy Administrator shall have qualified and taken office, is authorized to negotiate and conclude such temporary agreements in implementation of subsection (b) of this section as he may deem necessary in furtherance of the purposes of this title: *Provided,* That when an Administrator or Deputy Administrator shall have qualified and taken office, the Secretary of State shall conclude the basic agreements required by subsection (b) of this section only after consultation with the Administrator or Deputy Administrator, as the case may be.

"(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

"(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

"(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

"(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

"(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and identify and put into appropriate use, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

"(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

"(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis. Such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be held or used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title, including local currency administrative expenditures of the United States incident to operations under this title, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

"(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title;

"(8) furnishing promptly, upon request of the United States, any relevant information

which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title;

"(9) recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, by agreeing to negotiate (a) a future schedule of minimum availabilities to the United States for future purchase and delivery of a fair share of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the participating countries, and (b) suitable protection for the right of access for any person as defined in paragraph (iii) of subparagraph (3) of section 111 (b) in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the country concerned, and (c) an agreed schedule of increased production of such materials where practicable in such participating countries and for delivery of an agreed percentage of such increased production to be transferred to the United States on a long-term basis in consideration of assistance furnished by the Administrator to such countries under this title; and

"(10) submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

"(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the three months after the date of enactment of this Act, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if (1) such country has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

"(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to ensure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

"(e) The Administrator shall encourage arrangements among the participating countries in conjunction with the International Refugee Organization looking toward the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title.

"(f) The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

"(g) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

"Western Hemisphere countries

"SEC. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

"Other duties of the Administrator

"SEC. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

"(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

"(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones, funds made available for the purposes of this title shall be used, insofar as practicable, by the Administrator, under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones. Where practicable the Administrator is directed to make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee. The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and relief packages.

"(d) The Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities which go into the production of any commodity for delivery to any nonparticipating European country which commodity would be refused export licenses to those countries by the United States in the interest of national security. Whenever the Administrator believes that the issuance of a license for the export of any commodity to any country wholly or partly in Europe which is not a participating country is inconsistent with the purposes and provisions of this title, he shall so advise the department, agency, or officer in the executive branch of the Government exercising the authority with respect to such commodity granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"Termination of assistance

"SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

"Exemption from contract and accounting laws

"SEC. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

"Exemption from certain Federal laws relating to employment

"SEC. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 107 (a), as a member of an advisory committee appointed pursuant to section 107 (b), as an expert or consultant under section 104 (e), or as an expert, consultant, or technician under section 124 (d), shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"United Nations

"SEC. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities. Nothing in this title shall be construed to authorize the Administrator to delegate to or otherwise

confer upon any international or foreign organization or agency any of his authority to decide the method of furnishing assistance under this title to any participating country or the amount thereof.

"(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

"(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

"Termination of program

"SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the twelve months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"Reports to Congress

"SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title, including the text of bilateral and multilateral agreements entered into in carrying out the provisions of this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"Joint congressional committee

"SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), to be composed of ten members as follows:

"(1) Three members who are members of the Committee on Foreign Relations of the Senate, two from the majority and one from the minority party, to be appointed by the chairman of the committee; two members who are members of the Committee on Appropriations of the Senate, one from the majority and one from the minority party, to be appointed by the chairman of the committee; and

"(2) Three members who are members of the Committee on Foreign Affairs of the House, two from the majority and one from the minority party, to be appointed by the chairman of the committee; and two members who are members of the Committee on Appropriations of the House, one from the majority and one from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

"(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this Act.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

"Separability clause

"SEC. 125. If any provision of this Act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"TITLE II

"SEC. 201. This title may be cited as the 'International Children's Emergency Fund Assistance Act of 1948'.

"SEC. 202. It is the purpose of this title to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations.

"SEC. 203. The President is hereby authorized and directed any time after the date of the enactment of this Act and before July 1, 1949, to make contributions (a) from sums appropriated to carry out the purposes of this title and (b) from sums appropriated to carry out the general purposes of the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, Eightieth Congress), as amended, to the International Children's Emergency Fund of the United Nations for the special care and feeding of children.

"SEC. 204. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, which would cause the sum of (a) the aggregate amount contributed pursuant to this title and (b) the aggregate amount contributed by the United States pursuant to such joint resolution of May 31, 1947, to exceed whichever of the following sums is the lesser:

"(1) 72 percent of the total resources contributed after May 31, 1947, by all governments, including the United States for programs carried out under the supervision of such Fund: *Provided*, That in computing the amount of resources contributed there shall not be included contributions by any government for the benefit of persons located within the territory of such contributing government; or

"(2) $100,000,000.

"SEC. 205. Funds appropriated for the purposes of such joint resolution of May 31, 1947, shall remain available through June 30, 1949.

"SEC. 206. There is hereby authorized to be appropriated to carry out the purposes of this title for the fiscal year ending June 30, 1949, the sum of $60,000,000.

"TITLE III

"SEC. 301. This title may be cited as the 'Greek-Turkish-Chinese Assistance Act of 1948'.

"SEC. 302. In addition to the amounts authorized to be appropriated under subsection (b) of section 4 of the Act of May 22, 1947 (61 Stat. 103), there are hereby authorized to be appropriated not to exceed $275,000,000 to carry out the provisions of such Act, as amended.

"SEC. 303. (a) Subsection (a) of section 4 of such Act of May 22, 1947, is hereby amended by adding at the end thereof the following: 'The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this Act, as amended, in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose.'

"(b) Subsection (b) of section 4 of the said Act is hereby amended by inserting after the word 'repaid' the following: 'without interest'.

"SEC. 304. Subsections (2) and (3) of section 1 of such Act of May 22, 1947, are hereby amended to permit detailing of persons referred to in such subsections to the United States Missions to Greece and Turkey as well as to the governments of those countries. Section 302 of the Act of January 27, 1948 (Public Law 402, Eightieth Congress), and section 110 (c) of the Economic Cooperation Act of 1948 (relating to investigations of personnel by the Federal Bureau of Investigation) shall be applicable to any person so detailed pursuant to such subsection (2) of such Act of 1947: *Provided*, That any military or civilian personnel detailed under section 1 of such Act of 1947 may receive such station allowances or additional allowances as the President may prescribe (and payments of such allowances heretofore made are hereby validated).

"TITLE IV

"SEC. 401. This title may be cited as the 'China Aid Act of 1948'.

"SEC. 402. Recognizing the intimate economic and other relationships between the United States and China, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in China endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. It is the sense of the Congress that the further evolution in China of principles of

individual liberty, free institutions, and genuine independence rests largely upon the continuing development of a strong and democratic national government as the basis for the establishment of sound economic conditions and for stable international economic relationships. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to China, it is declared to be the policy of the people of the United States to encourage the Republic of China and its people to exert sustained common efforts which will speedily achieve the internal peace and economic stability in China which are essential for lasting peace and prosperity in the world. It is further declared to be the policy of the people of the United States to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China, and to sustain and strengthen principles of individual liberty and free institutions in China through a program of assistance based on self-help and cooperation: *Provided,* That no assistance to China herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that assistance provided by the United States under this title should at all times be dependent upon cooperation by the Republic of China and its people in furthering the program: *Provided further,* That assistance furnished under this title shall not be construed as an express or implied assumption by the United States of any responsibility for policies, acts, or undertakings of the Republic of China or for conditions which may prevail in China at any time.

"SEC. 403. Aid provided under this title shall be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. It is not the purpose of this title that China, in order to receive aid hereunder, shall adhere to a joint program for European recovery.

"SEC. 404. (a) In order to carry out the purposes of this title, there is hereby authorized to be appropriated to the President for aid to China a sum not to exceed $338,000,000 to remain available for obligation for the period of one year following the date of enactment of this Act.

"(b) There is also hereby authorized to be appropriated to the President a sum not to exceed $100,000,000 for additional aid to China through grants, on such terms as the President may determine and without regard to the provisions of the Economic Cooperation Act of 1948, to remain available for obligation for the period of one year following the date of the enactment of this Act.

"SEC. 405. An agreement shall be entered into between China and the United States containing those undertakings by China which the Secretary of State, after consultation with the Administrator for Economic Cooperation, may deem necessary to carry out the purposes of this title and to improve commercial relations with China.

"SEC. 406. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made pursuant to section 404, to make advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this title in such manner and in such amounts as the President shall determine. From appropriations authorized under section 404, there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section.

"SEC. 407. (a) The Secretary of State, after consultation with the Administrator, is hereby authorized to conclude an agreement with China establishing a Joint Commission on Rural Reconstruction in China, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of China appointed by the President of China. Such Commission shall, subject to the direction and control of the Administrator, formulate and carry out a program for reconstruction in rural areas of China, which shall include such research and training activities as may be necessary or appropriate for such reconstruction: *Provided,* That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

"(b) Insofar as practicable, an amount equal to not more than 10 per centum of the funds made available under subsection (a) of section 404 shall be used to carry out the purposes of subsection (a) of this section. Such amount may be in United States dollars, proceeds in Chinese currency from the sale of commodities made available to China with funds authorized under subsection (a) of section 404, or both."

And the Senate agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

C. A. EATON,
J. M. VORYS,
K. E. MUNDT,
S. BLOOM,
J. KEE,
Managers on the Part of the House.

A. H. VANDENBERG,
A. CAPPER,
A. WILEY,
T. CONNALLY,
W. F. GEORGE,
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 Senate to the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, 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 differences between the House amendment and the bill as agreed to in conference are noted below, except for incidental changes made necessary by reason of agreements reached by the conferees and minor clarifying changes.

TITLE I

Findings and declaration of policy (sec. 102)

The bill as passed by the Senate stated the restoration and maintenance of individual liberty, free institutions, and genuine independence as resting upon the establishment of sound economic conditions, stable economic relationships, and the achievement by the European countries of a healthy economy, free of extraordinary outside assistance. The amendment as passed by the House added political as well as economic conditions and relationships to the criteria. The House recedes in view of the concept that the European recovery program is primarily an economic undertaking although political and other gains will be the byproducts.

Participating countries (sec. 103)

Section 3 (a) of the Senate bill provided that other European countries not now in the 16 country group might become participants in the program after fulfilling the steps required by the bill, but no such countries were named. The House amendment, in section 103 (a), inserted the word "Spain" in this provision but left in this qualifying language: "Provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title." Thus, the House left it to the joint action of the European nations to provide for inclusion of Spain.

In conference it was felt wiser not to mention Spain or any specific country which might become a participant by fulfilling the required conditions.

The merits of the question of including Spain are not being passed upon. This enterprise is open to Spain whenever the participating countries desire to have Spain enter the partnership. Under the theory upon which the partnership has been launched and organized, the United States leaves to the participating governments the initial decision on the admission of a new partner.

Nothing in the bill closes the door on Spain's participation. In the view of the managers on the part of the House, it is unnecessary to attempt to open a door that has never been closed in this legislation.

The provision in the amendment as passed by the House for assistance to the Free Territory of Trieste or either of its zones under the Foreign Aid Act of 1947 until such time as the territory or either of its zones becomes a participating country has been retained with an amendment which makes it clear that the $20,000,000 authorized to be advanced by the Reconstruction Finance Corporation pending an appropriation may be made available under the authority either of subsection (a) of section 114 of S. 2202 or subsection (d) of section 11 of the Foreign Aid Act of 1947. The amendment agreed to in the committee of conference does not increase the authorization for appropriation under either the bill or the Foreign Aid Act of 1947.

In the event that Trieste should be returned to Italy, funds authorized for assistance to Trieste will, of course, remain available for the general purposes of the act under which they were authorized.

General functions of administrator (sec. 105)

The House amendment to S. 2202 (a) directed the Administrator to consult with the Secretary of State in the event the Administrator believed that any action, proposed action, or omission of action on the part of the Secretary of State was inconsistent with the purposes of the European recovery program, and (b) specified that differences between the two officials in this regard should be referred to the President for final decision when the officials concerned were unable to settle these differences themselves.

The Senate recedes with an amendment which confines the relevant area of differences to functions under the European recovery program. The effect of this amendment is to make it clear that the Administrator's right to carry differences with the Secretary of State to the President is no more than equivalent to the corresponding right of the Secretary of State with respect to disagreements with the Administrator.

Public Advisory Board (sec. 107)

The amendment to S. 2202 as passed by the House specified that the members of the Public Advisory Board should have broad and

varied experience in business, labor, agriculture, and the professions, as well as in matters affecting the public interest. The House recedes from its position.

It was the view of the committee of conference that the qualifications of the members of the Public Advisory Board should be related to their broad and varied experience in matters affecting the public interest without reference to economic interest groups.

Personnel outside United States (sec. 110)

There was retained in substance the provision of the amendment passed by the House requiring certification by the Secretary of State or the Administrator of his belief in the loyalty of individuals employed for, or assigned to, duties under title I. Certain changes were made (1) to permit consideration of information in addition to the Federal Bureau of Investigation report; (2) to require certifications of belief as to loyalty rather than "unquestioned loyalty"; and (3) not to bar persons who may have belonged to organizations opposing specific statutory enactments as distinguished from organizations advocating the overthrow of the government by force and violence. The proviso contained in the House bill was deleted, however, since the language which was retained made it clear that present employees of the government might be temporarily assigned to such duties for a period of three months pending the Federal Bureau of Investigation report and certification by the Administrator or Secretary of State.

It is recognized that the burden of other duties of the Secretary of State and the Administrator will preclude their making personal evaluations in each case of the Federal Bureau of Investigation reports. It is therefore envisaged that this function may be delegated by the Administrator and the Secretary of State to trusted subordinates, although the responsibility for the selection and retention of employees loyal to the United States would remain in the Secretary of State and the Administrator in their capacity as head of their respective agencies.

Nature and method of assistance (sec. 111)

The Senate recedes on the provision in section 111 (b) (1) (i) of the amendment as passed by the House respecting the assignability under the Assignment of Claims Act of 1940 of moneys due or to become due under letters of commitment. A clarifying amendment has been added by the committee of conference to identify such moneys as those due under the letters of commitment rather than under the contracts to which the letters of commitment relate.

It should be noted that the Senate recedes on the language inserted in section 111 (b) of the amendment as passed by the House requiring expenditures for commodities or services procured offshore to be accounted for exclusively on such certification as the Administrator may prescribe "in regulations promulgated by him with the approval of the Comptroller General." Experience has shown that with respect to procurement outside the United States, particularly through normal trade channels, it is frequently impossible to obtain all the standard documentation required for auditing of accounts. Hence the Administrator is authorized to prescribe the documents required in support of expenditures for offshore procurement. The purpose of the amendment made by the House was to assure that the Administrator would obtain the approval of the General Accounting Office in promulgating regulations prescribing the documentation to support such expenditures for offshore procurement.

It is contemplated that the regulations would not specify such documentation with great particularity, but would indicate general requirements assuring appropriate expenditure, while leaving details of documentation to the discretion of the Administrator who would be free to take into account the exigencies of individual situations.

The Senate recedes on the provision in section 111 (b) (3) of the amendment as passed by the House including among the guaranties which may be made the guaranties of investments in enterprises producing or distributing informational media. The members of the committee of conference recognize that the nature of the information media industry is such that in many cases the investment to which the guaranty will apply will have been made in the United States and the product of the investment sold or exhibited abroad. In these cases the guaranty might well apply to the convertibility of foreign currencies earned by the sale or exhibition of the products of the industry, to the extent of the dollar cost of production wholly attributable to those specific products.

The Senate also recedes on the provision in section 111 (b) (3) of the amendment as passed by the House requiring that when any payment is made under a guaranty, foreign currency or credits in such currency in respect of which the guaranty was honored shall become the property of the United States. This provision will, of course, apply only to the amount of local currency or credit in such currency for which payment is made under the guaranty.

Protection of domestic economy (sec. 112)

The House recedes on the provision written into section 112 (c) of the amendment passed by the House requiring that not less than 50 percent of the corn to be transferred by grant to the participating countries should be in the form of corn derivatives other than intoxicating liquors.

Section 12 (d) of the bill as passed by the Senate provided detailed rules to be followed by the Administrator in the procurement of surplus agricultural commodities in order to protect the domestic economy. The term "surplus agricultural commodity" was defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In section 112 (d) of the amendment passed by the House there was added to this definition "canned foods and domestically produced fishery products which are determined by the Secretary of Agriculture to be in excess of domestic requirements. The House recedes on this amendment. The generality of the definition remains intact.

