

EXECUTIVE COMMUNICATIONS, ETC.

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

1470. A letter from the Acting Secretary of the Navy, transmitting a report of proposed transfer to the State of New Jersey of two picket boats without engines; to the Committee on Armed Services.

1471. A communication from the President of the United States, transmitting revised estimates of appropriation for the fiscal year 1949 involving an increase of \$20,341,879 in cash and \$44,822,000 in contract authorization, together with certain proposed provisions and increases in limitations for the United States Maritime Commission, in the form of amendments to the budget for said fiscal year (H. Doc. No. 618); to the Committee on Appropriations and ordered to be printed.

1472. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend the act entitled "An act regulating the retent on contracts with the District of Columbia," approved March 31, 1906; to the Committee on the District of Columbia.

1473. A letter from the Chairman, United States Maritime Commission, transmitting the Third Report of Alaska Ocean Transportation Activities; to the Committee on Merchant Marine and Fisheries.

1474. A letter from the Postmaster General, transmitting a draft of a proposed bill for the relief of Edwin B. Anderson; to the Committee on the Judiciary.

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. COLE of Missouri: Committee on Post Office and Civil Service. H. R. 5272. A bill relating to the compensation of certain railway postal clerks; without amendment (Rept. No. 1752). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. House Resolution 522. Resolution directing the Secretary of Commerce to transmit to the House of Representatives a certain letter with respect to Dr. Edward U. Condon, Director of the National Bureau of Standards; without amendment (Rept. No. 1753). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. DIRKSEN:

H. R. 6267. A bill to repeal sections 1, 2, and 6 of the act of June 23, 1944; to the Committee on Post Office and Civil Service.

By Mr. GEARHART:

H. R. 6268. A bill to amend sections 124 and 3780 of the Internal Revenue Code to extend the time for filing applications for tentative adjustment in certain instances; to the Committee on Ways and Means.

By Mr. JENKINS of Pennsylvania:

H. R. 6269. A bill to provide for review of military and naval records in World War I, and issue of decorations, medals, and awards in deserving cases; to the Committee on Armed Services.

By Mr. LEMKE:

H. R. 6270. A bill to create and establish an international university for the purpose of promoting universal understanding, justice, and permanent peace, to provide for the course of study, management, and operation of the university, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BATES of Massachusetts:

H. Res. 544. Resolution requesting the President not to proclaim rates of duty listed in schedule XX of the General Agreement on Tariffs and Trade signed at Geneva, Switzerland, on October 30, 1947; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. KNUTSON:

H. R. 6271. A bill for the relief of Robert F. Giblin; to the Committee on the Judiciary.

By Mr. PLUMLEY:

H. R. 6272. A bill for the relief of Phil H. Hubbard; 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:

1792. By Mr. BLOOM: Petition of members of the West Side Chapter of Americans for Democratic Action, consisting of 2,000 names, protesting the United States position on the Palestine question and urging a continued fight for the immediate lifting of the arms embargo to Palestine and establishment of a United Nations police force to insure peace in the Holy Land; to the Committee on Foreign Affairs.

1793. By the SPEAKER: Petition of Hughes Robert Hilliard, petitioning consideration of their resolution with reference to change of venue; to the Committee on the Judiciary.

1794. Also, petition of Ralph Kuether and others, petitioning consideration of their resolution with reference to defeat of universal military training; to the Committee on Armed Services.

1795. Also, petition of Dr. Allen S. Horn and others, petitioning consideration of their resolution with reference to reconsidering its rejection of the partition plan; to the Committee on Foreign Affairs.

1796. Also, petition of Michael Roob and others, petitioning consideration of their resolution with reference to investigation of the war-crime trials that are now going on; to the Committee on Armed Services.

1797. Also, petition of the Townsend Club, Jacksonville, 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.

1798. Also, petition of Miss Anne M. Schafer, 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.

1799. Also, petition of Mrs. Bertha M. Miller, Orlando, 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.

1800. Also, petition of Miss Lizzie E. Beers, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, APRIL 20, 1948

(Legislative day of Monday, March 29, 1948)

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

Rev. Oscar F. Blackwelder, pastor of the Lutheran Church of the Reforma-

tion, Washington, D. C., offered the following prayer:

O God, source of life and light, we turn to Thee today for help in facing the pressing problems of our Nation. Remind us, our Father, that we are not owners and proprietors of this planet but only Thy guests for a few years. Grant to those in all places of public trust Thy guidance and strength.

In this moment of quiet and prayer, we especially ask Thy presence in the minds and work of the Members of the Senate. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 19, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On April 15, 1948:

S. 111. An act for the relief of Donat and Laura Laroche;

S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County;

S. 1235. An act for the relief of Merchants Motor Freight;

S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct;

S. 1581. An act to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army base, and for other purposes; and

S. 1799. An act to amend the act of June 3, 1916, as amended, to make it applicable to the Canal Zone, Guam, American Samoa, and the Virgin Islands.

On April 17, 1948:

S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands.

THE NATIONAL LABOR RELATIONS BOARD

Mr. IVES. Mr. President, the Senate very likely is well acquainted with the work now being carried on by the Joint Congressional Committee on Labor-Management Relations. This committee has sometimes been referred to as the watchdog committee, and perhaps properly so. One of its chief functions has been to determine the course of policy and procedure which has been and is being established by the National Labor Relations Board and the General Counsel under the Labor-Management Relations Act which was passed last year.

In this connection, I point out, Mr. President, that there is much more to management-labor relations than the law itself. Under the terms of the act which Congress passed last year, a new relationship, insofar as such a relationship can be established by law, was instituted between labor and management; and, as I see it, the law itself is now demonstrating its worth.

However, as I have indicated, there is much more to this relationship than ap-

appears in the context of the statute itself. Much is dependent on the spirit with which the law is being carried out, and with reference to that aspect I take this opportunity to commend the National Labor Relations Boards and the General Counsel for their efforts to carry out not only the letter of the law itself, but the spirit of the law.

To be sure, small errors may have been committed in the matter of policy, but these have been corrected as time has passed. New policies have been adopted to meet new conditions. Of necessity, new procedures have been instituted. But on the whole the general approach has been sound and fair, and the work thus far accomplished by this agency of the Government has been most commendable.

I suggest, however, Mr. President, as I have stated, that there is much more than the law itself and the mere terms of the law. There is the spirit to which I have made mention. If labor relations in this country are to be of a type that we want in the United States, this condition can be brought about only through a state of mind and the philosophy which underlies not only the law but the day-to-day relationship between workers and employers. It is in that field, fully as much as in the field of policy and of procedure, that the National Labor Relations Board today is making an outstanding record.

Mr. President, I wish to insert at the conclusion of these brief remarks an address entitled "The New Duties of the National Labor Relations Board," delivered last night by the Board's Chairman, Mr. Paul M. Herzog, before the Town Hall in Los Angeles, Calif. It should be read by everyone who has any interest whatever in the question of labor relations; indeed, it is well worthy of consideration—careful and studied consideration—by every person in the United States. For this reason, Mr. President, I ask that Mr. Herzog's address be inserted at this point in the body of the RECORD.