Authorization of appropriations (sec. 114)

Section 14 (a) of the bill as passed by the Senate provided that the Reconstruction Finance Corporation was to be repaid without interest from appropriations authorized under the bill for advances made by it in pursuance of the bill. In section 114 (a) of the amendment passed by the House the language was changed to provide for repayment "from funds made available for the purposes of this title." The Senate recedes on this amendment. This is in keeping with the acceptance by the committee of conference of the portions of the House amendment relating to public-debt transactions. A clarification is necessary: funds may be made available for assistance to any participating country out of the Reconstruction Finance Corporation advance prior to a determination whether such assistance should be by way of grant or loan. When such determination is made, the Reconstruction Finance Corporation will be repaid from appropriations made under section 114 (c) or from proceeds of the sale of notes under section 114 (c) (2) as the case may be.

The Senate recedes on the language adopted by the House in section 114 (c) insuring annual authorizations during the life of the program.

Bilateral and multilateral undertakings (sec. 115)

The bill as passed by the Senate in section 15 (b) (4) would require a participating country where applicable to agree in the basic bilateral agreement to undertake measures, to the extent practicable, to locate and control in furtherance of the joint program assets, and earnings therefrom, situated in the United States and belonging to citizens of such countries. Section 115 (b) (4) of the House amendment changed this language to a requirement to identify and "put into active use" such assets and earnings. The Senate receded on this part of the House amendment with an amendment changing the word "active" to "appropriate". This provision does not require the liquidation of the assets to which it applies. For instance, investments would be considered as being put into appropriate use if the income therefrom were being used in such a manner as would contribute to the furtherance of the recovery program.

Section 15 (b) (5) of the bill as passed by the Senate provided for a clause in the bilateral agreement, if applicable, under which a participating country would undertake within reasonable limits to facilitate the transfer to the United States, for stock-piling purposes, of materials required by the United States as a result of deficiencies or potential deficiencies in its own resources. The House amendment in section 115 (b) (5) included "other" purposes along with stock piling so as to indicate that scrap iron, and any similar materials which are immediately needed in our economy, need not be stock-piled. The Senate receded on this portion of the House amendment. In the opinion of the committee of conference materials such as scrap iron should be available for transfer to the United States under this provision for immediate use and not for stock piling.

In section 115 (b) (9) the House amendment added to the undertakings which might be applicable to the bilateral agreement an undertaking reinforcing the provisions included in the Senate bill respecting the acquisition of materials required by the United States as a result of deficiencies or potential deficiencies in its own resources. The participating country was to undertake to provide future schedules of minimum availabilities to the United States for future purchase and delivery, and also to provide an agreed schedule of increased production of such materials in repayment on a long-term basis of grants or loans made by the Administrator to the participating country. The Senate recedes on this portion of the House amendment with amendments making it clear (1) that the bilateral agreement need only contain an agreement by the participating country to negotiate in the future for providing such schedules and (2) that a portion of the increased production of such materials would be transferred to the United States on a long-term basis in consideration of assistance furnished to the participating country under Title I rather than in repayment of specific loans or grants.

Section 115 (b) (10) of the House amendment added to the undertakings which might be applicable to the bilateral agreement an undertaking to submit for the decision of the International Court of Justice or any mutually agreed tribunal any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights. The Senate recedes on this amendment. It should be pointed out that in making its decision as to whether to espouse a claim, the United States Government will give due regard to the availability of local remedies and to the question whether such remedies, if available, have been exhausted by the United States national concerned.

Other duties of the Administrator (sec. 117)

Section 17 (c) of the bill as passed by the Senate would give discretionary authority to the Administrator to defray ocean freight charges on relief packages sent by United States voluntary nonprofit relief agencies or by American individuals and consigned to

residents of participating countries receiving aid under grants. Section 117 (c) of the amendment passed by the House provided for a number of extensions and refinements of this authority. It also made the defrayment of such expenses mandatory and included port charges and the handling cost from the post office at the port terminal to shipside along with the ocean freight charges as expenses which might be defrayed. The House recedes on the mandatory requirement and on the inclusion of port charges and handling costs from the port terminal post office to shipside. It was the considered judgment of the members of the committee of conference that the subsidizing of expenses beyond ocean freight would result in an excessive drain on the funds authorized to be appropriated by this bill.

The House recedes also on an additional provision which would authorize the Administrator to grant equal benefits to American relief agencies which deliver packages from stock piles abroad. It was the view of the members of the committee of conference that with the removal of port charges and the cost of handling from the terminal post office to shipside an equitable balance is struck between individuals and organizations shipping relief packages directly from the United States on the one hand and organizations which stock-pile relief supplies in Europe on the other hand.

Section 117 (d) includes a provision which was in section 112 (g) of the amendment as passed by the House relevant to the authority of the Administrator to refuse delivery to participating countries of commodities or products which go into the production of any commodities or products for delivery to any nonparticipating European country, which commodity would be refused export licenses to those countries by the United States in the interest of its national security, and further authorizing the Administrator to intervene in the national interest in the enforcement of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. The Senate recedes with an amendment.

Under the amendment as agreed to by the committee of conference, it is contemplated that pursuant to the authority conferred by section 6 of the act of July 2, 1940, as amended, regulations will be promulgated by the President under which the Administrator can make a finding whether the denial of export licenses with respect to particular commodities destined for nonparticipating countries in Europe have been refused in the interest of the national security of the United States or whether they have been refused on other grounds.

Joint congressional committee (sec. 124)

Section 24 of S. 2202 as originally passed by the Senate contained a provision for a Joint Committee on Foreign Economic Cooperation, to be composed of seven Members of the Senate and seven Members of the House of Representatives to be appointed respectively by the President of the Senate and the Speaker of the House. The function of this committee would be to study continuously the programs of economic assistance to foreign countries, review progress under these programs, and assist the related standing committees of the Congress having legislative jurisdiction relevant to the program.

The House amendment to S. 2202 omitted this provision. Section 108 of the House amendment provided, however, that the United States Special Representative in Europe should keep the chairmen of the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House currently informed on his activities. A similar provision respecting the Chief of the Special Mission to China was included in section 405. These two provisions in the House amendment were to implement the legislative and appropriating committees concerned in carrying out their responsibilities under the Legislative Reorganization Act of 1946.

The House recedes with an amendment. The provisions for the United States Special Representative in Europe and the Chief of the Economic Mission to China to make special reports to the committee chairmen concerned are omitted. As a substitute for the provision for a joint congressional committee as contained in the bill as passed by the Senate, the bill as revised in the committee of conference provides for a joint committee to consist of 10 members equally balanced as between the two Houses of Congress, of which 3 members from each House will be from the committee having legislative jurisdiction and 2 members from each House will be from the committee having jurisdiction with respect to appropriations. The joint committee thus envisaged will maintain the balance as between the two major political parties and questions of policy and purse will be brought into a common focus.

The Senate's view emphasizes the need of a joint committee having a special obligation to follow up on the effectiveness of operations carried out in this new and far-reaching experiment in foreign relations. The view of the House, on the contrary, emphasizes the need of protecting the primary responsibility of the legislative committees and of the appropriations committees concerned in the feeling that supervision is most effective when linked to responsibility.

It is the view of the majority of the managers on the part of the House that the formula worked out in the committee of conference is a most satisfactory compromise between these two points of view.

TITLE II

The Senate receded with an amendment to the House amendment inserting title II in the bill. The purpose of the amendment as agreed to in the committee of conference is to set up a more convenient formula for computing the contribution to be made to the Children's Fund by the United States. The following is the method of computing the amount of the United States contributions under this amendment:

The entire resources of the fund consist of contributions from three sources:

Category (1): Contributions by governments other than the United States for the benefit of persons within their own territory;

Category (2): Contributions by governments other than the United States for the benefit of persons outside their own territory;

Category (3): Contributions by the United States.

The United States is authorized to contribute up to 70 percent of the total resources contributed by all governments, including the United States. The contributions by the United States, however, are not expected to exceed the sum of the contributions by other governments. Contributions by other governments for the benefit of persons outside their own borders, i. e., category (2), must match United States contributions on a 72-28 basis.

Thus, taking the total resources as 100 percent, category (3), contributions by the United States, are not expected to exceed 50 percent but may reach 70 percent. If the contributions by other governments for the benefit of persons outside their territory, i. e., category (2), equal exactly 20 percent, there will be 30 percent in category (1). For every $2 contributed by other governments for the benefit of persons outside their borders the United States may contribute as much as $5 to the Fund. In case no country makes a contribution to the Fund for the benefit of children inside its own borders, the $5 contributed by the United States would be matched only by the $2 in category (2). The United States contribution would then amount to 70 percent of the total resources, as authorized in the proposed language of the bill. If, however, other countries contribute 30 percent of the total resources for the benefit of children within their own borders, the United States contribution will be just 50 percent of the total resources.

TITLE III

The amendment as passed by the House included military-type aid to Greece, Turkey, and China in title III. As a result of the action taken by the committee of conference military-type aid to Greece and Turkey is retained in title III and military-type aid to China is shifted to title IV.

TITLE IV

China

The managers on the part of the House accepted changes which considerably shorten the text of the bill, consolidate aid to China in a single title, adjust the time period of the authorization from "until June 30, 1949" to a "period of one year", and adjust the amount authorized to the change from 15 months to 12. The purpose clause of the House bill was retained, as well as the provision on rural reconstruction. The Senate provision on an advance by RFC before appropriation was accepted.

Administrative Provisions

The managers on the part of the House accepted the clause from section 2 of the Senate bill, providing that aid to China is to be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. This clause is a substitute for the complex provisions of the House bill. All of section 403 of the House bill with the exception of the authorization of funds, and the last clause relating to rural reconstruction, together with section 405 of the House bill, are thus replaced by three lines from the Senate bill with no change in effect, embodied in section 403 of the conference bill.

China—Amount Authorized

The amount authorized was changed from a total of $570,000,000 for approximately 15 months to a total of $463,000,000 for a period of 12 months. The new figure is slightly more than four-fifths of the former House figure, reflecting the assumption that the scale of aid will be highest at the beginning of the program and decline thereafter.

Of the total authorization it was agreed that $125,000,000 should be provided under the language of the Senate bill allowing for aid of military character, with $338,000,000 remaining for the economic reconstruction type of aid. In making this adjustment the allotment for military aid is slightly larger in proportion to purely economic aid than in the original House bill. These changes are embodied in section 404 of the agreed bill.

Rural Reconstruction

The so-called "Jimmy Yen" provision of the House bill, consisting of subparagraph (h) of section 403, together with the whole of section 404 of the House bill, was retained as section 407 of the agreed bill. The amount authorized was modified from a fraction of the total United States dollars to include either United States funds, Chinese funds made available under agreement, or both.

RFC Clause

The Senate provision allowing an advance of $50,000,000 by the Reconstruction Finance Corporation against the program for China was accepted by the managers on the part of the House. This reduces the authorization in this connection from $150,000,000 to

$50,000,000, but in the judgment of the conferees this smaller amount will be entirely adequate for the practical needs of the program. This provision is now section 406 of the bill.

C. A. EATON,
J. M. VORYS,
K. E. MUNDT,
S. BLOOM,
J. KEE,
Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. VORYS. Mr. Speaker, I wish to apologize to the Speaker and to the floor leader. We are 24 hours late on the program which the leadership planned for the consideration of this matter. However, we are a week ahead of the program that the critics of this package plan considered possible.

In conference we had to recede on certain matters, of course, and make certain adjustments, but there are few changes between the conference report and the House bill passed 2 days ago.

First. Provision is retained for a complete annual review of authorization and appropriations.

Second. The $1,000,000,000 cut in the amount for appropriations is still in the bill. The total is now $107,000,000 less than the House bill, or $6,095,000,000. Of this amount $1,000,000,000 is available solely for loans and guaranties.

Third. An independent administrator, with provision for use of a corporation for carrying on the program, is still in the bill.

Fourth. Trieste, the children's fund, Greek-Turkish assistance, and China are in. China is in for $125,000,000 military aid and $338,000,000 other aid for a period of 12 months, slightly over the proportionate figure for that period in the House bill.

Fifth. The loyalty test is in.

Sixth. The Mundt-Colmer amendment is in.

Spain is out. The House amendment left it to the joint action of the 16 countries as to whether Spain should be admitted to the plan. The conferees felt it was wiser to name no specific country among the many which might become participants by complying with the requirements of the joint plan. In this legislation we do not need to open a door that has never been closed. That is the situation with respect to mentioning Spain.

Corn, canned goods, and fish are out. They can be used if they meet standards for the program, but the conferees decided there was no need for their specific mention, as in the House bill.

Port charges for relief packages are out. It was found that this would amount to about $30,000,000, but ocean-freight payment for such relief packages is retained in the bill.

The so-called new watchdog committee proposed by the Senate is out, but instead a joint committee made up of Members of the House Foreign Affairs Committee and Appropriations Committee and similar committees of the other body is to aid in collecting information for the standing committees in carrying on their regular duties of checking the administration of laws under the Reorganization Act.

Mr. Speaker, I now yield to our distinguished and beloved chairman, the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Speaker, I wish to call the attention of the House to the fact that this is really an historic moment in the development of legislation by this body. I doubt if in our entire history we have laid the foundations of so broad and far-reaching a world policy as we have in this legislation. We of the Foreign Affairs Committee are just about one week short of three solid months of terrific and continuous toil in its preparation. I am thankful to say that we have come here today with a bill that is worthy of the favorable consideration of every Member of this House and the support of the people.

As to the watchdog committee, I do not like watchdogs, which constitute a reflection upon the integrity of that to be watched. The House voted overwhelmingly not to have one. But we in conference decided to have a little imitation one to satisfy the brethren who had a hungering in that direction. So I am going along with them to that extent.

Mr. VORYS. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. MUNDT] to explain the so-called Mundt-Colmer amendment.

Mr. MUNDT. Mr. Speaker, I expect to explain the amendments mentioned by the able and energetic gentleman from Ohio [Mr. VORYS] in just a minute, but first I would like to call to the attention of the membership the fact that seldom, if ever, in the 10 years that I have been a Member of this House have we had such good success as House conferees in conferring with the other body as was true with this legislation.

I would like to pay my tribute to the gentlemen from the other end of the Capitol in having yielded to the House position on virtually all the major items of controversy. There were nine major items of disagreement, and on seven of the nine the gentlemen from the other end of the Capitol accepted the position of the House.

Mr. Speaker, the nine most significant items in disagreement between our two legislative bodies were as follows:

First. Should this be a single-package bill including all of the major-assistance items required by the so-called Marshall-plan countries plus China and including both economic and military-type aid or should we handle these programs by separate items of legislation. The other body proposed handling the items separately; the House Foreign Affairs Committee argued that the time has come to wrap into one package the world programs in which we are engaged to contain and curb communism abroad. The position of the House prevailed in the conference. We are today voting for final passage of a single-package bill and may I add, sir, that this is also a distinct victory for our able and beloved Speaker and for his talented aide, our majority leader, since both of them favored the package approach. In settling the differences between the two types of legislation so quickly and in having the whole series of programs ready for passage today we have confounded the critics who a month or so ago were arguing that "the single package approach would delay aid to Italy and the other western countries." It did not make for delay. Quite to the contrary the single-package approach has made for far greater speed in implementing this rounded-out program of assistance than would otherwise have been possible. A month ago the State Department expressed the hope we could get this legislation through Congress "not later than April 10." Well sir, here it is today, ready for the President's signature and with RFC money immediately available for utilization on April 2. We beat the State Department's timetable by 8 days.

Second. The second major difference between Senate and House versions of the bill was on the matter of amount. Should this all be appropriated money available for grants or should a substantial portion be set aside for loans and guaranties? Again the House position prevailed in conference. One billion dollars of this aid need not be appropriated as it is to be extended as loans or guaranties. Much, maybe most, of this money should return to our Federal Treasury.

Third. The third point at issue was the matter of the time to be covered by this authorization. The Senate proposed 1952 as the termination date of this authorization. In language inserted by me during the committee consideration of this bill, we insisted that there be annual authorizations as well as annual appropriations. The House position prevailed in conference. So this legislation covers 12 months only. Another authorization, a new piece of legislation, a new series of hearings, and a new affirmative action by Congress will all be required to extend this program beyond 12 months. We all hope the program works so well and that the world is so peaceful and patient that we shall feel it wise and prudent to extend this program further when it comes before us again next year, if it is again brought before us. If we have it with us again next year, it will be an indication the program is measuring up to what is hoped of it. But today's commitment is for 1 year and for 1 year only.

Fourth. Our fourth difference of opinion grew out of what is to be done with the assets of foreigners in the United States. What should we do about these hidden assets owned by wealthy aliens and maintained in this country? The House language insisted through an amendment which you will recall my offering on the floor of the House and which you approved that these assets be put into active use. Again the House position prevailed. The conference language says "put into appropriate use." That is an improvement over my language. It means that when located and identified these assets of rich foreigners are to be put into appropriate use in the furtherance of this program. That is right and proper. It will help relieve the burden on American taxpayers by utilizing the earnings and assets of the foreigners whose homelands we are endeavoring to stabilize and save.

Fifth. On the matter of providing for repayment to the United States insofar as practicable of the assistance we extend by shipping to this country or making available to us metals and minerals which are in short supply, again the position of the House prevailed. Our amendment to guarantee us access to foreign minerals and to mandate the Administrator of this program to secure agreements where possible to ship us critical and strategic minerals in compensation for our assistance will be made part of this law as you vote final approval for it today.

Sixth. The FBI loyalty check remains in the bill, virtually in the same fashion that it passed the House. If anything, it has been strengthened because now we require the Economic Administrator or the Secretary of State to certify in writing after full consideration of the FBI report that the individuals in question are loyal to this Government and are not now or never have been members of an organization of a subversive nature, or which sponsors policies or programs contrary to the Constitution of the United States. I submit to you that that is the tightest and the toughest prohibition against the employment by the Federal Government of Communists and their fellow travelers that has ever been written into a criminal statute. I think it is going to operate successfully.

This amendment which follows but strengthens the pattern which our committee has insisted on writing into all of our foreign-aid proposals since our unhappy and unfortunate experiences with UNRRA is the best formula which we have yet found for keeping Communists and crypto-Communists out of Government service. This amendment is as full of teeth as a crocodile's jaw. It provides for a screening and scrutiny of the background of potential employees which should result in the appointment of men and women for ERP who have the same sense of sturdy Americanism as the agents of the FBI itself. Again the Senate receded, the position of the House prevailed in conference, and we bring this legislation back to you with a loyalty check of which we can all be proud. Unless the Administrator and/or the Secretary of State authorize the attachment of their signatures to certifications of loyalty under this act which are gross falsehoods and deliberate deceptions, I believe we can be assured of good American personnel in the administration of this act.

Seventh. The export prohibition amendment was retained also with all of its full impact and import in the intention in which it passed the House. In fact, the first section of it, the part which prohibits the reshipment to the Soviet sphere from any cooperating country of anything which we, in turn, deny our own producers the right to ship because of our national interest, remains exactly in the language that was approved by the House in adopting my export-control amendment.

We spent over 3 hours in controversy with the Senate last night over the second part of the export-control amendment. The gentlemen from the other end of the Capitol wanted to be sure that it was written in a constitutional manner, just as we wanted, and to be sure that it was workable. We think we have a formula which does exactly what the House has in mind. It places upon the Economic Administrator the responsibility, when he finds it in conformity with the purposes of this act, which you will recall, includes the protection of the national interests of the United States, to advise against shipping or exporting to any nonparticipating country in Europe any product jeopardizing our national security and interest. We make it mandatory upon the Administrator then to advise the Department of Commerce, or any other agency of the Government which may have control of export licenses at the time, that he feels prohibition should be made on such exports sent to the Soviet sphere, which we refer to in the language of statesmanship as the nonparticipating countries.

If the export-control authorities refuse to go along, the controversy is carried to the President and decided by him. It means that in the regular reports that the Economic Administrator makes to the Congress he has to define his position and his actions on such matters. He has to submit it in writing so that everybody in the country will know from now on if we ship machine tools or war potentials or war supplies to the Soviet sphere that is was done with the official approval of the President of the United States. There will be no dodging or no ducking of responsibility. I join all of you, I know, in the hope this export-control provision will be faithfully carried out and that hereafter no more war supplies or military potentials will be sent to the countries under Communist domination.

Mr. Speaker, I want to call attention now to one important correction, a typographical error on page 29 of the report. About 12:30 last night when we left the conference room it was agreed that the language appearing in the second line from the top of page 29 would be stricken from the report so that the report would read as follows, and I want this to appear in the permanent RECORD clearly since the conferees are in complete agreement about this, so that no administrator will ever come back to the Congress and say, "I was governed by a typographical error in the conference report." Beginning at the bottom of page 28, the correct and unanimously approved language of our conference report should read as follows:

> There was retained in substance the provision of the amendment passed by the House requiring certification by the Secretary of State or the Administrator of his belief in the loyalty of individuals employed for, or assigned to, duties under title I.

Immediately following that should be deleted, and the deleted part reads as follows:

> Certain changes were made (1) to permit consideration of information in addition to the Federal Bureau of Investigation report.

That language should not be in this report. Those words were stricken out by the conferees last night and the people who had charge of assembling the report deleted them. They appear in the report today purely as a typographical error. The Administrator is not permitted to ignore the FBI report or to set up another investigating group. He has to make his findings based upon full consideration of the FBI report, nothing more, nothing less. Let there be no misunderstanding about that. Let the Secretary of State and whoever is to be made Administrator of this act be governed accordingly.

Now, Mr. Speaker, a few words about the two remaining major points at issue between the two bodies, the issues on which your House conferees were compelled to recede and concur with the Senate.

The eighth point at issue was whether Spain should be mentioned by name as a country eligible for participation in the western European recovery program or whether the phrase "other countries" should be ample to make America's position clear on that point. The Senate preferred to mention no country by name outside of the 16 original participating countries. The House concurred with the Senate position and specific reference to Spain was deleted. As the gentleman from Ohio [Mr. VORYS] has said, however, that was not done as an indication that Congress believes that Spain should be excluded. As demonstrated by the vote of this House on the specific question a few days ago it is clear that a great body of opinion in America hopes that the 16 participating countries will utilize the cooperation of Spain in strengthening and stabilizing the economy and the political relationships of all the European countries still remaining outside of the Communist grasp.

On point 9, the so-called watchdog committee, a compromise amendment was accepted halfway between the position of the House and the position of the Senate. There will be a joint committee as the Senate language recommended but it will be comprised of six members of the Foreign Affairs and Foreign Relations Committee and four members of the Appropriations Committees of the two bodies. I think the language of the report is self-explanatory and clear on this amendment.

Mr. Speaker, after nearly 90 days and very many nights of hard labor on this legislation, our task is now completed. It leaves our committee with our prayers and yours that it may succeed. It represents the greatest adventure of American history in the active waging of peace. It is a mighty effort on the part of this great Christian country to curb the aggressions of Godless communism without war. It totally and finally marks the end of the era of appeasement which this country has followed since the conference at Teheran, and even earlier, down to the shipload of war supplies which the Russian freighter, the steamship *Chukotka*, carried out of the Claremont Terminal in Jersey City, N. J., with officially approved sailing orders last Saturday night.

If this plan for waging a peace succeeds it will be the most profitable and productive investment in American history. If it fails, war will become inevitable as the only remaining alternative for our own survival. If it succeeds, the costs will be as nothing compared

with the costs of failure. If it fails, the costs we shall then face will shrink into insignificance compared with what we now propose to spend to win the peace. Should we try and fail we shall have done our best. But should we fail to try, America might face the setting sun of civilization's destiny without ever having devoted her great strength toward trying to precipitate the dawn of permanent peace. Therefore, we are resolved to try our best.

Mr. VORYS. Mr. Speaker, there are three typographical errors in the printed conference report:

On page 23, in section 301, the citation should read "Greek-Turkish Assistance Act of 1948"; and on page 25, in section 404 (b), the figure should be $125,000,000" in lieu of $100,000,000." The amount is correctly shown in the statement of managers on page 35 of the printed report.

And then, as the gentleman from South Dakota [Mr. MUNDT] stated, there is the correction on page 29. The enrolled bill is correct.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. On page 18, subsection (e) of section 115, is the point where the Administrator shall encourage arrangements among participating countries in conjunction with the International Refugee Organization. That means, does it not, that the Administrator under this act has the right and the duty to negotiate agreements so that these participating countries will take their fair share of displaced persons now in Europe and in the various zones?

Mr. VORYS. Yes. The purpose is, however, to make it clear that he does not displace the head of the International Refugee Organization.

Mr. FULTON. Yes; but he has the duty to negotiate.

Mr. VORYS. Yes.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. JAVITS. The provision that is now in the section in regard to the shipment of relief packages by United States voluntary nonprofit agencies and individuals, is confined to ocean freight only and omits port charges and delivery charges from the post office to the terminal. Are we to understand that present provision was designed in that way to limit the amount of the cost of shipment to be absorbed, and the reason that the CARE amendment was left out was to preserve the equality between CARE and the voluntary agencies and individuals by confining the cost to be absorbed to this one item of ocean freight charges.

Mr. VORYS. Yes.

Mr. Speaker, I now ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THERE WILL BE HOPE FOR PEACE

Mr. JOHNSON of Texas. Mr. Speaker, the long hours of debate on this legislation are nearly ended, and soon this House will be called upon to vote "yes" or "no," on this program of financial aid to the free nations of the world across the seas.

No parliament of man ever before was confronted with a decision of more importance, for when we vote we will be voting "yes" or "no" upon the future of the human race.

If the vote is "yes," there will be hope for peace.

I would prefer to strike out that word "hope." I wish that I could say an affirmative vote on this measure would mean peace. In all honesty, that cannot be said. Our expenditure of this money is a gamble—the most heroic gamble in the history of mankind. Therefore, we can only hope that this will secure the peace.

THE SAFER RISK

But this is no reason for weak-hearted men to cower and retreat and run pell-mell away from destiny. In this world of violence, any course our Nation might take would be a gamble.

The course outlined in this legislation is, I believe, the safer risk.

If the vote should be "no," civilization would turn down the short and terrifying dead-end street of atomic warfare. From that path there would be no return.

Since the inception of this program many months ago the arguments have been heard at great length both for and against the proposal.

We have heard the America Firsters and the Russia Firsters rant and rave against it.

We have heard the voice of isolationism arise once more, parroting phrases of false prophecy and contending that economy in Government is more to be desired than peace in the world.

We have heard the voice of hysteria scream again, mimicking the voice of Moscow and telling us that we are warmongers because we are replacing bullets with bread in this field of international relations.

IRRESPONSIBLE POLITICAL CLOWNS

Yes; and I would particularly like to recall that in the chambers of debate there have been those irresponsible political clowns who shouted that this program of foreign aid was conceived in Moscow. What could be further from the truth?

This legislation was not written in Moscow.

This legislation was not written in Wall Street.

It was written on the Main Streets of America.

This legislation is what the great majority of the American public demands as minimum security for this hard-earned peace which we now hold so tentatively within our grasp.

VOTE HEARD AROUND THE WORLD

Whatever we do here as individuals acting upon this legislation, our final votes will long outlive our names in the memory of mankind. This vote will be heard around the world—and it will echo on and on, so long as the peace is kept among men.

Why is this vote so important? Why does so much hinge upon the appropriation of some $6,000,000,000 for aid to countries abroad?

The answer is this: For the first time in the history of the world a great Nation will, if this foreign aid bill becomes law, attempt to wage peace.

WARS BEGET WARS

Waging war is an old, established enterprise among nations. It has brought the greatest glory—and most tragic infamy—known to the history of nations. But wars beget wars, with the language of surrender supplying the vanquished with the text for aggression.

Events of the past few weeks have brought into focus, I believe, the dreadful reality we face. The cycle of war arising from war threatens to repeat—not 20 years hence, 10 years hence, or 5 years hence. It threatens to repeat within a matter of days.

Our course of action can proceed in either of two directions:

First, we can surrender ourselves and our civilization to a terrible, unnecessary pattern of history—we can prepare to fight a war.

Or, secondly, we can discard the dismay and cynicism of the past and assume a new posture of statesmanship: we can prepare to fight the peace.

I chose the course of peace.

This legislation opens the way to the last remaining chance for peace, and I am willing and anxious to try this course.

It is my belief that even if no threat of communism, no threat of aggression existed abroad in this aftermath of World War II, this Nation should take the course presented in this legislation.

WE ALONE HAVE STRENGTH TO HELP

The United States is singularly situated in the geography of the world to function as a peacemaker. Surrounded by friendly neighbors and neutral seas, our land has escaped the ravages of war. We, alone among nations, have the strength to help others.

It would be the Christian thing, the humanitarian thing, to lend our strength to reviving the stricken countries of Europe and Asia in the wake of the terrible devastation of war.

But today, in this mad world of ours, there is another consideration which makes this legislation essential.

That is the simple fact of self-preservation. It is a primitive and basic consideration, I agree. But this course of foreign aid is the only course we can take with any hope that it will keep war from us—and from the world.

A sinister and ruthless evil creeps forward across the continent of Europe, feeding on the despair and desolation and hunger of the ravaged nations and the weary people. This evil gnaws at the vitals of freedom everywhere, feeding always on uncertainty and despair.

WE SHALL WIN FIGHT FOR PEACE

By sending food, by sending financial aid, by sending faith abroad, we contest with the evil in a battle for peace. If

despair is replaced by faith, if desolation is replaced by construction, if hunger is answered by food—if those things are done, we shall be victors in the battle.

If those things are not done, we shall lose the peace.

I believe that the people of America, for the first time in their history, are now determined to wage peace as successfully as they have waged war in the past.

This legislation is the outgrowth of that determination.

I, for one, am confident that we are taking a great step toward establishing a lasting peace.

COLONIES AND ERP

Mr. POWELL. Mr. Speaker, it is impossible to give a proper evaluation of the European recovery program without taking into account the colonial implications and consequences of that proposed program.

Britain, France, Belgium, Netherlands, and Portugal are imperialist powers. They are the rulers of well over two-thirds of the 300,000,000 colonial subjects of Asia, Africa, and the West Indies.

Throughout modern history, the peoples and resources of these lands have been exploited to enrich the ruling class of the colonial overlords. Today that exploitation is carried on by powerful monopoly interests which not only hold the colonial empires in economic serfdom but also block the development of economic democracy in the European countries themselves.

A valid economic aid program for Europe cannot be based, as the administration-sponsored ERP is, upon the continuation of such a system of vested interests.

A valid economic aid program for Europe cannot be based, as the administration-sponsored ERP is, upon continued and intensified colonial exploitation.

America should help the European people to help themselves. The kind of help we are proposing to give under the ERP will simply make the people of Europe more dependent upon the United States and upon the European colonies.

The abject poverty and resultant social stagnation characteristic of all colonial countries are the inevitable consequence of their being held by stronger powers to supply cheap raw materials. The expropriation of their resources and the wealth produced by colonial labor is what keeps colonies poor.

Instead of helping to eliminate this vicious system, the ERP has the effect of perpetuating and strengthening it.

The Outline of European Recovery Program submitted by the Department of State for the use of the Senate Foreign Relations Committee, December 19, 1947, states—page 19—that paragraph (5) of subsection 10 (b) of the proposed economic cooperation bill "is designed to assist the United States wherever feasible to obtain materials for stock-piling purposes. Such materials will be purchased from a participating country or its colonies or dependencies, either through private contracts or through the procedures and with the funds authorized in the Stock-Piling Act. It is intended that arrangements will be worked out with the participating countries for the acquisition by the United States in the above manner of materials which will be specified in the bilateral agreements."

The meaning of this is made clearer on page 48 of the same document, where we read:

> The United States has few or no domestic sources of certain raw materials, such as tin, industrial diamonds, natural rubber, and quinine, and has inadequate resources in other raw materials, such as manganese, chromium, copper, lead, and zinc. * * * United States reserves of exhaustible natural resources are declining. It is proper that in partial return for the very considerable assistance provided them by the United States, the participating countries should give reasonable help in replenishing stocks of materials expected to be in long-term short supply in the United States.
>
> Not all of the participating countries themselves possess sources of such materials. Some among them do, however, have resources of this nature either within their own territory or that of their colonies, territories, or dependencies. In some instances present production and availability is at maximum levels without satisfying commercial demands. In other instances it appears that, under an aggressive plan of exploration, development, and expansion of productive facilities, or by other actions, additional supplies could be produced or made available.

It is further provided that United States loans may be made for procurement of equipment and services to step up the production of the raw materials that the United States wants; and if such loans can not be paid back in dollars when due, they can be paid off in still further quantities of such materials as the United States may want (page 49).

That is the picture of what the ERP means for the colonies of Britain and the other European imperial powers. Not a very pretty picture—all take and no give. What the ERP says in effect is that the European colonies in Africa, Asia, and elsewhere must serve the function that they have always served, but in a bigger and better way than hitherto, for they must now provide the raw material needs not only of their European rulers, but of America as well.