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

The address is as follows:

Three thousand miles away, at this very moment, the citizens of Massachusetts are celebrating the one hundred and seventy-third anniversary of the shot heard round the world, the first volley fired for liberty at the Battle of Lexington. And 6,000 miles from here men and women are scanning the results of an election that may well determine whether parliamentary democracy is to survive on the continent of Europe. Only time can tell which date will be better remembered by future generations, the one that presaged the birth of democracy in the New World or the one that will mark its rebirth or its dissolution in the Old.

The concept of government with, and only with, the consent of the governed lies at the foundation of democracy. It also forms the foundation of that system of employer-employee relations known as collective bargaining, whose encouragement was the prime purpose of the Wagner Act and is still one of several purposes of the new Taft-Hartley law. In modern industrial society, no matter how generous the instincts of employers, the individual employee has little opportunity to participate in fixing the terms of his hire unless he is free to decide whether to pool his economic strength with his fellows. Nor will

he be worthy of that hire unless his dignity as an individual is respected, both by his employer and by those union officials he may select to represent him.

For the past 15 years Congress and the White House have been deeply concerned with this problem. Congress thought legislation necessary, first to foster collective bargaining and remove obstacles that employers had put in its path, and more recently also to discourage certain conduct by labor organizations that it believed inconsistent with the public interest. The pendulum has swung so rapidly in one direction or another that those affected have sometimes felt that it has actually swung to one extreme or the other. To those who called the Wagner Act class legislation, as well as to those who call the Taft-Hartley Act a slave-labor law, I suggest the importance of viewing both in the perspective of history. I doubt whether history will confirm either characterization, although it certainly will be hard to judge the wisdom of both pieces of legislation. The basic fact for those now living to remember is that the transition in both directions has been extremely rapid, and that neither industry, nor labor, nor the public has ever had sufficient time to adjust fully to either declaration of public policy.

Nor, indeed, have those charged with the administration of the law. We, too, have been forced to learn as we act, by trial and occasionally by error. The education of an administrator can be a costly thing, and not always only to himself. But that is one price that probably must be paid whenever society decides that particular human conduct requires regulation by government. The price will not be too high, if those whose conduct inspired that regulation comport themselves so as to reduce its necessity or convince their fellow citizens that further changes are desirable. The important thing is not whether a particular law is good or bad, but that the people continue free to appraise its merit. And because freedom without knowledge has little value, it is essential that forums like the Town Hall remain open for unlimited inquiry into fact and utterance of opinion.

Today, although the members of the National Labor Relations Board have many of the same ultimate responsibilities that we had under the Wagner Act, most of our former administrative functions are now vested in the independent General Counsel. This release from administrative duties has coincided with a broad expansion of the subject matter over which we have jurisdiction. The National Labor Relations Act authorized the Board to conduct elections to determine employees' choice of bargaining representatives, and also to prevent certain unfair labor practices by employers. Title I of the Labor-Management Relations Act of 1947 not only preserves these functions, but further directs the Board to prevent a number of unfair labor practices by unions, and to conduct thousands of elections to ascertain whether employees desire to authorize a union-shop agreement. The Board does not, however, have jurisdiction over such problems as political contributions or national emergencies. Thus we were not directly involved in the recent coal crisis.

Since August 1947, the five Board members and the General Counsel have been applying the new provisions to cases brought under both the new law and the old. The General Counsel's action has been directed primarily at the newer cases. As an administrative officer, in charge of the Board's 19 regional offices and responsible for requests for court injunctions, he naturally has had much fuller opportunity than the Board members to apply the new amendments. The Board itself stands at the end of the Agency's assembly line, with final responsibility to decide those cases that require findings of fact or an interpretation of the law. Because it takes time for a litigated case to pass all the way down that

assembly line, the Board members have concentrated until recently upon cases that started in the regional offices while the original Wagner Act was still the law of the land. Today, however, we are preparing to decide a number of important unfair labor practice cases brought under the Taft-Hartley Act, and have already issued several hundred decisions in election cases filed since it went into effect.

About three-quarters of the new cases will not require decision by the Board, because they involve consent elections to authorize union-shop agreements. About 6,000 such elections have already been conducted; the union-shop proposal has been endorsed by a majority of the eligible employees in almost 99 percent of them. The remaining cases filed since August fall into four general categories: Of every 10 such cases, approximately five have been union petitions for representation elections and three have been charges that employers have violated the law—both filed substantially as they were under the Wagner Act. The remaining two cases out of 10 have been of the new type, filed wholly under the Taft-Hartley provisions. One has been an election petition, filed either by an employer or by an individual employee seeking to decertify an incumbent union; the other has alleged the commission of an unfair labor practice by a labor organization.

The Board will decide the first few cases charging union unfair labor practices during the months immediately ahead. They involve such issues as restraint, coercion, and refusals to bargain by labor organizations, both of which were the subject of recent intermediate decisions by Board trial examiners in California cases. Secondary boycotts and pressure to induce employers to enter closed-shop contracts, both prohibited by the new act, are before the Board members in other cases. Until they are decided, by the courts as well as by the Board, it will be difficult to determine the legal and practical impact of the most controversial provisions of the new law. Meanwhile the General Counsel—acting independently of the Board members—has found it necessary or desirable to seek injunctions in a number of these situations.

The Board members, on the other hand, have had fuller opportunity to apply the new law to election cases. We have excluded all foremen from bargaining units; have segregated professional employees from other groups; have barred rank-and-file unions from representing plant guards; and have interpreted the new craft proviso as not making it mandatory for the Board to carve a group of craftsmen out of every preexisting over-all industrial unit, upon the mere request of a craft union. Many other difficult and novel problems lie ahead. At the same time, because employers are not always models of perfect behavior, the Board is continuing to process many unfair labor practice—and representation—cases brought by unions. In these, too, we are applying the new rules, except in a few cases left over from the earlier period where law or fairness or common sense dictates that we still apply the old. Although principles and policies are evolving fast, every case must still be decided on its own merits.

Words on the statute books only take on life when administrators and judges can apply them to concrete situations. That is what we are doing now. The full meaning of the new statute will only be known when we have done it for much longer than 8 months' experience. To date the Board's experience has been both full and varied but it can hardly be called typical, because so much time had to be devoted to constructing the machine tools of administration. For example, we concentrated in the later months of 1947 on applying and interpreting those special provisions of the new law which require union officers to file non-Communist

affidavits before their organizations can use the facilities of the Board. Until these problems were out of the way, as most of them now are, it was not possible to pass on many cases on the merits. Election cases filed by noncomplying unions were completely blocked, and even unfair labor practice cases which they filed under the old law were thought to require some special treatment. Now that all but a few conspicuous international unions have complied, the road is clear for the Board to move more rapidly.

Rapid movement will certainly be necessary, not only because unions and employers have every reason to ask the Board to handle their problems promptly, but also because the flood of cases inundating us permits no other choice. In February and March, we received 10,500 cases, as many as in most full years during the Wagner Act era. Although the General Counsel and the Board did dispose of 3,500 cases during March, 12,000 awaited action on the last day of that month. Fortunately, most of these will be closed at the regional level by consent elections or other agreement of the parties. Nevertheless, a substantial proportion will require decision by the Board members, especially during this early period when unions and employers, and also the Board's own agents, are still feeling their way.

We are devising techniques to cope with this huge case load. The staff has been greatly increased; procedures are being streamlined to the greatest extent consistent with observing due process of law and giving every party the feeling that he has had his day in court. But this will not solve the problem. No matter what miracles we may perform—and I promise none—it cannot be solved until industry and labor determine to deal so reasonably and so unreservedly with one another that neither feels impelled to cry out for the assistance of government except in rare and unusual situations. No matter how friendly and how informal that assistance may be, it is bound—especially where a quasi-judicial agency like the Board is involved—to take on the attributes of a lawsuit. It is often said, referring to ordinary fields of litigation, that a bad settlement is better than a good lawsuit; this is particularly true in the labor relations field, where the parties must continue to live together after a particular controversy is over. An unsatisfactory settlement can always be corrected; a successful lawsuit, prolonged and bitterly fought, leaves wounds that can disturb the victor as much as they gall the vanquished. In the long run, also, government will either lose the confidence or gain complete control over the people it is supposed to serve, if it is forced to adjudicate all the controversies between industry and labor. This trend, begun during the recent war, ought certainly to be reversed while time still remains.

The demands of war often required the Government to take over the task of determining wages, hours and other conditions of employment, customarily arrived at through direct negotiations between employers and labor organizations. Before 1941, negotiations conducted in good faith were likely to result in a written agreement, which became "a business compact, a treaty, and a code of honor, all in one." During the war, however, directive orders frequently side-tracked collective bargaining. It became customary to run to the Government, to let the Government make the decisions, and therefore to take the blame. This generated an attitude that prevented employers and unions from discharging many of their own responsibilities. Unfortunately, this wartime tendency did not terminate with hostilities. It is still a symptom of a serious industrial malady, manifested frequently by management or labor running to the Board or the courts to demand injunctions against one another. The malady is serious because legal pleadings stress rights more than responsi-

bilities; they disclose a greater interest in winning a victory than in finding a solution.

Only the other day a Presidential emergency board made the same diagnosis in the railway industry, where one might have expected a healthier situation, collective bargaining having been established longer there than in most industrial enterprise. The members of the emergency board, after several weeks of hearings, reported that it was compelled to "spend its time trying to unravel a tangle of wrapping string. That these parties were not able to accomplish, by negotiation, even this little kitchen job is cause for real concern. In our judgment this kind of failure has, so far as collective bargaining is concerned, malignant potentialities. * * * We would be derelict," they said, "if we did not give warning of what we consider a bad wash-out on the track ahead. * * * We urge upon the parties that they start revitalizing the cooperative element in their relationship, by working out satisfactory settlements of those issues which cannot possibly be disposed of properly here."

The same tendency to lean on government is noticeable in many cases that are brought before the National Labor Relations Board. As we consider many of them, involving matters on which the law has been repeatedly interpreted or which could have been settled at the plant level, we cannot help wondering why the parties did not resolve their own difficulties. They can usually do it quicker and better than we can do it for them. The day will soon come, I hope, when this fact will be recognized, and equally so by both industry and labor. Then, and only then, will collective bargaining fulfill its promise. Then, and only then, can government conserve its prestige and its energies to assist them when a serious impasse has been reached, or else to protect the public interest when one or both flout its offers of assistance.

There are some encouraging signs on the horizon. One is the decision of the new Federal Mediation and Conciliation Service to refrain from entering either local controversies or those in which the parties have not explored the possibilities of direct bargaining. Another is the national agreement recently reached between the A. F. of L. building-trades unions and the principal contractors' associations of the country. This agreement, stimulated by the new law and encouraged by both the Board and the General Counsel, promises to provide voluntary machinery for the peaceful settlement of jurisdictional disputes in the construction industry. It is encouraging because it represents an attempt by management and labor to solve their own problems through collective bargaining. If the joint arbitration board they have established voluntarily proves successful, its action will represent an extension of the collective-bargaining process. Even though the provisions of the law banning jurisdictional disputes stand in the background, compliance with the joint board's decisions will depend primarily upon the parties' desire to honor their own bargain.

No law can ever take the place of decent human behavior. In the field of labor-management relations, legislation will never remove the need for cooperation, mutual understanding, and confidence, although it certainly can be written and administered so as to stimulate them. Those who seek sole refuge in the statute books make orderly collective bargaining and plant harmony difficult, if not impossible. This was true before the Norris-LaGuardia and Wagner Acts were enacted; it was true while they declared congressional policy; it is true today.

But neither labor nor management can expect the representatives of the people to stand idly by unless they are prepared to fulfill their own obligations. Each must

enter negotiations with the assumption that ideas that seem abhorrent at the beginning of the bargaining process may prove acceptable at the end. Men who ask other men to display elasticity of mind must be ready to manifest it themselves. Inflexibility breeds inflexibility; extreme positions engender opposite extremes in others. If labor and management desire to bargain freely without the constant tutelage of government, both must shun the advice of extremists within their own ranks.

This is not only desirable but essential, if we are to avoid imposing an unbearable strain upon governmental processes, whether at the National Labor Relations Board or elsewhere. The more a government has to do, the less likely it is to do it well. The more government does, the less room will be left for industry and labor to solve their own problems. But unless they move toward wise solutions themselves while time still remains, they will find their fellow citizens, who—like nature—abhor a vacuum, calling upon government to fill the void. Once it has done so, it will not be easy to dislodge. Then, and only then, would Americans be tempted to wonder, for the very first time, whether the Battle of Lexington may not have been fought in vain.

THE ELECTION IN ITALY

Mr. GREEN. Mr. President, the people of Italy have given their answer at the polls, reaffirming their faith in their newly born democracy. This is the democracy of free men as we understand and practice it here in our country. Their action proves their continued friendship for America. So, I think it opportune to express my congratulations to the people of Italy for the truly democratic manner in which on April 18, 1948, they made this historic decision. I deem it opportune to express also words of praise for the wholehearted cooperation in reaching this decision of our American citizens of Italian extraction.

In this battle of the cold war, in some respects no less ominous than the battles of the last war, they have shown their deep interest in the land of their fathers while at the same time they have again done their full duty toward America in helping to bring victory to the forces of democracy in Italy. Their tens of thousands of letters and telegrams to their Italian relatives and friends, urging them to go to the polls on election day and to cast their ballot for those candidates upholding western democracy; their radio broadcastings to Italy; the appeals of their newspapers in the Italian language; all this upsurge of feeling has made for a splendid spontaneous massing of moral force and mental enlightenment. This has projected into Italy the shining light of our American way of life.

I desire to point out that this campaign by letters had its very inception in the State of Rhode Island. At first it came as a suggestion to our Italo-American citizens from two of our daily newspapers, the Providence Journal and the Evening Bulletin, in an editorial article published on September 27, 1947. It found immediate response and was taken up and adopted by the grand lodge of Rhode Island, Order Sons of Italy in America, which, through its State president, Luigi Scala, began a series of radio appeals and public speakings to Italo-Americans. It was carried on for months with the persuasion of our

esteemed fellow citizen, Judge Luigi De Pasquale.