"Go out into your colonies and the far reaches of the world, and tap their riches," Bernard Baruch urged the rulers of empire, in his testimony before the Senate Foreign Relations Committee not long ago. "Produce. You will be able to sell it all."

One remarkable consequence of the current European economic crisis has been the veritable rediscovery of Africa. Last November Sir Stafford Cripps declared that—

> The whole future of the sterling group and its ability to survive depend * * * upon a quick and extensive development of our African resources.

Britain's leading Fascist, Sir Oswald Mosley, has shrewdly observed with approval America's desire to get Europe into Africa.

> Let Europe develop Africa as a source of supply and exchange for European manufactured goods—

He advises—

> and * * * leave America the Western Hemisphere and the larger part of the other world markets.

An official pronouncement somewhat along the same lines was made just 2 months ago, on January 22, by British Foreign Secretary Ernest Bevin and quickly received the approval of the White House and State Department. Little time has been lost in carrying forward Bevin's scheme—if it was indeed his—for the formation of a western European entente having as one of its primary aims the promotion of inter-imperialist collaboration in the intensified exploitation of Africa and other European colonial domains in order to rescue Europe from economic bankruptcy, as well as in joint military preparations in Africa for expected war with the Soviet Union.

For many years General Smuts has held out an invitation to American capital to help in the development of Africa provided there was no "interference in the existing administration of its territories"—Life, December 28, 1942. Many others have lately joined in extending this invitation. The ERP is part of the answer. Increasing American trade with and private capital investment in South Africa, Rhodesia, Liberia, and other sections of the continent represent another part of the answer.

The apologists for imperialism, of course, argue that economic development in the colonies is in the interest—nay, primarily in the interest—of the native population, will raise their living standards, and is the prerequisite to self-government.

The fact is that genuine and worthwhile economic development for the benefit of the millions who live in colonies and semicolonial countries is impossible so long as they are denied full democratic self-government—for just so long will the resources and economy of such countries be used and directed toward the benefit of a foreign oligarchy, primarily if not exclusively. The demand for colonial independence sweeping the world is the demand for freedom from economic slavery.

Let us face the truth honestly and admit that the United States Government is today the mainstay of world imperialism. Without American loans and credits; without Washington's political support at Lake Success and in London, Paris, Brussels, and the Hague; and without the ERP or something like it, the European colonial powers would be hard pressed to hold what they have.

In helping Britain, France, Belgium, and the Netherlands to hold on to their empires, Wall Street and Washington aim to keep the far-flung colonial empires, as well as their European rulers as allies against Communist aggression, and incidentally safe for American profits.

I am opposed to the administration's ERP, because it will not help Europe as Europe needs to be helped, because it is a political weapon of coercion and intimidation as everyone can now readily see in the case of Italy, and because, and this has been my main argument, it will further enslave millions of colonial peoples throughout the world, and notably in Africa.

I am one of those who believes that the way to help Europe economically, and not only western Europe, but the whole

of Europe, Asia, Africa, and the whole of this hemisphere, not omitting the 15,000,000 Negro people in the United States who are exploited and discriminated against economically and every other way, is by strengthening the United Nations and making it work to achieve world-wide democracy, security, and peace.

Nothing less than that, and nothing but that, will save America and the world from a devastating third world war.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I believe it is necessary to clarify the provision of the ERP bill relating to the composition of the Public Advisory Board.

Section 107 (a) of S. 2202 as passed by the House provided for the creation of a Public Advisory Board to be "selected from among citizens of the United States of broad and varied experience of business, labor, and agriculture, the professions, and in matters effecting the public interest."

The function of the Board is to "advise and consult with the Administrator with respect to general or basic policy matters rising in connection with the Administrator's discharge of his responsibilities" with regard to the entire ERP program.

Section 107 (a) of the conference report now provides that members of the Board "shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest."

In other words, the conferees left out the specific language "in business, labor, agriculture, and the professions."

It is my understanding that in striking out the specific categories of business, labor, agriculture, and the professions, that the conferees did not thereby intend in any way to infer that responsible leaders in business, labor, agriculture, and the professions should not be selected for the Advisory Board. Not only that, but in choosing the language as they did, "citizens of the United States of broad and varied experience in matters affecting the public interest" they necessarily included the categories of "business, labor, agriculture" and "the professions." This would be necessarily so because if the members are to be selected on the basis of matters affecting the public interest such public interest would be seriously neglected if responsible representatives from each of these categories were not selected for the Advisory Board.

While the statement of the managers as contained in the conference report, on page 28, reads that the members are to be selected without reference to economic-interest groups, it is my understanding that the word "reference" means without specifically naming them. Any other interpretation of the word "reference" would be stultifying under the circumstances. Certainly, if members are to be selected who have broad and varied experience in matters affecting the public interest, their experience would have to be in the several economic interest groups referred to. It would be unthinkable that the experience of the members would not be in the economic categories designated by business, labor, agriculture, and the professions. The whole ERP must, of course, be implemented by responsible representatives of these several categories. For example, it certainly is not contemplated that selected members who, while they might have broad experience in certain fields, would be mere theorists in the fields of business, labor, agriculture, or the professions. If that were true, the selection would not be in the public interest.

So therefore I say that the clear understanding of the language, as I take it, is that the members will be selected on the basis of broad experience in business, labor, agriculture, and the professions. Even though the final form of the bill does not so specifically state, any other interpretation would seriously neglect the public interest.

Neither is it contemplated that the council shall be composed of members experienced only in one of these categories. For example, experienced only in business or experienced only in labor or just in agriculture or the professions.

It is clear that the Board must be balanced in this regard because any unbalance would not be in the public interest.

I can understand the conferees in not wishing to specify the categories, although I would have preferred that they did. I can understand that they wish to keep the language general in nature in order to give the Administrator a free hand. But I do not think the Administrator's hand is so free as to disregard in any respect the public interest which would necessitate the selection of responsible representatives in each of these major economic fields as components of the Advisory Council.

It is particularly important that men of sound business experience be on the Council. The ERP is primarily an economic program, and who can conceive of the management of such program without good business management?

It is also vital that the Board contain outstanding representatives of labor. This is extremely important because of the special facts of the problem in Europe. We are seeking in this program to combat communism. The Communists have exerted their greatest efforts upon the European trade-unions. In fact, it was by virtue of taking over the trade-unions and police in Czechoslovakia that they caused the fall of the free government of that country. They are presently working on the trade-unions in Finland. We also know that the Communists will make their major efforts in France and Italy through trade-unions. It is the European trade-unionist who will fulfill the production quotas of the ERP. It is the European worker who will rebuild Europe. Therefore, it is of first importance that the Communist efforts to indoctrinate the European trade-unions be checked and countered by sound trade-union leaders. If, for example, sound trade-union leaders were excluded from the Advisory Board the Communists would make great capital of this fact in their propaganda directed at the European worker. The Communist would say, "The ERP is nothing more than a scheme of American capitalists and big business to take over European industry. The ERP is nothing more than American imperialism wherein the rights of workers are completely forgotten."

The presence of responsible American trade-union leaders on the Board is of first importance as is the presence thereon of business leaders. American management and labor are working shoulder to shoulder in this effort. Their cooperation in the ERP has already been forcibly expressed in patriotic terms by the leaders of both business and labor.

Perhaps the cooperation between management and labor that has sometimes been lacking in our own country can be strengthened and brought into full bloom in the common effort to resist the destruction of our civilization that is being made in the European recovery program. On March 9 and 10 last, in London there met the trade-union representatives of all the participating countries, except Portugal. Members of the minority, anti-Communist groups from France and Italy, from the Benelux countries, and from our American AFL and CIO unions, participated in the conference. The conference was unanimous in its view that the trade-union movement in each of the participating countries should seek to establish close contact with its government in the administration of their national production program. In other words, in this meeting in London were the representatives of the European trade-unions, together with those from America, voicing their wholehearted support for the success of the ERP. The sound trade-union movement in each country, including the United States, pledged support in behalf of the ERP and for that reason it should have proper representation on the Advisory Board as a matter of public interest.

Similarly, responsible representatives of agriculture must be on the Council, because the acceleration of food products is also of first importance. Any neglect of proper leadership in the field of agriculture would also be against the public interest.

Again the professions, particularly industrial engineering, must be represented as it is largely by the skill of this profession that Europe will be reconstructed.

I trust, therefore, Mr. Speaker, that there will be no misunderstanding as to the intent of Congress in the selection of the members for this Board, because any neglect of men of experience in the separate major categories of economic interest, would be a real neglect of the public interest for which the law provides.

Mr. DEVITT. Mr. Speaker, the committee on conference on the foreign aid bill is to be commended on the expeditious action it has taken in reaching agreement with the Senate.

I was particularly interested in the retention of certain amendments which I offered and which were accepted by the House to section 117 of the bill. I am happy to note that those amendments have been retained in essentially the same form in which they were introduced. I do note a discrepancy, however, between the terminology in subsection C of section 117 and the statement of the managers on the part of

the House with reference to that subsection. It is to be noted from a reading of section 117, subsection C that it is made mandatory for the Administrator to provide for ocean-free freight transportation on relief supplies and packages. This is clear from the use of the word "shall" rather than the use of the word "may." It will be recalled that in the original Senate bill the word "may" was used; however, the managers on the part of the House in explaining this subsection make the statement that "the House recedes on the mandatory requirement" with reference to ocean-free transportation. I am informed by the conferees that this is an erroneous statement and was inserted in the report through inadvertence and mistake. A reading of the section makes it clear that this is the case.

I am also happy to note that the managers have retained in the recommended bill the present last sentence of subsection C of section 117. This provides that—

> The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and packages.

This sentence is essentially in the same words as it was in the original House bill. One sentence was stricken from the House bill. It read:

> The execution of such agreements by the participating countries shall be a condition precedent to the receipt of assistance under this title.

I understand that this sentence was stricken from the bill because it was felt that it embodied terminology not as diplomatic as would be conducive to the best international relations, but that the striking of the sentence was not intended to change the intent of the conferees or of the Congress that the Secretary of State shall make such agreements. This view is made manifest by the action of the conferees in retaining the injunction "shall make agreements" as used therein.

I am happy that these provisions have been retained in the bill and feel that they are most meritorious.

AMENDMENT TO THE EUROPEAN RECOVERY PROGRAM RELATING TO REDUCED POSTAGE FOR GIFT PARCELS OF MEDICINE, FOOD, AND CLOTHING TO FOREIGN COUNTRIES

Mr. REES. Mr. Speaker, I appreciated the work of the House conferees in retaining in this bill amendments made in the House which will provide for a definite program to carry relief packages at reduced rates to foreign countries. As I pointed out when the House amendment was being discussed, there are some particulars in which we could possibly have spelled out more clearly the actions to be taken by the Administrator in effecting the relief parcel program. However, I believe that as the conference report is written the language is in such general terms that a program can be established which will do the job. I believe that providing reasonable transportation for medicine, food, and clothing to the countries coming within the terms of the European recovery program serves a twofold purpose:

First, many individuals in this country would like to assist their friends and relatives in foreign lands which have been ravaged by war; secondly, there probably is no other program which brings the direct hand of friendship across the seas as one which provides for the transmission directly from one individual to another or from a charitable organization to an individual, parcels containing goods essential to life.

The Post Office and Civil Service Committee has been concerned with this general problem as it relates to reduced postage on gift parcels of food, medicine, and clothing. This committee has held public hearings on 12 bills on this subject. Most of these bills provide for either sending such gifts free or upon the payment of 25 percent of the regular postage. The Post Office Department was to be reimbursed for its expenditures for carrying out this program from such funds as were appropriated for foreign relief. It is an expensive form of transportation when parcels are sent by mail. This is particularly true considering the large volume of such parcels which would develop under a reduced postage program.

The volume of international parcel post had already increased immeasurably under the pressure of need of friends and relatives in foreign countries. The volume of this international parcel post has jumped from 25,792,138 pounds in the fiscal year 1939, before the war to the amazing figure of 401,841,067 pounds for the fiscal year 1947, or an increase of 16 times. It is impossible to estimate how much this parcel post will increase if the postage rates are reduced. Various opinions of the Post Office Department experts run from a doubling in volume up.

The committee was concerned at the time of these hearings with a number of problems. The Post Office Department was not set up to handle such a tremendous volume of gift parcels as mail. There is a critical shortage of mail sacks, terminal facilities, and trucks. Many relief and charitable associations have set up programs for forwarding parcels to foreign lands. There was considerable discussion as to what countries would participate in the reduced postage program.

To meet some of these objections I proposed at the hearings held on February 18 substitute language to H. R. 4598, a bill introduced by the gentleman from Michigan, Congressman YOUNGBLOOD, which would have had the following effect: (a) The costly overseas mail operation would have been eliminated by sending the parcels through the mail only as far as the postmaster of New York for parcels for European countries and San Francisco for parcels for Asiatic countries; (b) the Maritime Commission would be authorized and directed to provide ocean-shipping space and be responsible for the parcels from shipside to such warehouses as might be designated by the United States Foreign Relief Administration; (c) the agency charged with foreign-relief activities of the United States would be responsible for the distribution to the addressees of such gift parcels and would be charged with making maximum use of facilities of the countries concerned in distributing such parcels. This solution to the high cost of sending these relief parcels is in substance now included in the conference report.

Based upon the many communications the committee received on the subject and the presentations made by Members of Congress, I can assure you that this part of the program will be most acceptable to thousands of our citizens who are anxious to help relieve the situation by sending gift packages abroad.

Mr. MURDOCK. Mr. Speaker, our beloved chairman of the Foreign Affairs Committee states briefly but simply that the momentous issue on which the House is acting at this hour is indeed historic, probably as historic as any that has occurred during the life of this legislative body. I feel that the Chairman is correct and that without doubt his words are prophetic. It is not given to mortal man to know what lies in the future but certainly by our action here today in adopting this conference report America is embarking upon the greatest constructive program to help peace-loving nations which has ever been initiated.

The conference report is to my mind very much better than the measure passed by the House on day before yesterday. I had all along felt that America must do this great thing, but I have had some fears as to whether the program could be and would be carried through according to the wishes of our people. I think the conference report greatly improves the chances of a satisfactory fulfillment of this plan of mutual assistance.

Americans are a great-hearted, generous people. As individuals they contribute freely and whole-heartedly to the relief of distress and human suffering throughout the world. The European recovery program however is a national, governmental effort differing very materially from the individual and private efforts alluded to. Can the Government, acting for all of us, combine typical American generosity and American business sense and successfully carry forward this huge program of rehabilitation? Only the future can tell, but history will record that we made the effort, and for all the centuries to come humanity around the world will know of our intent.

It is natural that America should shrink from the appalling magnitude of this complex task. Not that the American people are indifferent to the plight of other nations, but America lacks experience. The historical significance of this effort is somewhat like the significance of the two global wars which America has successfully fought in the lifetime of this generation. However, in these two world wars America exhibited her strength to the world to crush evil men. In the program we are now undertaking America is determined to equal those previous efforts in this gigantic task of reconstruction and binding up the wounds of war. This must have been in the mind of our chairman as he spoke of the historical significance of our action today. We hope that this marks a new beginning in America's greatness.

Mr. VORYS. Mr. Speaker, this bill constitutes a big order. There are those who are saying that it is inconsistent for us to attempt to wage peace and prepare for war at the same time. There are those who say that it is inconsistent, impossible for us to reduce taxes and carry

the tremendous burdens this country faces. I want to say that I belong to a country that specializes in seeking and reaching apparently inconsistent, apparently impossible, goals. Union and liberty, order and freedom are inconsistent goals. We want both, and we get both. We carry on today in the spirit of the Panama Canal builders.