From Rhode Island this campaign spread all over our country. It became an appeal voiced nationally by the supreme lodge of the Order Sons of Italy, through its supreme venerable, George J. Spatuzza. It was widely disseminated by a fine newspaper in the Italian language, *Il Progresso Italo-Americano* of the able governor of my State, His Excellency John O. Pastore. It was earned New York, whose editor, Generoso Pope, is a staunch supporter of every good cause which serves America. It was the subject of a timely broadcast to Italy by estly supported by countless committees and individuals in various effective ways, especially by the former members of our armed services of Italian extraction who, having served in Italy, wrote thousands of letters to residents of Italy whom they met while stationed in that country while serving with our colors. Thus, veterans not only bore arms in the service of our country, but, in their civilian capacities, carried on as ambassadors of good will, and used their best efforts to point out to the citizens of Italy the dread dangers of a communistic government. It was an outpouring of American ideals throbbing with feelings for Italy, feelings for its freedom, and its safety, in fact, for its continued existence. Today it shares in the victory of democracy.

To all of these true Americans, the known and the unknown, the clergy, the public men and the business and professional men, the veterans, the workers in the factory or in trade, to the press and radio station, to all who in their missives or spoken words evinced once more their love for America's principles and their interest in helping at the same time their native land, I wish to record for myself, and, I believe, for the great majority of my fellow citizens, deep appreciation. Communism has been defeated and democracy lives and continues to function in Italy.

EDWARD TRAPIER ROGERS—VETO MESSAGE (S. DOC. NO. 148)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read by the Chief Clerk, and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

To the Senate:

I return herewith without my approval the enrolled bill (S. 1307) "For the relief of Edward Trapiet Rogers."

This bill would authorize the payment of \$25,000 to Edward Trapiet Rogers of Raleigh, N. C., for personal injuries which he sustained as the result of an explosion which occurred while he was a civilian employee of the War Department. This amount would be in addition to disability compensation that has been or will be paid to him under the United States Employees' Compensation Act.

On the morning of October 31, 1946, Mr. Rogers, a chemical engineer employed by the Chemical Corps Technical Command at Edgewood Arsenal, Md., was engaged in a chemical experiment, the

object of which was to develop a colored smoke shell for the 4.2 chemical mortar. The mixture which was being prepared had previously been made by Mr. Rogers and used experimentally in a number of hand grenades, and had been approved by the Bureau of Mines. The work was being done in a small open-frame building in which was located a laboratory "dough" mixer with an explosion-proof electric motor. Standing instructions were that no one was to be in the building while the motor was running. On this occasion, however, Mr. Rogers remained at the machine after the motor had been started to add another ingredient. He estimated that he was there about 3 minutes when the mixture exploded. The cause of the explosion has not been determined.

In the explosion, Mr. Rogers sustained very serious injuries, necessitating extensive surgery, including the amputation of both arms. He was hospitalized until discharged on August 23, 1947. On October 13, 1947, he returned to work at the Edgewood Arsenal where he has since continued to be employed at a salary of \$4,902 per annum.

From the time of the accident until his return to employment, he received total disability compensation from the Government in the amount of \$116.66 per month, the maximum amount payable under existing law. The law authorizes the award of an additional sum of not more than \$50 a month if the disability sustained is sufficient to require the service of an attendant. Since his discharge from the hospital, Mr. Rogers has received this additional item of compensation. When he is no longer able to work he will again be entitled to draw compensation on account of his disability. Furthermore, the Government will continue to furnish to Mr. Rogers all medical services and hospitalization which may be found to be necessary for the treatment of his injuries, including the cost of appropriate prosthetic appliances.

It is with extreme regret that I am obliged to return this measure without my approval. One's natural impulse is to extend to Mr. Rogers all possible assistance to relieve his suffering and to compensate him for his loss above and beyond the limits of the amounts payable to him under the terms of the existing general law. There are, however, compelling reasons to the contrary. As stated by the committee reports on this measure, there is no evidence of any negligence on the part of the Government or of any agent of the Government. The Federal Employees' Compensation Act as written by the Congress provides only for the payment of compensation for loss of wage-earning capacity. It does not provide indemnity for loss or loss of use of members of the body. Justice demands the uniform application of our compensation laws to all persons alike. The Federal Security Agency advises me that there are many persons on its rolls who have been rated as totally disabled, but who have received no more than the amounts fixed by the general law. Among them are a number who, like the beneficiary in this measure, have suffered the loss of both arms.

The amount of compensation which may be awarded under the act seems inadequate in this instance. The remedy, however, is not to single out one case for a special award. This case brings sharply to focus the need for more adequate compensation for disabilities sustained in the service of the Government. There are several measures now pending in the Congress, the enactment of which would serve that purpose.

Therefore, while deeply regretting this deplorable accident, I feel compelled to withhold my approval from the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, April 20, 1948.

MADISON STREET BUILDING CORP.
VERSUS UNITED STATES

The PRESIDENT pro tempore laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of the Madison Street Building Corp. against the United States, which, with an accompanying paper, was referred to the Committee on the Judiciary.

EXPRESSION OF GRATIFICATION OF GOVERNMENT OF AUSTRIA ON PAGES OF ECONOMIC COOPERATION ACT OF 1948

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of State, transmitting the text of a note from Ludwig Kleinwaechter, Minister of Austria, expressing the gratification of the people and the Government of Austria on the enactment of the Economic Cooperation Act of 1948, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

PETITION

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the Legislature of the State of New Jersey, which was referred to the Committee on Foreign Relations:

Concurrent resolution memorializing the United States Senate and House of Representatives not to ratify any treaty or agreement with the Dominion of Canada or pass any legislation which may provide for the construction of the St. Lawrence seaway

Whereas the Legislature of the State of New Jersey, on February 12, 1940, passed a concurrent resolution memorializing the United States Senate not to ratify a treaty with the Dominion of Canada for the proposed St. Lawrence seaway; and

Whereas the Legislature of the State of New Jersey, on January 21, 1941, and on February 11, 1946, and on March 11, 1947, passed concurrent resolutions reaffirming its position in opposition to the proposed St. Lawrence seaway; and

Whereas it appears that the present Congress of the United States may be called upon to approve or authorize the construction of the seaway: Therefore be it

Resolved by the House of Assembly of the State of New Jersey (the Senate concurring):

1. That this legislature reaffirm its position in opposition to the proposed St. Lawrence seaway because of its economic impracticability, its entire lack of advantage as a defense measure, and its detriment to business in the State of New Jersey; and

2. Be it further resolved, That the Senate and the House of Representatives of the

United States, and particularly the Senators and Representatives elected from the State of New Jersey, be memorialized and requested to not ratify any treaty or agreement for the proposed St. Lawrence seaway or to approve or authorize the construction thereof; and

3. *Be it further resolved*, That a copy of this resolution be immediately transmitted to the Secretary of the United States Senate, the chairman of the Senate Committee on Foreign Relations, the Speaker of the House of Representatives, and to each Senator and Representative elected from the State of New Jersey.

TRUSTEESHIP PROPOSAL FOR PALESTINE

Mr. MAYBANK. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a telegram from Dan Lodge, No. 593, B'nai B'rith, of Charleston, signed by Harold Priluker, secretary, and a resolution adopted by Josiah Morse Lodge, No. 1083, B'nai B'rith, of Columbia, both in the State of South Carolina, in which they express the opinion of the good Jewish people of my State on the subject of the trusteeship proposal for Palestine. I have spoken previously on the situation, and I wish to say that I thoroughly agree with them.

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

CHARLESTON, S. C., April 16, 1948.