Got any rivers they say are uncrossable?
Got any mountains you can't tunnel through?
We specialize in the wholly impossible,
Doing the things that others can't do.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. VORYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 318, nays 75, answered "present" 2, not voting, 36, as follows:

[Roll No. 40]

YEAS—318

Abbitt	Davis, Tenn.	Herter
Abernethy	Davis, Wis.	Heselton
Albert	Dawson, Utah	Hess
Allen, Calif.	Deane	Hill
Allen, La.	Delaney	Hinshaw
Almond	Devitt	Hobbs
Andersen, H. Carl	D'Ewart	Hoeven
Anderson, Calif.	Dirksen	Holifield
Andrews, N. Y.	Dolliver	Holmes
Angell	Domengeaux	Hope
Arends	Donohue	Horan
Auchincloss	Douglas	Huber
Bakewell	Durham	Jackson, Wash.
Barrett	Eaton	Javits
Bates, Ky.	Eberharter	Jenkins, Ohio
Bates, Mass.	Elliott	Jennings
Battle	Ellsworth	Jensen
Beall	Elsaesser	Johnson, Calif.
Beckworth	Elston	Johnson, Tex.
Bell	Engel, Mich.	Jones, Ala.
Bender	Engle, Calif.	Jones, N. C.
Blackney	Evins	Jones, Wash.
Blatnik	Fallon	Jonkman
Bloom	Feighan	Judd
Boggs, Del.	Fellows	Karsten, Mo.
Boggs, La.	Fenton	Kean
Bolton	Fernandez	Kearney
Bonner	Fisher	Kearns
Bradley	Flannagan	Keating
Bramblett	Fletcher	Kee
Brehm	Fogarty	Keefe
Brooks	Folger	Kefauver
Brophy	Foote	Kelley
Brown, Ga.	Forand	Kennedy
Bryson	Fuller	Keogh
Buchanan	Fulton	Kerr
Bulwinkle	Gallagher	Kersten, Wis.
Burke	Gamble	Kilburn
Burleson	Garmatz	Kilday
Butler	Gary	King
Byrne, N. Y.	Gathings	Kirwan
Byrnes, Wis.	Gavin	Klein
Camp	Gearhart	Kunkel
Canfield	Gillette	Lane
Carroll	Goff	Lanham
Carson,	Goodwin	Latham
Case, N. J.	Gordon	Lea
Celler	Gore	LeCompte
Chadwick	Gorski	LeFevre
Chelf	Gossett	Lichtenwalter
Chenoweth	Graham	Lodge
Clark	Granger	Lucas
Clason	Grant, Ind.	Ludlow
Coffin	Gregory	Lusk
Cole, Kans.	Hale	Lyle
Colmer	Hall, Edwin Arthur	Lynch
Combs	Hall, Leonard W.	McConnell
Cooley	Halleck	McCormack
Cooper	Hardy	McCulloch
Corbett	Harless, Ariz.	McDonough
Cotton	Harris	McDowell
Coudert	Hart	McGarvey
Courtney	Harvey	McMahon
Cravens	Havenner	McMillan, S. C.
Crosser	Hays	Mack
Crow	Hébert	MacKinnon
Cunningham	Hedrick	Madden
Dague	Heffernan	Mahon
Davis, Ga.		Maloney
		Mansfield
Mathews	Potts	Snyder
Meade, Ky.	Poulson	Somers
Merrow	Preston	Spence
Meyer	Price, Fla.	Stanley
Michener	Price, Ill.	Stevenson
Miller, Calif.	Priest	Stigler
Miller, Conn.	Ramey	Stockman
Miller, Md.	Rayburn	Sundstrom
Mills	Redden	Taber
Mitchell	Rees	Talle
Monroney	Reeves	Teague
Morrison	Riehlman	Thomas, Tex.
Morton	Riley	Thompson
Muhlenberg	Rivers	Tibbott
Multer	Robertson	Tollefson
Mundt	Rockwell	Towe
Murdock	Rogers, Fla.	Trimble
Murray, Tenn.	Rogers, Mass.	Van Zandt
Murray, Wis.	Rohrbough	Vinson
Nicholson	Ross	Vorys
Nixon	Russell	Wadsworth
Nodar	Sabath	Walter
Norblad	Sadlak	Weichel
Norton	St. George	Welch
O'Brien	Sarbacher	West
Pace	Sasscer	Wheeler
Patman	Scoblick	Whitten
Patterson	Scott, Hardie	Whittington
Peden	Scott, Hugh D., Jr.	Wigglesworth
Peterson	Seely-Brown	Williams
Pfeifer	Sheppard	Wilson, Tex.
Philbin	Simpson, Ill.	Winstead
Phillips, Tenn.	Simpson, Pa.	Wolcott
Pickett	Smathers	Wolverton
Ploeser	Smith, Maine	Worley
Plumley	Smith, Va.	Zimmerman
Poage	Smith, Wis.	
Potter		

NAYS—75

Allen, Ill.	Gwinn, N. Y.	O'Hara
Andresen, August H.	Gwynne, Iowa	O'Konski
Arnold	Hagen	Phillips, Calif.
Banta	Hand	Powell
Barden	Harness, Ind.	Rankin
Bennett, Mich.	Harrison	Reed, Ill.
Bennett, Mo.	Hoffman	Reed, N. Y.
Bishop	Hull	Rich
Buffett	Isacson	Sadowski
Busbey	Jenison	Sanborn
Case, S. Dak.	Johnson, Ill.	Schwabe, Mo.
Chiperfield	Johnson, Ind.	Schwabe, Okla.
Church	Johnson, Okla.	Scrivner
Clevenger	Knutson	Short
Clippinger	Landis	Smith, Kans.
Cole, Mo.	Larcade	Smith, Ohio
Crawford	Lemke	Stefan
Curtis	Lewis	Twyman
Dondero	Love	Vail
Dorn	McCowen	Vursell
Doughton	McGregor	Wilson, Ind.
Ellis	Marcantonio	Wood
Gillie	Martin, Iowa	Woodruff
Griffiths	Mason	Youngblood
Gross	Miller, Nebr.	
	Morris	

ANSWERED "PRESENT"—2

Brown, Ohio Macy

NOT VOTING—36

Andrews, Ala.	Hartley	Owens
Bland	Hendricks	Passman
Boykin	Jackson, Calif.	Rains
Buck	Jarman	Regan
Buckley	Jenkins, Pa.	Richards
Cannon	Lesinski	Rizley
Chapman	McMillen, Ill.	Rooney
Cole, N. Y.	Manasco	Shafer
Cox	Meade, Md.	Sikes
Dawson, Ill.	Morgan	Stratton
Dingell	Norrell	Taylor
Grant, Ala.	O'Toole	Thomas, N. J.

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Rizley against.

Mr. Bland for, with Mr. Owens against.

Mr. Richards for, with Mr. Shafer against.

General pairs:

Mr. Buck with Mr. Dingell.

Mr. Hartley with Mr. Rooney.

Mr. Jenkins of Pennsylvania with Mr. Andrews of Alabama.

Mr. McMillen of Illinois with Mr. Jarman.

Mr. Jackson of California with Mr. Cox.

Mr. Stratton with Mr. Chapman.

Mr. Taylor with Mr. Grant of Alabama.

Mr. Thomas of New Jersey with Mr. Cannon.

Mr. BROWN of Ohio. Mr. Speaker, on this roll call I am recorded as voting "yea." I have a live pair with my colleague from Oklahoma Mr. RIZLEY, who if present would vote "nay." I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

TAX-REDUCTION BILL

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the tax-reduction bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

VETERANS' LEGISLATION

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent that the Committee on the Armed Services be discharged from the further consideration of the bills H. R. 582, H. R. 3137, H. R. 3808, and H. R. 4580, all of which amend the Soldiers' and Sailors' Relief Act, and that they be rereferred to the Committee on Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONSENT CALENDAR

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar, which would be in order on Monday, may be called on Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SIGNING OF ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. STRATTON (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD.

Mr. MAHON. Mr. Speaker, on yesterday I asked unanimous consent that the gentleman from Missouri [Mr. CANNON] be permitted to extend his remarks in the RECORD and include the Story of Missouri. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $195.25, 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. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD.

THE PRESIDENT'S VETO

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, President's Truman's veto of the third tax relief bill needed by our people is wholly without justification. He wants to continue reckless Government spending both at home and abroad. He asked the Congress to spend billions in aiding countries who have themselves given their own people a reduction in wartime taxes. By continuing to oppose a reduction in the cost of government and continuing to oppose tax relief for the American people, he is following a policy which would ultimately stagnate our whole economy and bankrupt the Nation. A strong economy is an essential factor for a proper national defense. He apparently is more interested in the people of Europe than in the American people themselves.

OLEOMARGARINE

Mr. RIVERS. 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 South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, I have been longing for this opportunity. This is just to tell the House how much I appreciate the efforts of all the Members who worked so hard to get enough signatures to Discharge Petition No. 12 to have it placed on the calendar, with the hope that the Committee on Rules may have the opportunity to consider the bill H. R. 2245 before the 26th of this month. There are now 218 signatures on the petition. I am pleased to make this information known to the House, and to tell you that the people for whom you worked, the American housewives, through me say that they appreciate your efforts very much.

Mr. COOLEY. If the gentleman will yield, what bill is the gentleman talking about?

Mr. RIVERS. I am talking about the Rivers bill to take the tax off oleomargarine. I think everybody in the United States will be happy if that is done.

EXTENSION OF REMARKS

Mr. KEARNS asked and was given permission to extend his remarks in the RECORD.

Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD in two instances and include news articles in each.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD in two instances, and include in one a report he made to the gentleman from Minnesota, Representative AUGUST H. ANDRESEN, on the potato situation in Chicago and in the other a letter addressed to General Marshall by the combined Americanization committee of the VFW, American Legion, and Catholic War Veterans of greater New York.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD in two instances and include bills he has introduced and an article written by him.

A JOB FOR EISENHOWER

Mr. CASE of South Dakota. 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 South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, there is a job for Eisenhower. It is not a political job. It is one to which he would respond.

The job is to head a mission which should, in a neutral place, meet a mission from Moscow and seek a basis upon which both Russia and the United States can stop the moves and countermoves which are driving the world toward a terrible abyss.

Dwight Eisenhower would accept a call for such a job. And in it, he would have the confidence of Americans; he would have the respect of the Russians.

It is late, Mr. Speaker. Face-making, name-calling, intrigue, suspicion, and distrust have produced a situation which can have only one end—a war of a kind the world has never before seen. Tension grows. Today Berlin. Tomorrow Vienna. Then Trieste, Greece, Palestine, Korea, China. A war-tired world should not be asked again to endure what war would bring.

The stakes are high. They are not merely peace or war. They are society itself. They are civilization. They are all that mankind has struggled for through thousands of years. An effort should be made to resolve the issues without a war which of itself would destroy much of that for which we would fight and leave us with even more difficult problems.

Dwight Eisenhower would not need to be drafted for this job. In it, he would see the opportunity to serve those who were once his comrades and are now gone as well as those who live and hope to live in a world without war.

Mr. Speaker, I propose that the United States seek a solution to the menacing situation before the world, and call upon Eisenhower to head our delegation to the meeting.

ARMY RESERVE PROGRAM

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, the principle underlying our Military Establishment is comparatively small Regular armed forces supported by a well-trained citizenry reserve. This principle was enunciated by Washington and has been reaffirmed by every responsible military leader since, including Eisenhower and Marshall.

Today we are deeply concerned with the effectiveness of our Military Establishment. We are concerned with the condition of our Regular force and we are concerned with the condition of our Reserves.

We have been asked to pass selective-service laws to bring our Regular Establishment up to strength. We have been asked for the passage of universal military training to provide a steady flow of trained men into our Reserve units.

I am a supporter of the principle of universal military training. I believe well-trained, well-equipped Reserve units are vital to our national security. I believe universal military training is necessary to provide a steady influx of trained men into these units.

But we cannot support UMT blindly. We recognize that it will not provide defense in and of itself but only as it contributes to the strength of the civilian components which it supplies. It would be useless to pass this legislation unless we are assured that our Reserve program is a sound, well-managed, and a cohesive part of an intelligent whole.

That is not the case today.

A preliminary investigation on my part convinces me that our Army Reserve program, for instance, is floundering.

Commanders at the troop level in my district tell me that they are receiving little cooperation from the Army in the organization and training of their units, that the units are receiving little or no equipment with which to train and that there seems to be a general lack of intelligent planning in the whole program.

These charges are verified by the results of a recent Nation-wide survey of Reserve Officers Association department presidents by the gentleman from Texas [Mr. TEAGUE].

Only recently, it was necessary for the executive director of the ROA to beg the Committee on Civilian Components set up by the Secretary of Defense for the institution of a sound program. He implored that "what we now have in the way of reserve officers and men be speedily formed into a strong defense force."

In other words, Mr. Speaker, if these conditions exist, the more than one million men now in our Army and Air Force Reserve units are not being properly trained or used. If they exist, there has

been an almost criminal neglect somewhere in our military establishment. If they exist, I warn our Secretary of Defense that his pleas for more men to confuse further a confused program will require considerable clarification before they are accepted by this Congress.

I regret that it is necessary for me, as one who believes in the absolute necessity of universal military training, to object to the enactment of this legislation until we have developed an intelligent, cohesive and workable program that will effectively utilize the men supplied to it. The burden of proof that we have such a program lies, I believe, with the responsible departmental heads.

I include as part of my remarks a letter which I have sent to the Secretary of the Army:

APRIL 1, 1948.

Hon. KENNETH C. ROYALL,
Secretary of the Army,
Washington, D. C.

DEAR MR. SECRETARY: I have been greatly disturbed by reports from Army Reserve unit commanders in Wisconsin.

It is charged that the Reserve officers are receiving little cooperation from the Army in the organization and training of their units, that the units are receiving little or no equipment with which to train, and that there seems to be a lack of intelligent planning in the whole program.

This feeling seems to be general, according to a survey recently conducted by Representative OLIN B. TEAGUE, of Texas. He found that 91 percent of the department presidents of the Reserve Officers Association "claimed that the difficulty with the Organized Reserve Corps of the Army and air services involved either a poorly conceived and executed Reserve program, insufficient Reserve units, both as to number and as to type, lack of proper facilities, or inadequate training equipment."

I believe strongly in well-trained, well-equipped Reserve units. I believe they are absolutely vital to our national security. I have predicated my support of universal military training on the fact that such a program is absolutely necessary in order to provide a steady flow of men into our civilian components. This view is held by others, including the Secretary of Defense, who testified only a few days ago that UMT was needed as part of a "long-term" program, and that it was principally necessary because it will "provide annually for the civilian components of the Regular forces some 850,000 men who will have had basic training."

I am still convinced that UMT is necessary to provide a flow of men into the civilian components of the armed forces. I strongly question, however, the advisability or the logic of channeling more men into a program which suffers from mismanagement, poor planning, lack of equipment, and general neglect. Yet, if the allegations of those at the critical, or troop, level are true, that is exactly what is being asked of the Congress by the Secretary of Defense when he calls for the immediate enactment of UMT.

The purpose of this letter is to pose three questions:

1. Is there any basis for the serious charges that have been leveled at the Army Reserve program?

2. If there is, how did these conditions come about?

3. If there is, what is now being done to correct those conditions?

I will not consider as a satisfactory answer a referral to the Committee on Civilian Components.

To amplify:

I want to know particularly why there should be "a poorly conceived and executed Reserve program," under any circumstances, if such is the case.

I want to know particularly why there should be a lack of training equipment, if such is the case. To quote from a unit commander in my district, "We (the government) can give tanks and guns to civilian organizations to plant on their courthouse lawns; we can issue equipment to high-school ROTC units; we can give tons of uniforms to be sold by War Surplus, and yet the ORC has a hard time getting one paper clip per 1,000 men."

I want to know particularly:

1. The number of officers and men in the ORC, the number being effectively used, and the number assigned to each type of unit (A, B, and C).

2. The number of Reserve units of each class, the number fully equipped according to plan, the number partially equipped, and the number with no equipment.

3. The funds assigned to Army Reserve program for the fiscal years 1947, 1948, and 1949, including the amount requested by the Army, the amount allowed by the President, and the amount appropriated by the Congress.

I want to know particularly if there is any restriction upon the efforts of a unit commander to expand his unit. To quote from a unit commander in my district, "I asked to be allowed to expand my unit, which I could do; I was told 'No,' and that 'we (the Army) have placed the matter on our project list'."

I will be vitally interested in your reply. I regret that it is necessary for me to ask these questions—3 years after the end of World War II and during a period when a cohesive, intelligent, and well-organized armed force was never needed more.

Yours very truly,

JOHN W. BYRNES,
Member of Congress.

EXTENSION OF REMARKS

Mr. FULLER asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. Thomas E. Dewey.

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the United States News written by David Lawrence and also to include an editorial in the second instance.