Senator BURNET R. MAYBANK,

United States Senate Office Building,

The 350 members of Dan Lodge, No. 593, Charleston chapter of B'nai B'rith, urge that you protest on the floor of Congress against the trusteeship proposal for Palestine and support the United Nations Assembly stand on partition. We feel that there is utter lack of justification of the administration's reversal of policy which will definitely undermine the authority of the United Nations.

DAN LODGE, No. 593, B'nai B'rith,
HAROLD PRILUKER, Secretary.

JOSIAH MORSE LODGE, 1083, B'nai B'rith,
Columbia, S. C.

Senator BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.

DEAR SIR: The Josiah Morse Lodge of B'nai B'rith of Columbia, S. C., numbering 140 in membership, has in full session met this 12th day of April 1948, and unanimously passed the following resolution, which it submits for your earnest and immediate consideration:

"Whereas the United Nations Assembly, representing the only vestige of world authority and world morality, has taken its stand in favor of the partition of Palestine and the formation of a Jewish nation; and

"Whereas this decision was the result of the wholehearted support and encouragement of the American people; and

"Whereas this plan would not only provide a home and refuge for the still many hundreds of thousands of war-torn and weary refugees, but would stand out as a fait accompli for the United Nations; and now

"Whereas the United States has seen fit to reverse its stand on partition and submit in its place, a plan of trusteeship; and

"Whereas such a reversal would undermine the authority of the United Nations organization and substantially weaken its position as an effective instrument for world morality and for the preservation of world peace: Now, therefore, be it

"Resolved, That we do hereby emphatically and vigorously oppose any such move that would take away from the Jewish people their rights to their homeland and would

deny to them the sacred privilege of freedom and nationhood; and, inasmuch as the trusteeship plan would in effect do this, we therefore oppose such plan and earnestly solicit your active and immediate help in our struggle to secure a home for the homeless by endorsing the partition plan and renewing hope for the desolate and despairing millions by supporting the United Nations organization."

Very sincerely yours,

JOSIAH MORSE LODGE
OF B'nai B'rith,
MEYER KATZ, President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 550. A bill for the relief of Lizzie Reynolds, administratrix of the estate of Grace Reynolds, deceased; with an amendment (Rept. No. 1130);

H. R. 761. A bill for the relief of the estate of Anthony D. Chamberlain, deceased; without amendment (Rept. No. 1131);

H. R. 762. A bill for the relief of Dudley Tarver; without amendment (Rept. No. 1132);

H. R. 2728. A bill for the relief of Darwin Slump; without amendment (Rept. No. 1133);

H. R. 3113. A bill for the relief of Bessie B. Blacknall; without amendment (Rept. No. 1134); and

H. R. 3328. A bill for the relief of Mr. and Mrs. Russell Coulter; without amendment (Rept. No. 1135).

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

S. Res. 224. Resolution increasing the limit of expenditures for hearings before the Committee on Armed Services; without amendment, and, under the rule, referred to the Committee on Rules and Administration.

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

S. 2518. A bill to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization (Rept. No. 1136); ordered to be placed on the calendar.

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

S. 1050. A bill to amend the act entitled "An act to promote the mining of potash on the public domain," approved February 7, 1927, so as to provide for the disposition of the rentals and royalties from leases issued or renewed under the act entitled "An act to authorize exploration for and disposition of potassium," approved October 2, 1917; without amendment (Rept. No. 1143);

S. 1448. A bill directing the Secretary of the Interior to sell and lease certain houses, apartments, and lands in Boulder City, Nev.; with amendments (Rept. No. 1146);

S. 1686. A bill to provide for the settlement of certain obligations of the United States to the Indians of New York; without amendment (Rept. No. 1139);

S. 1687. A bill to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties; with amendments (Rept. No. 1137);

S. 1925. A bill to convey certain land to the city of Pierre, S. Dak.; without amendment (Rept. No. 1144);

S. 1933. A bill to authorize the Secretary of the Interior to convey certain lands in the State of Montana to School District 55, Roosevelt County, Mont.; with amendments (Rept. No. 1138);

S. 1941. A bill to authorize and direct the Secretary of the Interior to issue to John F.

Compton, formerly John Crazy Bull, a patent in fee to certain land; without amendment (Rept. No. 1140);

H. R. 1113. A bill to emancipate United States Indians in certain cases; with an amendment (Rept. No. 1141);

H. R. 4725. A bill to confer jurisdiction on the several States over offenses committed by or against Indians on Indian reservations; with an amendment (Rept. No. 1142); and

H. J. Res. 242. Joint resolution to confirm title in fee simple in Joshua Britton to certain lands in Jefferson County, Ill.; without amendment (Rept. No. 1145).

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

H. R. 2622. A bill to authorize loans for Indians, and for other purposes; without amendment (Rept. No. 1147).

By Mr. SMITH, from the Committee on Labor and Public Welfare:

S. 2385. A bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; with amendments (Rept. No. 1151).

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

H. R. 1308. A bill for the relief of H. C. Blering; with amendments (Rept. No. 1150);

H. R. 1667. A bill for the relief of the estate of T. L. Morris; without amendment (Rept. No. 1148); and

H. R. 3089. A bill for the relief of Mississippi Central Railroad Co.; with an amendment (Rept. No. 1149).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. LANGER, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS INTRODUCED

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

By Mr. IVES:

S. 2515. A bill to amend an act of Congress approved February 9, 1881, which granted a right-of-way for railroad purposes through certain lands of the United States in Richmond County, N. Y.; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

S. 2516. A bill for the relief of David Wallace; to the Committee on the Judiciary.

By Mr. CORDON:

S. 2517. A bill to amend section 12 (c) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

(Mr. VANDENBERG, from the Committee on Foreign Relations, reported an original bill (S. 2518) to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization, which was ordered to be placed on the calendar.)

By Mr. WILSON:

S. 2519. A bill to permit the maintenance of the naturally renewable fishery resources of the United States at their optimum of abundance, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CAPEHART:

S. 2520. A bill to amend section 26 of the Shipping Act of 1916; to the Committee on Interstate and Foreign Commerce.

S. 2521. A bill to legalize the admission into the United States of Vendelin Krajci; to the Committee on the Judiciary.

By Mr. BRIDGES:

S. 2522. A bill to permit the Housing and Home Finance Administrator to sell a certain war housing project to the Housing Authority of the city of Manchester, N. H.; to the Committee on Banking and Currency.

(Mr. MORSE introduced Senate bill 2523, to amend the National Security Act of 1947 to provide for a single executive department for the operation and administration of the Army, the Navy, and the Air Force; and to give the Secretary of Defense adequate power to enable him to formulate and place in operation integrated programs for the national security, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. PEPPER:

S. 2524. A bill for the relief of Carl Plowaty and W. J. Plowaty; to the Committee on Agriculture and Forestry.

S. 2525. A bill to provide for the advancement of one grade on the retired list of certain officers who were decorated and recommended for promotion during World War II but who have not attained the rank to which recommended; to the Committee on Armed Services.

S. 2526. A bill to remove the limitation upon the maximum deposit insured by the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

S. 2527. A bill to amend section 251 (a) (3) of the Internal Revenue Code so as to exempt from taxation certain income earned by employees at naval and air bases leased from Great Britain pursuant to the agreement of March 27, 1941; to the Committee on Finance.

S. 2528. A bill to extend the time within which suit may be filed under the Federal Tort Claims Act on the claim of Lela Elizabeth Spencer Brown; to the Committee on the Judiciary.

By Mr. MYERS:

S. 2529. A bill for the relief of certain nationals of Poland; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 2530. A bill to repeal certain excise tax rates on watches and clocks and cases and movements therefor; to the Committee on Finance.

S. 2531. A bill for the relief of the East Coast Ship & Yacht Corp., of Noank, Conn.; to the Committee on the Judiciary.

By Mr. BALDWIN (for himself and Mr. McMAHON):

S. 2532. A bill for the relief of R. Wallace & Sons Manufacturing Co.; to the Committee on the Judiciary.

By Mr. BYRD:

S. 2533. A bill for the relief of Emory T. Wales; to the Committee on the Judiciary.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON INVESTIGATION OF NATIONAL RESOURCES

Mr. BUTLER submitted the following concurrent resolution (S. Con. Res. 51), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring). That 1,000 additional copies of the hearings held before the Committee on Public Lands on Investigation of National Resources on May 15, 16, and 20, 1947, be printed for the use of the Committee on Interior and Insular Affairs.

PRINTING OF CERTAIN PARTS OF HEARING RELATIVE TO PROBLEMS OF SMALL BUSINESS

Mr. WHERRY. Mr. President, I ask unanimous consent to submit a resolution authorizing the printing of addi-

tional copies of certain parts of the hearings relative to problems of small business, and I request its immediate consideration.

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

There being no objection, the resolution (S. Res. 225) was considered and agreed to, as follows:

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Senate Special Committee to Study Problems of American Small Business be, and is hereby, authorized and empowered to have printed for its use 400 additional copies of parts 4 and 10 of the hearings relative to problems of small business, held before said committee during the first session of the Eightieth Congress.

AMENDMENT TO TARIFF ACT OF 1930 RELATING TO FERTILIZERS—AMENDMENTS

Mr. BUTLER submitted amendments intended to be proposed by him to the bill (H. R. 5275) to amend the Tariff Act of 1930 to provide for the free importation of limestone to be used in the manufacture of fertilizer, which were offered to lie on the table and to be printed.

NATIONAL HOUSING—AMENDMENT

Mr. BRIDGES submitted an amendment intended to be proposed by him to the bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes; which was ordered to lie on the table and to be printed.

FEDERAL CHARTER FOR COMMODITY CREDIT CORPORATION—AMENDMENTS

Mr. WILLIAMS submitted two amendments intended to be proposed by him to the bill (S. 1322) to provide a Federal charter for the Commodity Credit Corporation, which were ordered to lie on the table and to be printed.

Mr. WILLIAMS (for himself, Mr. BYRD, Mr. KEM, Mr. MALONE, and Mr. HICKENLOOPER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1322) supra, which was ordered to lie on the table and to be printed.

PRINTING OF REPORT OF ADVISORY COUNCIL ON SOCIAL SECURITY RELATING TO OLD-AGE AND SURVIVORS' INSURANCE (S. DOC. NO. 149)

Mr. MILLIKIN. Mr. President, I present a report of the Advisory Council on Social Security, relating to old-age and survivors' insurance, made to the Committee on Finance of the Senate, and I ask unanimous consent that it be printed as a Senate document, with illustrations. The PRESIDENT pro tempore. Without objection, it is so ordered.

THE FEDERAL JUDICIARY—THE INTERNATIONAL SITUATION—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him before the Bar Association of

St. Louis at its annual dinner at the Chase Hotel, St. Louis, Mo., on April 16, 1948, which appears in the Appendix.]

ADDRESS BY SENATOR REVERCOMB BEFORE INDIANA REPUBLICAN EDITORIAL ASSOCIATION

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an address delivered by him before the Indiana Republican Editorial Association, at Indianapolis, Ind., on February 21, 1948, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING AND NATIONAL DEFENSE—ADDRESS BY SENATOR TAFT

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address on the subject Universal Military Training and National Defense, delivered by him at Fremont, Nebr., on April 7, 1948, which appears in the Appendix.]

WHY REVISE THE HATCH ACT?—ARTICLE BY SENATOR BRIDGES

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Why Revise the Hatch Act?" written by himself and published in the Republican magazine for September 1947, which appears in the Appendix.]

SHIPMENTS TO RUSSIA—EDITORIAL FROM NEW HAMPSHIRE MORNING UNION

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Shipments to Russia," published in the New Hampshire Morning Union of March 24, 1948, which appears in the Appendix.]

THE NATIONAL IRRIGATION PROGRAM—ADDRESS BY WILLIAM E. WARNE

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an address on the subject Our National Irrigation Program, by Hon. William E. Warne, Assistant Secretary of the Interior, before the thirty-eighth annual convention of the National Rivers and Harbors Congress, in Washington, D. C., March 19, 1948, which appears in the Appendix.]

THE POSTAL PAY BILL—EDITORIAL FROM THE NEW YORK JOURNAL-AMERICAN

[Mr. IVES asked and obtained leave to have printed in the RECORD an editorial entitled "The Postal Pay Bill," published in the New York Journal-American of April 17, 1948, which appears in the Appendix.]

COOPERATION FOR WORLD PEACE—EDITORIAL FROM THE PROGRESSIVE FARMER

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "Congress and the People Must Now Cooperate for World Peace," written by Clarence Poe, president and editor of the Progressive Farmer, and published in the May 1948 issue of that publication, which appears in the Appendix.]

THE CASE OF THE NAVAJOS

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Amazing Propaganda—the Case of the Navajos," written by E. L. Moulton, which appears in the Appendix.]

FLORIDA VETERAN LAWS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an outline of Florida laws relating to veterans, prepared by Jack Robins, department adjutant of the Disabled American Veterans, of Daytona Beach, Fla., which appears in the Appendix.]

WESTERN EUROPEAN UNION—ARTICLE BY CHARLES EDMUNDSON

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article regarding the Western European Union, by Charles Edmundson, from the St. Louis Post-Dispatch of March 21, 1948, which appears in the Appendix.]

EAMON DE VALERA—TRIBUTE BY JOHN S. BURKE

[Mr. McMAHON asked and obtained leave to have printed in the RECORD the farewell address on the occasion of the departure of Eamon de Valera, delivered by John S. Burke before the Society of the Friendly Sons of St. Patrick, April 5, 1948, which appears in the Appendix.]

EUROPEAN RECOVERY PROGRAM—EDI- TORIAL FROM THE HARTFORD COUR- RANT

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "The Plan Becomes Real," published in the Hartford (Conn.) Courant, April 1, 1948, which appears in the Appendix.]

THE PICTURE CRISIS—EDITORIAL FROM PHILADELPHIA BULLETIN

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Bulletin of April 19, 1948, entitled "The Picture Crisis," which appears in the Appendix.]

ADMISSION TO UNION OF TERRITORY OF HAWAII

Mr. CORDON. Mr. President, in the fore part of the current session of the Congress the House passed a bill providing for the admission of the Territory of Hawaii to statehood. That bill has been pending before the Senate Committee on Interior and Insular Affairs since shortly after its passage by the House a year ago, and is still pending before the committee.