THE SHOE INDUSTRY

Mr. BATES of Massachusetts. 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 Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. Mr. Speaker, today the House gave final approval to the bill calling for expenditure of over $6,000,000,000 for European recovery. The purpose of the bill was to assist in the rehabilitation of the 16 nations of western Europe in order that we might find some way of setting up a barrier to the onward march of communism that threatens not only the democratic nations of Europe, but also threatens the democratic nations of the world, as well as the economy of those nations. Behind the iron curtain today, there are 10 nations. All of them have already embraced the Communist program including Czechoslovakia. In the consideration of our trade agreements we have always been dealing with nations whose system of government were entirely democratic and whose enterprises were entirely free, private, and independent. The industries of Czechoslovakia today have been nationalized, including the great Bata's shoe industry which employs over 15,000 people and according to the report I had last year produced over 33,000,000 pairs of shoes. This is the very industry which gave such great competition in 1939 to the shoe industries in our part of the country and which were deluging our markets and destroying our industry, causing the closing down of our factories and causing depression. Mr. Speaker, I hope that the President and the State Department will recognize the situation that now exists in their consideration of the trade agreements that are now being considered.

It seems quite ridiculous for us to be spending billions of dollars of American money to help the democratic nations of Europe to resist the spread of communism while at the same time, if we approve the trade agreement, we are opening up the American market for Communist-made products with which they can get the American dollars to strengthen their economy and to further the cause of communism in the European area.

It just does not make sense.

GENERAL EISENHOWER

Mr. McCORMACK. 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 Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I listened with a great deal of interest to the remarks and suggestions of the gentleman from South Dakota [Mr. CASE]. The people of the country have complete confidence in General Eisenhower. I think if there were less talk about his being a candidate for President under the emblem of this or that party, it would be much better for him and he would feel happier. Certainly any such thinking as that is what I would call "desperation thinking," and must be based upon the fact that General Eisenhower did not mean what he said some weeks ago when he announced that he would not be a candidate. In my opinion, he seeks to adopt a role so that during the trying years to come, he may speak with a powerful voice to the people of America from a completely detached and independent position, rather than being identified with either political party.

In relation to the remarks of my friend, it seems to me, and I agree with him on the basic premise that everything should be done to try to bring about peace, as I say it seems to me that we have shown the people of the world to-

day by our vote that without regard to party affiliations, where the national interest of this country is involved, we speak with unmistakable voice; and even those who voted against the bill will unhesitatingly vote to bring into operation the power of America if and when they think it is necessary to do so. It seems to me that on the higher level, the level of the President himself and Stalin, there should be a meeting. On three occasions President Truman has offered to meet with Stalin. As I understand it, Stalin has promised to come to Washington. President Truman, on three occasions, has publicly invited him. I do not think he will restrict himself to Washington. I do not think that should be done. On the other hand, we have shown the intent on the part of America, as evidenced by the vote in this House today, as well as in the other body, that we are primarily concerned with the national interest of the United States, and we seek peace for the world now and in the future. We hope that peace will result from our efforts. But peace can only be brought about by understanding, and any such meeting as discussed should be on the higher level, between the President of the United States and Stalin himself.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

SPECIAL ORDER GRANTED

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that at the conclusion of the business on the Speaker's desk today, and any other special orders, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

FEDERAL AID FOR GENERAL EDUCATION

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, on yesterday the Senate passed by the impressive vote of 58 to 22, the bill providing for Federal aid to the States for general education, as distinguished from vocational education. The enactment of this measure by the House and its signing by the President would mark the most progressive piece of social legislation enacted so far by the Eightieth Congress.

Recently I voted for an additional appropriation for the work of the Un-American Activities Committee, in suppressing communism and other subversive movements. In my humble opinion, the enactment of this bill for aid to education would do more than any other one thing to stop the spread of alien isms in the United States.

Moreover, in my opinion it would do more to help the States settle their own racial and class problems than could ever be done by the enactment of laws intended to force the States to settle their problems according to some preconceived ideas of so-called reformers and do-gooders.

Education can bring to all classes and races a better understanding of their mutual problems, and more tolerance and enlightenment to their solution.

Is it too much to hope that the Committee on Education and Labor will report this bill favorably to the House, and that the Rules Committee will give it a place on the House calendar?

Senator SPARKMAN has called this bill "the Marshall plan for American children." Will we be one-twentieth as generous with our own children as we have been with the peoples of the world?

The SPEAKER. The time of the gentleman from Georgia has expired.

EXTENSION OF REMARKS

Mr. BROOKS asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial dated March 31 from the Shreveport Journal and in another an editorial on March 21 from the Shreveport Times.

THE TAX BILL DOUBLES THE BURDEN ON THE TAXPAYERS; BREAKS FAITH WITH GOVERNMENT BONDHOLDERS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN].

There was no objection.

Mr. PATMAN. Mr. Speaker, I hope every person interested in the tax bill will read the veto message of President Truman. To my mind it is absolutely unanswerable. I do not criticize any person who voted the other way, but I could not in good conscience vote any other way except than to sustain the veto, for the reason that I would feel I was breaking faith with the millions of American citizens who have purchased United States Government bonds. The passage of that bill will, to my mind, weaken the security behind United States Government bonds. We should pay those bonds in good honest dollars. We should have sound money. We should not return to deficit financing, and I am afraid we will if that bill becomes law. It is inflationary.

This bill, instead of relieving the taxpayers of a burden, imposes additional taxes. We could pay $5,000,000,000 on the national debt and stop that much interest. By the time long-term Government bonds are paid, we pay as much in interest as we pay in principal. Therefore, it is doubling the burdens upon the taxpayers of this country.

The SPEAKER. The time of the gentleman from Texas has expired.

THE TAX BILL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the record on the bill H. R. 4790, the tax bill passed today.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, we were called upon today to make a decision which will have an important bearing on the welfare of this country. These are grave and critical times. We must make every effort to buttress democracy throughout the world. Mere talk will not save the countries which are even now teetering on the brink of communism. They must be helped to the best of our ability and they must be shown that we mean to prepare for the defense of our way of life.

The tax reduction bill which the President has vetoed, if finally enacted into law, will weaken the country's financial strength by $5,000,000,000 a year. We cannot reduce taxes by this huge sum and, at the same time, provide the funds required for the Marshall plan, for military preparedness, and for an adequate installment on the public debt.

Sponsors of H. R. 4790 argue that they will vote to increase taxes if and when it is required. Our requirements for large amounts of revenues are immediate needs. The House has already authorized the expenditure of over $4,000,000,000 in the next fiscal year for the rehabilitation of democratic countries throughout the world. The President has requested further increases in expenditures to pay for universal military training, selective service, and modernization of our Air Forces. Increased payments to veterans amounting to several hundred million dollars have been authorized by the Congress. A temporary cost-of-living increase in the pay of Government workers is under consideration. All these funds are required now, not in some distant future. I can only conclude from the arguments of the sponsors of H. R. 4790 that, should taxes be increased after H. R. 4790 is passed, the increase would not be borne by the high-income groups who benefit so handsomely from the provisions of this bill.

The individual income-tax provision of H. R. 4790 would reduce the tax of a family of four by $90 if it has a net income of $3,000, by $157 if it has a net income of $5,000, by $501 if it has a net income of $10,000, by $3,046 if it has a net income of $25,000, by $16,658 if it has a net income of $100,000, and by $69,536 if it has a net income of $1,000,000. In these critical times when the need for funds is so great, the tax reduction to the highest-income families is unwarranted.

Aside from the inequities contained in the individual income-tax provisions of the bill, there are outrageous hand-outs to the wealthy families who are subject to the estate and gift taxes. In total the estate and gift tax liabilities are reduced by 30 percent. In particular cases the tax reduction accruing to some wealthy individuals will amount to even greater percentages. In effect, the estate and gift splitting device incorporated in the bill will raise the estate-tax exemption from $60,000 to $120,000, and the gift-tax exemption from $30,000 to $60,000.

These windfalls are justified by the sponsors of H. R. 4790 on the ground that they are required for tax equalization. It is obvious that to the sponsors of H. R.

4790 the term "tax equalization" is synonymous with huge windfalls for the wealthy.

I ask the sponsors of H. R. 4790, who say that they will vote for the increased taxes if they should be required by the grave international situation and difficult economic circumstances at home, whether they are prepared to restore the taxes on the wealthy which they have reduced so drastically by H. R. 4790?

The President's veto message clearly stated the reasons for rejecting H. R. 4790. Tax reduction would encourage inflation and would bring greater hardship to our people. Tax reduction endangers the soundness of our national finances at a time when we must shoulder heavy responsibilities for the maintenance of peace in the world. Moreover, tax reduction in accordance with the provisions of H. R. 4790 means windfalls to the wealthy.

H. R. 4790 cannot be justified on any ground. International, economic, fiscal, and equity consideration demand that the President's veto of this bill be sustained.

STATEMENT ON VETO OF THE TAX BILL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. DINGELL] may extend his own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DINGELL. Mr. Speaker, it has been appropriately observed that H. R. 4790 should be entitled "An act to borrow money and reduce taxes." The public debt is now $253,000,000,000. By July 1, 1948, it will be further reduced to about $251,000,000,000. Yet, if this tax bill becomes law, as I understand the President, even if the most favorable economic conditions and revenue receipts are assumed, the public debt as of July 1, 1949, will be at least $252,000,000,000, or one billion greater than at the beginnig of the preceding fiscal year.

To try to hide this fact, the majority party has inserted in the foreign-assistance bill a fiscal sleight-of-hand provision calling for a paper transfer of $3,000,000,000 of 1949 expenditures under the European recovery program against 1948 revenues.

The bald truth, however, cannot be so easily evaded. How would the Republicans juggle the governmental accounts in 1950 to cover up their shortages?

The honest answer is to admit to the American people that heavier expenditures are now a realistic necessity. Increased benefits to veterans, assistance to foreign countries, and authorized appropriations to bring the armed forces up to authorized and proper strength, as the President has stressed, all cry for maintenance of present tax levels. Other proposals, such as deserved salary raises for Federal employees, would mean an increase in the President's budget. He now estimates that these additional programs already confronting Congress would result in an increase in expenditures of at least $3,500,000,000 above the January estimates. For 1950 the increased expenditures from these programs will total $5,500,000,000.

Mr. Speaker, I insert at this point a break-down in summary of these additional expenditures not contained in the President's budget:

INCREASE IN 1949 EXPENDITURES SET FORTH IN PRESIDENT'S TAX MESSAGE

In the veto message on the tax bill, the President stated that expenditures for 1949 would probably be $3,500,000,000 higher than the original estimate. These major increases which now appear probable are as follows:

For foreign aid, because of increases in the aid program for China, Greece, and Turkey	$400,000,000
For employees' pay (which amount is lower than the cost of either the bill reported by the Senate committee or the House subcommittee)	500,000,000
Tax refunds under the tax bill	500,000,000
For legislation which in-increased veterans' allowances	150,000,000
For additional expenditures for Army, Navy, and Air Force, as outlined in the President's letter of April 1	1,700,000,000
For increased expenditures for UMT and selective service	300,000,000
Total	3,550,000,000

What the expenditure requirements may be for 1950 nobody can predict with any degree of certainty. The importance of keeping the tax structure at present levels, however, should be evident to anyone who has seen estimated expenditures jump from $39,700,000,000 in January to $43,200,000,000 less than 3 months later.

And in 1950 there will be no surplus from a preceding fiscal year from which the Government may borrow to meet current needs. Even the sharpest accounting practices will be of no avail.

Mr. Speaker, I want to emphasize H. R. 4790—the bill to borrow money and reduce taxes—should not have been passed.

SPECIAL ORDER GRANTED

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Wednesday next, after the legislative program of the day.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a telegram, together with his reply.

Mr. FORAND asked and was given permission to extend his own remarks in the RECORD.

Mr. LICHTENWALTER (at the request of Mr. HALLECK) was given permission to extend his own remarks in the RECORD.

Mr. GWINN of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the American Slovakian newspaper.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and to include a recent newspaper article from the Binghamton (N. Y.) Sun.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a letter.

VETO OF THE TAX BILL

Mr. DOUGHTON. 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 North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, one of the principal grounds of the President for vetoing H. R. 4790 is that world conditions are so unsettled as to make necessary vast new expenditures for military preparedness and for increased international commitments. I appreciate full well the gravity of our relations with the Soviet Union. I know that expenditures may have to be increased to expand the Air Forces and to build up the armed services to the authorized strength. But I am convinced, whatever the revenue requirements of the Federal Government may be, that the tax bill vetoed by the President provides a sounder basic framework upon which to levy additional taxes.

H. R. 4790 is a tax-revision bill in two important respects: First, it eliminates the long-standing discrimination against married persons residing outside the community-property States. Under this discrimination a married couple in North Carolina with net income before personal exemption of $5,000 earned entirely by the husband pays $38 more in taxes than does a married couple with similar income residing in the State of Texas. The North Carolina couple with an $8,000 income pays $190 more in taxes; a $50,000 couple pays $6,071 more; and the lucky $500,000 couple pays $23,921 more. I contend that this discrimination is intolerable.

I introduced a bill in the first session of the present Congress to eliminate the problem, and even stated that I would never vote for another general tax bill that did not correct this discrimination.

Second, in view of the present high cost of living, it seems to me that a $600 personal exemption represents a minimum level of subsistence below which the Government should not go in collecting taxes. It is my understanding that increasing the personal and dependency exemption from $500 to $600 per capita will remove from the rolls about 6,000,000 of the lowest-income taxpayers.

Since over half of the loss in revenue resulting from this bill is utilized in the establishment of a more equitable tax structure, I believe that it should be enacted regardless of what the prospective expenditures of the Government may be. If tax rates later have to be in-

creased to avoid deficit financing, this eventuality can then more safely and equitably be met by the Congress.

The President in none of his three veto messages, so far as I can recall, has recommended the elimination of the discrimination under present tax laws in favor of married persons residing in community-property States and against married persons in common-law States. Anyone assuming to advise Congress on tax matters who does not recognize this discrimination and recommend a correction, does not carry much weight with me on tax matters.

EXTENSION OF REMARKS

Mr. HARDY asked and was given permission to extend his remarks in the RECORD.

RELIGION OR ATHEISM

Mr. KERSTEN of Wisconsin. 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 Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, a few minutes ago a gentleman addressed the House on the subject of aid to education, stating that that bill would be a great means of combating communism. In that regard, as a Member of the Committee on Education and Labor, I wish to remark concerning what I conceive to be a tragic decision of the Supreme Court in the McCollum case, in which the Court makes it impossible for our educational system to provide for any kind of general religious instruction for our public-school children.

When we realize, Mr. Speaker, that the main issue involved in the world today is the great basic issue of atheism as against belief in God; realizing that Lenin himself said that communism is coextensive with atheism, and that that is the real issue today. When we have a situation in our country where our highest Court states that the children of our country cannot receive any kind of general religious education by fair arrangement, then there is something wrong with our educational system when it does not prepare our children to meet this challenge that is being presented to the American people. So I say we should do something about that if we can, and we must do something about it if we are effectively to meet the challenge that faces the United States today in combatting communism. Our educational system can be realistic only if it affords our children the means of discovering the knowledge whereby the sophistry of communism can be overcome.

CONSUMPTION OF GRAIN BY DISTILLERIES INCREASES WHILE FOOD AND FEED SUPPLIES BECOME SHORTER

Mr. REES. 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 Kansas?

There was no objection.

Mr. REES. Mr. Speaker, on numerous occasions I have called attention to the excessive amount of grain consumed by the distillers, that is so much needed for food. I have introduced legislation to stop the use of grain to distillers for a period of a year, and have pointed out that there is a supply on hand of distilled spirits to last for 3 or 4 years. In any event, the least that should be done is to limit the amount of grain for distilleries during a shortage of grain for food and for feed for livestock. It was suggested by those who did not want to impose controls that the distilleries might impose their own controls. Of course, the distilleries are not interested in reducing the use of corn that is needed for food and for feed for livestock.

Let us take a look at what has been done with reference to this matter since the first of the year.

Controls on grain to distillers expired on January 31. On February 9, the Joint Committee on the Economic Report voted unanimously to recommend the extensions of these controls, and in doing so said:

> It is estimated that the United States should endeavor to export at least 500,000,000 bushels of wheat from the crop harvested in 1947. A study of the available grain supplies in the United States as compared with the essential domestic and export requirements indicates that there can be no relaxation in our efforts to conserve grain. Although the domestic wheat crop in 1947 was 212,000,000 bushels greater than the domestic wheat crop in 1946, the current domestic and foreign demands are so great that, after providing for the carry-over of reserve stocks of wheat as of June 30, 1948, of 150,000,000 bushels required by law, only 450,000,000 bushels of wheat will be available for export in the absence of further conservation measures. The corn crop in 1947 was 850,000,000 bushels less than in 1946. Other feed grains are in extremely short supply. The amount of wheat which will be available for export will depend to a considerable extent upon the supplies of other grains available for feed, for if other grains are not available for feed, farmers will find it necessary to feed greater quantities of wheat to livestock.
>
> The saving from allocation and inventory control of the distilling industry, estimated at 30,000,000 bushels of whole grain a year (22,000,000 bushels through October 31, 1948), will make a material contribution to the supply of grain available for essential domestic and export requirements.
>
> * * * * *
>
> The committee is convinced that the shortage of grain is sufficiently evident to warrant restricting nonessential users. That, with the present large stocks of whisky, no more than a minimum addition in stocks could be justified at the present time; and that the situation cannot be solved by voluntary agreements under the provisions of Public Law 395. While the distillery industry uses corn grain primarily, it is our expectation that limitations would save an equivalent amount of wheat for human consumption.