I believe one of the most important problems before the Senate is a decision as to what shall be done with that bill. I have received many inquiries with reference to its status and with reference to the general feeling in the United States concerning action upon it. I hold in my hand a clipping from the New York World-Telegram of April 15 in the nature of a Gallup poll on the subject, which indicates that today 66 percent of the people interviewed by Dr. Gallup and his staff are in favor of statehood for Hawaii, 15 percent oppose it, and 19 percent have no opinion. That is an increase of 6 percent in favor of statehood since March 1946, at which time 60 percent favored statehood, and an increase of 18 percent since 1941, at which time 48 percent favored statehood.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD.

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

INVITATION TO HAWAII—POLL SHOWS 66 PERCENT FAVOR STATEHOOD

(By George Gallup, director, American Institute of Public Opinion)

Two out of three voters in the United States believe the time has come for Hawaii to be admitted to the Union as the forty-ninth State. Sentiment approving the step is higher now than ever before.

Hearings are being held today and tomorrow by the Senate Committee on Public Lands, of which Senator HUGH BUTLER, Re-

publican, of Nebraska, is chairman on a bill for Hawaiian statehood.

As the hearings take place, field reporters for the American Institute of Public Opinion this week completed an up-to-the-minute testing of sentiment on the question. They interviewed hundreds of typical men and women voters in every section of the country, and found that among those with an opinion on the subject, statehood is favored by a vote of 4 to 1.

This is the question asked of the entire cross section:

"Would you favor or oppose having Hawaii admitted as the forty-ninth State in the Union?"

The identical question has been asked on two other occasions by the institute—once just before the war and again about 2 years ago. A steadily increasing vote favorable to the proposition is shown when the answers are compared as in the following table:

	Today	March 1946	January 1941
	Percent	Percent	Percent
Favor.....	66	60	48
Oppose.....	15	19	23
No opinion.....	19	21	29

Opinions of Hawaiian residents divide approximately the same as in the above survey of mainland sentiment, according to a plebiscite there at the general election of November 1940. At that time the islands' citizens voted 67 percent for statehood and 33 percent against.

After almost 50 years as a Territory, Hawaii's campaign for admission to the Union has been stepped up in recent months, under the leadership of JOSEPH FARRINGTON, the Territory's Delegate to Congress.

Considerable publicity has been given in this country to the efforts to secure statehood for the islands. The House approved statehood last year.

Both former Secretary of the Interior Harold L. Ickes and his successor, Julius Krug, have advocated admission as the next logical step in the development of the islands. President Truman also has recommended the legislation.

Mr. KNOWLAND. Mr. President, I wish to join with the senior Senator from Oregon in his statements regarding statehood for Hawaii. We both come from the Pacific coast, which is the nearest point in the continental United States to the Territory of Hawaii. Certainly during the entire period of territoryhood the people of the islands have demonstrated time and time again their ability and capability for statehood. If being a Territory means anything it means a preparation for statehood, and I certainly hope that the Committee on Interior and Insular Affairs of the Senate will follow the advice contained in the very able report of the senior Senator from Oregon, and promptly report the Hawaii statehood bill to the Senate of the United States. It should have the early favorable consideration of the Republican leadership in this body so that Hawaii may be put on its way to statehood.

THE PROPOSED EQUAL-RIGHTS CONSTITUTIONAL AMENDMENT

Mr. CAPPER. Mr. President, in the Eightieth Congress I had the great privilege of introducing Senate Joint Resolution 76 for myself and for the Senator from Indiana [Mr. CAPEHART], the Senator from Maryland [Mr. O'CONNOR], the Senator from New Jersey [Mr. HAWKES],

the Senator from Pennsylvania [Mr. MARTIN], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. TYDINGS], the Senator from Utah [Mr. WATKINS], the Senator from North Dakota [Mr. YOUNG], and the Senator from North Dakota [Mr. LANGER].

In this connection, I now ask unanimous consent to have printed in the RECORD an editorial from the New York Herald Tribune of April 5, 1948, in support of this measure which is commonly known as the equal-rights amendment.

I feel that this editorial clearly states our obligation to give effect to our platform pledges to submit the equal rights amendment to the people.

I trust that favorable action can be taken both by the committee and the Congress prior to adjournment of the present session.

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

ENDING AN ANACHRONISM

The constitutional amendment granting equal rights to women stands closer to approval by Congress today than ever before. The reasons are not hard to find.

First of all comes the fact that both parties wholeheartedly approved the measure in their national platforms of 1944. Since then every consideration of practical politics has urged Republicans and Democrats alike to give effect to their pledge. In the year of a Presidential election the political reasons for living up to past promises are stronger than ever.

So far as the merits of the case go, every objection was long ago thoroughly examined and overborne by the facts. When the issue arose with respect to the Charter of the United Nations the equality of men and women was accepted as an axiom of the civilized world. The preamble "reaffirms faith" in "the equal rights of men and women," and the statement of purposes and principles includes human rights and fundamental freedoms "for all without distinction as to race, sex, language, or religion." It is surely an absurd anachronism that the United States Constitution should, in this important item, lag behind a world charter.

There is, in addition, an especial reason why the amendment should pass this year. Exactly 100 years ago, the first equal-rights convention was held in Seneca Falls, N. Y. Lucretia Mott and Elizabeth Cady Stanton called the gathering, and by it Susan B. Anthony was inspired to undertake her lifelong work. Much has happened between 1848 and 1948. The progress of women, in education, in the professions, in playing their natural part in every form of human activity, has been steady. It is 28 years since the nineteenth amendment gave the vote to women. The year 1948 seems the right and fitting one for Congress to act in completion of this long pursuit of right and justice.

UNIFICATION OF THE MILITARY SERVICES—EDITORIAL COMMENT

Mr. HOLLAND. Mr. President, apparently the citizens of the United States are deeply disturbed over the lack of unity in the armed services which has resulted following the adoption of the unification bill last year, which, it was hoped, would bring a greater measure of real unity in the armed services.

I ask unanimous consent to have inserted in the RECORD at this point three editorials on the subject, one from the Miami Herald of April 18, 1948, another from the Florida Times-Union of Jack-

sonville, Fla., of April 16, and a third from the Tampa Morning Tribune of April 17.

I call the attention of the Members of this body to the fact that the thinking in Florida, at least as exemplified in these three thoughtful editorials, is along the line of insisting upon a greater degree of unity than has prevailed up to now under the unification of the armed services, and of insisting upon greater and more speedy progress being made in the field of the rearming of our Nation, and in the field of advancement of our military preparedness, both in the material field and in the field of manpower.

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

[From the Miami (Fla.) Herald of April 18, 1948]

The plan for unification of the military services is essentially a good one.

Yet the bickering between the Army, Navy, and Air Force is fast making a mockery of the scheme.

The Secretary of the Air Force talks air power, the Secretary of the Navy wants both ships and limited air power, and the Army spokesmen still speak in terms of mass land armies.

In Washington, representatives of all three services are lobbying like mad for their respective appropriations. Congressmen and newspapermen are buttonholed by glib salesmen in uniform, all merchandising their pet wares.

The question we have in mind is simply this: Why aren't these differences between the services resolved by the Secretary of Defense?

Why doesn't Mr. Forrestal present a united plan for national defense, which the public understood was to be the logical outcome of unifying the services?

In his speech before the Wings Club in New York, Senator OWEN BREWSTER correctly stated that the Nation could not afford the luxury of two air forces. But, said the Senator, "The Navy is now air-minded with a vengeance."

He alluded also to some admirals and generals who are so set against changes that they are willing to die in their tracks.