This is a report of an unbiased committee attempting to get at the facts. It was issued in February. So far as I am able to ascertain, no action is being taken with regard to it.

Now, let us take a look at what has taken place in the meantime. During the month of February this year, distillers consumed 6,000,000 bushels of grain. It was corn and barley, mostly corn. On the 1st of February, they had on hand 513,898,216 tax gallons of distilled spirits. It is 60,000,000 gallons more than they had on hand a year ago. They produced 9,489,000 tax gallons of alcohol during January 1948 and consumed 1,700,000 bushels of needed grain in doing it. This was under the restriction of 2,500,000 bushels enforced by the Secretary of Agriculture under a law passed by Congress in December; under which the Secretary deducted excess grain they used in October.

I am informed today by officials in the Department of Agriculture that during the month of March just ended, the distillers consumed more than 8,500,000 bushels of grain produced by the farmers of this country. This grain is needed for food and for feed for livestock. So, it appears, in 2 months' time 14,500,000 bushels of grain has gone to increase an already oversupply of distilled spirits, while livestock goes to market unfinished for meat purposes because of shortage of corn. If we had controls we could have saved at least 9,000,000 bushels of this grain. I have noticed that distillers say the leavings, after they have taken the best part of the corn, is good for feed. A rather poor excuse, I think.

Mr. Speaker, because of a short production of corn last year thousands of cattle were marketed before they were fattened for meat slaughter. Corn was too scarce and too high for farmers to use it to finish the livestock as they should. So prices of meat and meat products were also higher. There is a scarcity of corn in the country right now.

Corn is the ideal animal feed. Every bushel taken out of market makes the scarcity more acute. When grain is easily obtainable farmers increase their flocks of chickens and herds of cattle. Right now farmers are not increasing flocks of chickens. This will be felt later in less egg production and high prices, and there will be less meat.

There are fewer cattle on feed than a year ago.

Mr. Speaker, we are in a bad situation. We talk of stock piles of strategic materials. At the outbreak of World War II we had on hand large stocks of industrial alcohol. The stock pile of industrial alcohol has deteriorated from 200,000,000 gallons in 1943 to 21,000,000 gallons. This is only enough to last 10 days for manufacture of rubber and other synthetics. Here is something else. We have no grain stock pile aside from 150,000,000 set aside by Congress. In the face of all this our available supplies are going to distilleries.

Here is another thing that might be of interest. Russia's best secret weapon is food grain. Russia is offering wheat and other grain to non-Communist countries of Europe in order to build friendly relations. A supply of food to people in need will accomplish more to cultivate friendship than anything else. We know that. Mr. Speaker, in view of the commitments this Congress made in approving the European recovery program, that calls for a drain on our resources—especially food—it seems to me that to permit this precious food to go to distilleries is utterly inexcusable. The most important strategic material in the world is food. We had better begin to protect its supply, and do it now.

The SPEAKER. Under previous special order of the House, the gentleman

from Alabama [Mr. HOBBS] is recognized for 30 minutes.

"IN GOD WE TRUST"

Mr. HOBBS. Mr. Speaker, most of us, if not all, agree cordially with our beloved friends the gentleman from Massachusetts [Mr. McCORMACK] and the gentleman from South Dakota [Mr. CASE] when they plan to avert war and preserve our Nation. But I believe there is another question of transcendent importance which must be answered solemnly, in that connection: Should we not see to it that our Nation continues to be worth preserving?

I have the highest regard for the Supreme Court of the United States, and for the ability and integrity of each one of the members of that Court, but I believe that they, as freely as any other American citizen, will admit they are not infallible. So, without being too critical, may I not speak of the necessity of making sure that this Nation's religious life is safe, and that the words of a decision about which our colleague the gentleman from Wisconsin [Mr. KERSTEN] has just spoken, may not be misunderstood as seeking to weaken the power that has made and preserved us a Nation, the author of liberty—our fathers' God.

Mr. Speaker, it was not until 1940 that the Supreme Court clearly enunciated the doctrine that the fourteenth amendment of our Constitution imposed on the States the duty required of Congress by the first amendment, that became a part of the Constitution in 1791. Mr. Justice Roberts, in *Cantwell* v. *Connecticut* (310 U. S. 296), held that the words of the first amendment: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof"; embraced "two concepts—freedom to believe and freedom to act."

The two latest decisions, however—the Everson and the McCollum cases—go so far beyond all former decisions as to cause the fear, if not the certitude, that the effect will be to destroy every mark that characterizes this a Nation dedicated to God, and to freedom of worship. That is why I have today struck at the root of the evil by introducing a House joint resolution repealing the fourteenth amendment. The reason that impels me to introduce that resolution stems entirely from these two latest Supreme Court opinions on this subject. I believe that it is necessary to cross that bridge once more. There are none who contend that the fourteenth amendment has fulfilled its intended mission. I know of no voice of respectable authority or standing in this Nation that has ever so contended. It has failed utterly of its intended mission, and what has happened now is that under that amendment the United States Supreme Court has upheld the erroneous claim that the States are interdicted by the first amendment, and also that the first amendment means that which was never intended. I believe that the time has come for us to acquit ourselves like men, and be strong, and face this issue squarely and to a conclusion. I want to call attention to just a few truths that are self-evident. I believe that the nub, the epitome, the essence of our problem, is this: Our forefathers came here for the priceless privilege of worshiping God, not for the purpose of ignoring Him; the essence of the religious philosophy of the United States of America has always been the absolute guaranty of freedom of religion, never of freedom from religion. God Almighty has never here been pushed from His throne.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the gentleman from Massachusetts.

Mr. McCORMACK. Not only freedom of religion, but the freedom to exercise one's religious conscience, which is very important.

Mr. HOBBS. And the corollary of that statement which I have just made—at the suggestion of my dear friend—is equally true. As Mr. Justice Roberts said in the Cantwell case, twin pillars of religious freedom; or as George Washington said, the two pillars of our safety are morality and religion, and he is vain and foolish who thinks that morality can long survive without religion. Yes, the first amendment of the Constitution says that Congress shall pass no law establishing a religion—a national church. That means giving no religion preference over any other; and the corollary, nor prohibiting to any man, woman, or child the free exercise thereof, according to his or her own conscience.

Now then, I want to call your attention very briefly in my concluding remarks to these thoughts: Our forefathers appointed a committee to design what some call our sign and seal. But, Jefferson, Franklin, and Adams were the three members of that great committee that labored to give us our sign and seal to display to the world. And, what was that? It was the American eagle. And, in reporting that decision, why did they select the American eagle? They referred to the Book of Books where, in Exodus, God said:

> Ye have seen what I did unto the Egyptians, and how I bare you on eagles' wings, and brought you unto myself.
>
> Now therefore, if ye will obey my voice indeed, and keep my covenant, then ye shall be a peculiar treasure unto me above all people—for all the earth is mine.

That was the first covenant promise, and Adams, Jefferson, and Franklin chose that as the symbol that on eagles' wings God had borne our forefathers across the flood of the Atlantic, just as He had through the Red Sea brought His first chosen people, and claimed the covenant promise which was then made by God, for this successor Nation, because we loved and revered and worshiped Almighty God.

Early we declared a day of thanksgiving to God for the first harvest that had blessed us.

So must our American eagle be struck for our currency. The pillar of cloud by day and of fire by night must be wiped off our original dollar bills, designed by that same committee, referring to the leadership they hoped and prayed for to direct this Nation all through its history. He is blind who cannot see that leading. The later, "In God we trust." Later still, the all-seeing eye of God, whereby we proclaimed on our great seal the fact that we wanted our Heavenly Father to keep us in mind and in His sight.

Then, if we follow the logic of those decisions, you will have to wipe out the oaths that have been required in our courts of every witness.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman is making one of the finest and most philosophical speeches I have ever heard in this Chamber. In connection with the motto on our coins, "In God we trust," I think it well to make a part of my friend's remarks a conversation I had 8 or 9 years ago with the late Franklin D. Roosevelt. During the course of that conversation he made a remark to me that made a profound impression on me and has never left my mind. My friend's remarks brings it back, and I repeat it on this occasion because I think it is very pertinent to the very fine speech the gentleman is now making.

At that time we were talking about communism and the late Franklin Delano Roosevelt in quoting part of a conversation he had with the Ambassador of another country said, "I said to the Ambassador that the journey that the United States takes is shown on the motto of our coins, 'In God we trust,' and I hope no neighboring country is taking any other journey because it would be considered an unfriendly act."

Mr. HOBBS. I thank the gentleman.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am so happy to yield.

Mr. KERSTEN of Wisconsin. I wish to compliment the gentleman for the very fine speech he is making. I am in thorough accord with what he says. Does not the gentleman also believe basic to our very philosophy of government is that phrase in our Declaration of Independence which recognizes that all of our rights are derived from our Creator and not from any state or political system and that it is only by that type of philosophy that we can maintain our form of government as distinguished from all these other totalitarian states and other such forms of statism where the dictator and the state bestow rights upon the people? Does the gentleman agree with that?

Mr. HOBBS. I certainly do, sir; and I believe more. I believe that the rank and file of the House of Representatives and everyone in our country believe implicitly that God is in His Heaven, although all is not right with His world. We believe that He still leads, and were it not so, if we were dependent upon our own frail minds and our own capacities there is not a one of us who would dare serve in this body. We believed that long before the Declaration of Independence was written. But I am delighted that you brought that to my mind. I agree with you, absolutely.

Now, Mr. Speaker, let me hurry on to my conclusion. Not only will oaths in court be stricken down, but when you come to qualify a witness of tender years, in every civilized land there has always

been this criterion: "Do you know God? Do you know about hell and heaven? Do you know about future blessedness and future punishment?" Those children have no hesitancy in answering that question ordinarily. But the point I am making is that if the fears that have been expressed by many are justified, we are on dangerous ground, and we will exclude some of the most wonderful witnesses that any of us who have ever worked in court know. They are the youth of our land, the young who are disqualified except by showing a knowledge of God and His truth and His promise of future reward and punishment. Then of course we will wipe out our compulsory religious exercises at Annapolis and West Point. We would wipe out every chaplain in our Army and Navy and every chaplain who has ever graced this stand here and in the other body. We have no right, so some think the meaning of this decision to be, to mention the name of Almighty God. Shall we go back to paganism and make this a pagan Nation? This Nation, founded under God and dedicated to Him, and which he has led all through the blessed days of our 150 years?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be so happy to yield to the gentleman from Massachusetts.

Mr. McCORMACK. The very origin of our way of life, our civilization, as the gentleman from Wisconsin [Mr. KERSTEN] mentioned a few minutes ago in the colloquy with the gentleman from Alabama, the very origin of democratic institutions of government, starts in God Himself; in the belief of the people in God. It is immaterial what our denomination may be, whether Catholic or Protestant or Jew, we believe in one God; whether it is God the Father; God the Father and Son; or God the Father, Son, and Holy Ghost. That is the origin of our civilization. Every civilization has its origin in some relious belief. Communism is anti-God, and that is a religious origin from a negative, destructive angle; but it is a religious origin. Every civilization that has ever existed or ever will exist will have an origin in some higher belief, whether the higher belief is in a double negative or otherwise. But ours is affirmative, and our very institutions of government and the very fact that we are here today in this Chamber—we would not be here unless the origin of our civilization was in God Himself.

May I say there are too many people who are afraid to publicly talk about God. My mind goes back over 150 years of the existence of this body. In the early days I can see men rising and professing their love of God. It would be better for us if we had more like the gentleman from Alabama in these days, who are willing to talk about God and to apply his truths to our everyday life. We would all be much better off.

Mr. HOBBS. I thank the distinguished gentleman.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the gentleman.

Mr. JOHNSON of Oklahoma. I am enjoying the remarks which the gentleman is making, but I just want to be sure in my own mind that I am getting the full import of it. What is there in the McCollum decision that disturbs the gentleman, that there is a threat to religious freedom? The gentleman mentioned two things, freedom to believe and freedom to act in pursuance thereof; freedom to worship any way you want to. What is there in that decision that disturbs the gentleman?

Mr. HOBBS. I am so glad the gentleman asked that. I will be delighted to answer him. It is because this lady, in seeking injunctive relief that she prayed for in her bill, does not claim that she was refused the right to use the classroom of the schools of Illinois to teach her boy or to have him taught at her own expense that there is no God. She does not claim that. In fact, the testimony given in the trial by herself and her son, shows there was no embarrassment, but rather they were proud of the fact that they were atheists. So that negatives another mudsill factor in the decision. But what worries me in this decision is that it grants the injunction she sought.

Mr. JOHNSON of Oklahoma. Her point was, as I remember it, that when she went to the public school she felt she did not want to be taught a class in religion.

Mr. HOBBS. Oh, I beg the gentleman's pardon.

Mr. JOHNSON of Oklahoma. I am asking for information.

Mr. HOBBS. I am delighted that the gentleman is pursuing that line of interrogation because I am so happy to answer it.

No; the Champaign plan pursued in the schools there did nothing of the kind. No one could go to any class of religious instruction without the written consent of his parents. The only thing that was complained of was that her boy, according to the rules of the school, devoted his study period to the study of, let us say, mathematics, or English, during the time that those children whose parents had requested such instruction by a priest, a rabbi, or a Protestant minister, paid by the people of their communion, were being taught those things in other classrooms. In other words, there was no compulsion, there was no attempt even to influence this McCollum boy, and he so swore.

Mr. JOHNSON of Oklahoma. But, mark you, the effect of it was to deny to others the right to voluntarily have those exercises.

Mr. HOBBS. Oh, no, sir. Such voluntary classes as any believer might wish to set up for his or her offspring was perfectly free to use a separate schoolroom.

My answer, summing up, is that I maintain that from the earliest dawn of our history it has been the right of a sovereign people who are the only king in our democracy to use the facilities of the schools for any kind of meeting they cared to put them to; and this is all that the Champaign plan is, the legitimate use, never before condemned, where the elements of constitutional accord are as clear as they are here.

All I am contending is that any State should have the right which was freely granted long before the Revolution and for a hundred years afterward.

These decisions are based on this one major premise, if I read them correctly, Thomas Jefferson's quoted statement that there must be a wall of separation between church and State. We all agree with that if it be understood to mean what Jefferson meant. But Jefferson, himself, when he made that statement in a private letter to a friend, later explained it, and when he was regent of the University of Virginia, which he created, he asked for religious instruction according to tenets of the different sects in the classrooms of the University of Virginia.

So, the basis of these two decisions seems erroneous, but with the utmost respect, we may be wrong in our interpretation, I say we tread on dangerous ground when we think further that in addition to all these other elements of danger that I have mentioned you must strike down Sunday. What right have we to say to a devout Jew who pays a license to the city to run a store: "You have got to close down on Sunday." He worships the same God, and believes in his religion just as firmly as anybody. He follows his faith and closes on Saturday. What right have we to close his store on Sunday, and to deny him that privilege which we licensed him to exercise? We know the answer of the Frolichstein case, but these recent Supreme Court decisions are based upon entirely different grounds.

It means that we have got to give up our Christian Sabbath. It means that we have got to surrender our Sunday, and in addition to that Christmas must go. There is another thing many of us have overlooked. We have got to cease exempting religious bodies from taxation. There is no escape from that conclusion, as it has been held many times that exemptions are the equivalent of appropriations. If you are excused from paying your ad valorem share of the tax burden, some other taxpayers must pay more than their share.

Mr. Speaker, those are some of the dangers we face. May God grant us the power to answer them and the answer I am proposing is simply to free the States again, as they were in the first hundred years of this Government, from the shackles of that tyranny from which our system of dual sovereignties was supposed to keep the States free.

The SPEAKER. The time of the gentleman from Alabama has expired.

CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of committees in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. ALLEN of California (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 472. An act to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; to the Committee on Education and Labor.

S. Con. Res. 46. Concurrent resolution providing for the printing of additional copies of Senate Report No. 986, on Labor-Management Relations; to the Committee on House Administration.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p. m.), under its previous order, the House adjourned until Tuesday, April 6, 1948, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

JANUARY 14, 1948.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII I, Hon. L. MENDEL RIVERS, move to discharge the Committee on Agriculture from the consideration of the bill (H. R. 2245) entitled "A bill to repeal the tax on oleomargarine," which was referred to said committee February 26, 1947, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. L. Mendel Rivers.
2. Thomas G. Abernethy.
3. Joseph R. Bryson.
4. Walter B. Huber.
5. Melvin Price.
6. W. M. (Don) Wheeler.
7. John J. Riley.
8. John L. McMillan.
9. Abraham J. Multer.
10. Thomas S. Gordon.
11. Vito Marcantonio.
12. Arthur G. Klein.
13. Frank M. Karsten.
14. Edward A. Garmatz.
15. Glen B. Johnson.
16. Toby Morris.
17. W. J. Bryan Dorn.
18. M. M. Redden.
19. Frank W. Boykin.
20. Michael A. Feighan.
21. Thomas J. Lane.
22. Porter Hardy, Jr.
23. Carl Albert.
24. J. P. Richards.
25. John Lesinski.
26. W. D. Mills.
27. Herman P. Eberharter.
28. Laurie Battle.
29. Robert E. Jones, Jr.
30. Carter Manasco.
31. E. C. Gathings.
32. Otto E. Passman.
33. George A. Smathers.
34. Hale Boggs.
35. Louis Ludlow.
36. J. Hardin Peterson.
37. Albert Rains.
38. W. G. Stigler.
39. Prince H. Preston.
40. Robert Crosser.
41. Henry D. Larcade, Jr.
42. John D. Dingell.
43. John J. Kennedy.
44. A. Leonard Allen.
45. George P. Miller.
46. Franck R. Havenner.
47. Aime J. Forand.
48. John E. Fogarty.
49. Harold D. Donohue.
50. Frank Buchanan.
51. Henderson Lanham.
52. Preston E. Peden.
53. Andrew L. Somers.
54. Dwight L. Rogers.
55. John Bell Williams.
56. Emanuel Celler.
57. Harry R. Sheppard.
58. Tom Murray.
59. Orville Zimmerman.
60. James C. Davis.
61. Arthur Winstead.
62. Joe Hendricks.
63. George G. Sadowski.
64. Clark W. Thompson.
65. Augustine B. Kelley.
66. Chet Holifield.
67. Helen Gahagan Douglas.
68. Leo Isacson.
69. Edward J. Hart.
70. Jamie L. Whitten.
71. Walter A. Lynch.
72. Emory H. Price.
73. Carl Vinson.
74. Sol Bloom.
75. E. Wallace Chadwick.
76. Charles K. Fletcher.
77. Ellsworth B. Buck.
78. Gordon Canfield.
79. E. H. Hedrick.
80. Wright Patman.
81. Chester E. Merrow.
82. Harry L. Towe.
83. T. Millet Hand.
84. Charles B. Deane.
85. Clifford P. Case.
86. Brooks Hays.
87. Ken Regan.
88. E. A. Mitchell.
89. Philip J. Philbin.
90. Sam Hobbs.
91. Georgia L. Lusk.
92. Bob Sikes.
93. Thomas L. Owens.
94. John W. McCormack.
95. James C. Auchincloss.
96. Gordon L. McDonough.
97. Mary T. Norton.
98. Overton Brooks.
99. William J. Miller.
100. William T. Byrne.
101. Frederick A. Muhlenberg.
102. John McDowell.
103. A. J. Sabath.
104. Thomas E. Morgan.
105. Francis E. Walter.
106. Cliff Davis.
107. Oren Harris.
108. Thomas J. O'Brien.
109. George W. Sarbacher, Jr.
110. John J. Delaney.
111. Cecil R. King.
112. Fadjo Cravens.
113. E. E. Cox.
114. Robert M. McGarvey.
115. J. Frank Wilson.
116. Claude I. Bakewell.
117. George H. Fallon.
118. A. C. Powell, Jr.
119. W. F. Norrell.
120. Harold F. Youngblood.
121. S. O. Bland.
122. Edward J. Elsaesser.
123. James E. Van Zandt.
124. James G. Fulton.
125. Mitchell Jenkins.
126. Charles A. Buckley.
127. O. C. Fisher.
128. Richard B. Vail.
129. W. Howes Meade.
130. James J. Heffernan.
131. Jacob K. Javits.
132. Donald L. O'Toole.
133. George H. Bender.
134. James P. Scoblick.
135. John S. Wood.
136. Fred E. Busbey.
137. W. G. Andrews.
138. J. E. Rankin.
139. Hardie Scott.
140. William M. Colmer.
141. John C. Kunkel.
142. Robert J. Twyman.
143. John A. Carroll.
144. Mike Mansfield.
145. Ray J. Madden.
146. A. Sidney Camp.
147. Martin Gorski.
148. Richard Nixon.
149. Franklin J. Maloney.
150. Homer A. Ramey.
151. Carl Hinshaw.
152. Ellsworth B. Foote.
153. Harvey Tibbott.
154. Hugh D. Scott, Jr.
155. Richard J. Welch.
156. William E. Hess.
157. Charles H. Elston.
158. H. A. Coffin.
159. John Davis Lodge.
160. Mike Monroney.
161. Fred A. Hartley, Jr.
162. Charles R. Clason.
163. Joseph L. Pfeifer.
164. Ivor D. Fenton.
165. Eugene J. Keogh.
166. James Gallagher.
167. Christian A. Herter.
168. Roy Clippinger.
169. Frank A. Mathews, Jr.
170. David M. Potts.
171. Donald W. Nicholson.
172. James Domengeaux.
173. Herbert C. Bonner.
174. Margaret Chase Smith.
175. Homer D. Angell.
176. John E. Lyle.
177. Robert J. Corbett.
178. William L. Dawson.
179. W. R. Poage.
180. Omar Burleson.
181. Lindley Beckworth.
182. Milton H. West.
183. Lyndon B. Johnson.
184. Rolla C. McMillen.
185. Jere Cooper.
186. Paul Brown.
187. Olin E. Teague.
188. J. T. Patterson.
189. Frances P. Bolton.
190. J. W. Trimble.
191. Sam Rayburn.
192. Samuel K. McConnell, Jr.
193. Clair Engle.
194. John R. Murdock.
195. George Mahon.

196. John H. Kerr.
197. A. L. Bulwinkle.
198. Albert Thomas.
199. E. G. Rohrbough.
200. J. Percy Priest.
201. L. H. Gavin.
202. Estes Kefauver.
203. J. Vaughan Gary.
204. C. Jasper Bell.
205. Charles A. Wolverton.
206. Albert L. Reeves, Jr.
207. W. J. Crow.
208. Carl T. Durham.
209. Graham A. Barden.
210. William M. Whittington.
211. A. M. Fernandez.
212. F. Edward Hébert.
213. John W. Flannagan.
214. W. M. Abbit.
215. Harold D. Cooley.
216. Hamilton C. Jones.
217. Ed Gossett.
218. Wingate H. Lucas.

This motion was entered upon the Journal, entered into the CONGRESSIONAL RECORD with signatures thereto, and referred to the calendar of motions to discharge committees, April 2, 1948.

EXECUTIVE COMMUNICATIONS, ETC.

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

1436. A communication from the President of the United States, transmitting his proposal with regard to a permanent Reorganization Act of 1945 (H. Doc. No. 590); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1437. A letter from the Secretary, Department of the Air Force, transmitting a draft of a proposed bill to establish the Office of the Inspector General, United States Air Force, and for other purposes; 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. REES: Committee on Post Office and Civil Service. Report on survey and study of the postal service filed pursuant to House Resolution 176; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the State of the Union.

CHANGE OF REFERENCE

Under clause 3 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 582) to amend the Soldiers' and Sailors' Civil Relief Act of 1940 so as to guarantee to persons after their period of military service certain rights with respect to employment; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 3137) to provide that the Soldiers' and Sailors' Civil Relief Act of 1940 shall not apply to divorce proceedings; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 3808) to make inapplicable to future actions and proceedings section 200 (1) and (2) of the Soldiers' and Sailors' Civil Relief Act of 1940, relating to default judgments; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 4584) to provide that the Soldiers' and Sailors' Civil Relief Act of 1940 shall not apply to divorce proceedings; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. DIRKSEN:

H. R. 6106. A bill to amend the act of December 20, 1944, to provide for the issuance, without examination, of licenses to certain persons to engage in business; to the Committee on the District of Columbia.

By Mr. KEARNEY:

H. R. 6107. A bill to amend part I and part II of Veterans' Regulation No. 1 (a), as amended, to increase death compensation rates for dependents of deceased war veterans and to increase peacetime disability and death compensation rates to 90 percent of the wartime rates; to the Committee on Veterans' Affairs.

By Mr. MULTER:

H. R. 6108. A bill to equalize income-tax revenues, and for other purposes; to the Committee on Ways and Means.

H. R. 6109. A bill to terminate certain wartime and other excise-tax rates; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 6110. A bill to permit the landing of halibut by Canadian fishing vessels to Alaskan ports, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COLMER:

H. R. 6111. A bill to repeal the war-tax rate on toilet preparations; to the Committee on Ways and Means.

H. R. 6112. A bill to repeal the war-tax rate on certain admissions; to the Committee on Ways and Means.

By Mr. MURRAY of Wisconsin:

H. R. 6113. A bill to transfer certain land in Langlade County, Wis., to the United States Forest Service; to the Committee on Agriculture.

By Mr. PACE:

H. R. 6114. A bill to amend title I of the Bankhead-Jones Farm Tenant Act, as amended, so as to increase the interest rate on title I loans, to provide for the redemption of nondelinquent insured mortgages, to authorize advances for the preservation and protection of the insured loan security, and for other purposes; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts:

H. R. 6115. A bill to authorize assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. WOLVERTON:

H. R. 6116. A bill to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 6117. A bill to increase the compensation of new employees in the field service of the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HOBBS:

H. J. Res. 364. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KLEIN:

H. J. Res. 365. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. POTTS:

H. J. Res. 366. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. J. Res. 367. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. GAMBLE:

H. Res. 519. Resolution authorizing the printing of additional copies of the factual analysis on housing entitled "Housing in America" for the use of the Joint Committee on Housing; to the Committee on House Administration.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States with respect to a change in the Federal internal-revenue laws relating to traffic in alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ALLEN of California introduced a bill (H. R. 6118) for the relief of the widow of Frank E. Chaffin, which was referred 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:

1718. By Mr. ANDREWS of New York: Resolution adopted by the religious and adult education committees of the First Unitarian Church of Buffalo, N. Y., beseeching the Congress to formulate and pass as rapidly as possible appropriate measures to implement the recommendations of the report of the President's Committee on Civil Rights entitled "To Secure These Rights," and pledging full cooperation in the abolition of prejudice and the promotion of civil liberties in their own church and lives; to the Committee on the Judiciary.

1719. By Mr. BAKEWELL: Petition of the House of Representatives, State of Missouri, petitioning Congress of the United States to create and maintain Jefferson Barracks as a national park; to the Committee on Public Lands.

1720. By Mr. ELSTON: Petition of Mary E. Schulte and 17 other residents of Cincinnati, Ohio, supporting passage of legislation to reduce postal rates on relief packages mailed to worthy and needy peoples of European countries; to the Committee on Post Office and Civil Service.

1721. Also, petition of Jeanne Schiller and 30 other residents of Cincinnati, Ohio, urging support of legislation to provide for universal military training; to the Committee on Armed Services.

1722. Also, petition of Bernard J. Naberhaus and 17 other residents of Cincinnati, Ohio, urging the passage of legislation to reduce postage on relief packages mailed to certain European countries; to the Committee on Post Office and Civil Service.

1723. By Mr. LECOMPTE: Petition of Miss Inez Dell Auld, Kirkville, Iowa, and members of the Kirkville Methodist Church School, in the interest of the Capper bill, S. 265, and H. R. 4983 to prevent the use of the facilities controlled by the Federal Government in advertising alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

1724. Also, petition of Miss Inez Dell Auld, Kirkville, Iowa, and members of the Kirkville Methodist Church School, in the interest of

the Stratton bill, H. R. 2910, to permit the entrance of 100,000 displaced persons to the United States each year over a 4-year period; to the Committee on the Judiciary.

1725. By Mr. SMITH of Wisconsin: Resolution by Wisconsin Conservation Commission, opposing House Joint Resolution 78 and any or all subsequent bills or resolutions of a similar nature designed to create additional channels for the entertainment and commercial broadcasting service by any means which would decrease the number of channels assigned to the mobile emergency service or render those channels unusable through cross interference; to the Committee on Interstate and Foreign Commerce.

1726. By the SPEAKER: Petition of the clerk of the Municipal Council, Unalaska, Alaska, petitioning consideration of their resolution with reference to the restoration of mail and freight and passenger service for the Alaska Peninsula; to the Committee on Post Office and Civil Service.

1727. Also, petition of Emma E. Harris and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, APRIL 6, 1948

(Legislative day of Monday, March 29, 1948)

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

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

O God, who hast made of one blood all the nations of mankind, so that all are kinsmen, forgive the selfishness that ignores the ties which Thou hast established.

We pray today for the people of Italy that they may be guided in the grave decisions they shortly must make.

May Thy will be done in that ancient land.

Save Thy people there from intimidation and coercion, and give them the courage of true faith in democracy that they may be free.

May we in this free land esteem more highly our liberties, in the light of the price others are called upon to pay. For Jesus' sake. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of Friday, April 2, 1948, was dispensed with, and the Journal was approved.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 3, 1948, he presented to the President of the United States the enrolled bill (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

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 April 3, 1948, the President had approved and signed the act (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, for such terms of years and on such conditions as may be from time to time provided by the legislatures of the respective States, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

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

SUPPLEMENTAL ESTIMATE—DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION (S. DOC. NO. 141)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, Bureau of Reclamation, amounting to $3,000,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATION FOR DEPARTMENT OF JUSTICE (S. DOC. NO. 140)

A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of Justice, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

EXTENSION OF PROVISION OF GOVERNMENT CORPORATION CONTROL ACT TO FEDERAL HOUSING ADMINISTRATION

A letter from the Administrator of the Housing and Home Finance Agency, transmitting a draft of proposed legislation to amend the Government Corporation Control Act to extend the provisions of that act to the Federal Housing Administration (with an accompanying paper); to the Committee on Banking and Currency.

TRANSFER BY NAVY DEPARTMENT OF A SUBMARINE CHASER TO ADMIRAL BILLARD ACADEMY, INC.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Admiral Billard Academy, Inc., of New London, Conn., had requested the Navy Department to transfer a submarine chaser to that academy for use in training students; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Resolution 11

"Joint resolution relative to California wildlife conservation program

"Whereas the State of California has appropriated the sum of $9,000,000 to initiate a program dedicated to the conservation of the wildlife of the State; and

"Whereas there are at present no United States Government funds available to defray its cost of cooperation with said program of the State of California; and

"Whereas the wildlife of the State of California represents an important part of the resources of the United States and its conservation is of great importance to the Nation as a whole; and

"Whereas there now are pending in the Federal Congress two bills; that is, H. R. 3802, introduced by Congressman KERSTEN, and H. R. 107, introduced by Congressman LEA, which bills must be enacted before said California wildlife conservation program may become fully effective: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully urges and memorializes the Congress of the United States to enact H. R. 3802 and H. R. 107; and be it further

"Resolved, That the secretary of the senate be directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"Assembly Joint Resolution 3

"Joint resolution relative to memorializing the President and the Congress of the United States in relation to the retention of the National Guard under State control

"Resolved by the Assembly and the Senate of the State of California (jointly), That the President and the Congress of the United States are hereby respectively urged and memorialized to continue the existence of the National Guard as now organized, and to oppose all plans for the amalgamation and combination of the National Guard with other organized reserves of the United States which would result in removing the National Guard from State control; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Post Office and Civil Service:

"Assembly Joint Resolution 9

"Joint resolution relative to memorializing Congress to provide a wage increase for postal-service employees

"Whereas the United States postal employees constitute an essential, loyal, and large group of workers throughout the United States; and

"Whereas the present salaries of such employees are inadequate to meet the increased cost of living and to maintain a standard of living commensurate with the dignity, the duties, and the responsibilities of public servants; and