It seems to us that with unprecedented peacetime appropriations being demanded by the military, Mr. Forrestal should advance an over-all plan based upon the requirements of both defensive and strategic warfare.

If he is not able to bring recalcitrant admirals and generals into line and win their support for real unification, he should resign and make way for a new Secretary of Defense who can bring some semblance of order into a tragically chaotic situation.

[From the Florida Times-Union, Jacksonville, Fla., of April 16, 1948]

REVEALING ONE OF HUMAN NATURE'S WORST ASPECTS

One thing stands out clearly in the Washington testimony regarding the need for increased national security measures. The term "unification of the armed forces" is empty of any real meaning. It appears that behind the scenes there is a little acrimony.

The evidence that all does not go well is taken from several significant incidents of the past few weeks. General Spaatz's retirement from his position as head of the Air Force has been interpreted by some observers as a "Billy Mitchell" gesture—the blood-is-on-your-hands sort of attitude toward the powers that be if priority is not given to air development. Then there was the retort which Gen. Omar Bradley, Army Chief of Staff, made the other day to Air Secretary Symington's claim that the proposed 70 air

groups are more important to the Nation's security than universal military training.

Said the Chief of Staff:

"There is no relationship between the 70-group program and UMT. The alternative to UMT if we are to have the barest type of security is a standing army big enough to carry the Army portion of a war burden for 1 year until mobilization."

The whole truth of the matter, as it appears to students of such things, is that the Air Force right now has a tactical advantage on the Army and Navy, and it is going to lose no opportunity to exploit it fully. For political reasons, sentiment seems to be on the side of the Department of Air in Congress. Of course, the selfish quest for prestige will influence everybody interested in air development to follow through on that advantage.

This is a picture which puts the Navy and Army in a kind of unaccustomed brothers-in-arms pose. Whereas they have been accustomed for generations of admirals and generals to wage a tug-of-war with each other for top position, now they have a common enemy—the Air Force. The Army fought hard to come out on top in the so-called unification of the armed forces. If possible, it would have gobbled up the Marine Corps, taken peremptory command of all arms, and set itself up in grand style. As it happened, the Army probably profited less than anybody. The Navy puts its former Cabinet member, James Forrestal, at the head of national security as a result of the conflict. And the Air Force is running away with the show.

This is a situation that would be laughable if it were not serious. It reveals human nature at its worst, shatters the ideal of unification, and menaces the Nation's security.

[From the Tampa (Fla.) Morning Tribune of April 17, 1948]

FOR A BALANCED DEFENSE

We believe the House has acted intelligently, so far as it has gone, in moving to meet the military preparedness problem. By its thumping vote in favor of the bill to build up a 70-group air force, it has sided with those who understand that, under the conditions of modern war, our first line of defense lies in the air. But House Members will be making a disastrous mistake if they feel they need go no further.

This is not said to discourage appropriations for defense or to contend that the House has erred on the side of overgenerosity. On the contrary, this newspaper favors the fullest preparation in advance for any emergency that may arise in this alarmed world.

It should be clear to almost everyone that \$3,000,000,000 spent now in getting the great airplane factories in operation would be small compared with what would have to be expended if those plants were allowed to disintegrate.

Our protest is against the attitude that the 70-group air force is a politically palatable substitute for universal military training and probably for the draft also. Thus, certain Congressmen seem to be going today to their constituents and saying, in effect: "Look, we've voted three billions for a strong air force. Isn't that enough?"

No, it isn't. The American people must understand that a greatly enlarged air force will require calling up more draftees into all the services as fast as the planes are ready. These additional air groups could not operate against an enemy except from bases defended by Army ground troops and supplied by the Army and Navy. And we seriously doubt that the additional men can be obtained through strictly voluntary means.

PLANES ARE NOT ENOUGH

Thus, to accept the 70-group air force as sufficient in the way of preparedness is to assume that the judgment of our best mil-

itary and naval leaders is all wrong, and that our defense policy should follow the pattern favored by the House. We prefer to consider the recommendations of skilled military leaders, just as we call in a skillful physician when we are ill.

The point at issue isn't so much the size and cost of a strengthened air force. It is whether the American people are to be deluded into believing that airplanes alone can be the substitute for home boys in uniform.

Needless to say, our defense will not be fully effective unless it is balanced. And it will not be balanced without adequate manpower. This is a fact that is ignored by both the blind adherents of a nonexistent push-button warfare and the groups that oppose the draft on the ground that it would promote militarism.

This, then, is the question to be asked by every American: Have we the courage and foresight in this election year to realize that the largest saving of American youth in the event of conflict is through advance training? Uncounted lives were saved because we had men under arms when the Pearl Harbor attack was launched. More lives would be lost in renewed war if we refused to renew the draft temporarily and to make training well-nigh universal.

NATIONAL HOUSING

The Senate resumed the consideration of the bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes.

Mr. WHERRY. Mr. President, for the information of Senators, I may state that it is the purpose to vote on the veto of House bill 5052 when time permits.

Will the President pro tempore now state what the pending question is?

The PRESIDENT pro tempore. The Chair is glad to have that opportunity.

The question is on agreeing to the amendment offered by the senior Senator from Massachusetts [Mr. SALTONSTALL], for himself and the junior Senator from Massachusetts [Mr. LODGE], to the amendment of the Senator from Ohio [Mr. TAFT], as amended, inserting on page 92, after line 2, certain language relating to low-rent or veterans' housing projects.

Mr. TOBEY. Mr. President, on last Thursday the senior Senator from Massachusetts [Mr. SALTONSTALL], on behalf of himself and his colleague [Mr. LODGE], offered an amendment to the committee amendments to Senate bill 866 to permit State-aided low-rent public-housing projects, started in contemplation of an extension of Federal assistance for public housing, to be converted to federally aided projects after the enactment of S. 866. This amendment was particularly designed to apply to the State program recently authorized in Massachusetts. A similar situation exists in New Hampshire.

Some objections were expressed on the floor, not to the basic purpose of the amendment, but rather as to certain administrative problems which would have been presented by the amendment in its original form. The senior Senator from Massachusetts expressed his willingness to accept perfecting modifications which would overcome these objections while

preserving the principal objective of the amendment. This matter has now been discussed with the officials of the Massachusetts State Board of Housing, the staff of the Banking and Currency Committee, and the Housing and Home Finance Agency. I am now offering a substitute amendment which is acceptable to the senior Senator from Massachusetts, the junior Senator from Massachusetts [Mr. LODGE], the senior Senator from Ohio [Mr. TAFT], and the junior Senator from Vermont [Mr. FLANDERS].

Mr. President, I ask unanimous consent to have the amendment printed in the RECORD at this point, together with a letter addressed to me as chairman of the Banking and Currency Committee by Mr. Raymond M. Foley, Housing and Home Finance Administrator, on the subject of this modified amendment.

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

On page 92, after line 2, of the committee amendments, it is proposed to insert the following:

"Sec. 607. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof and with the express purpose indicated in the State legislation of converting the project to a project with Federal assistance (if and when such Federal assistance becomes available), shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into prior to January 1, 1949; (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended; and (c) the State or the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended; *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections, of the United States Housing Act of 1937, to be loans to assist the development of the project."

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., April 20, 1948.

HON. CHARLES W. TOBEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR TOBEY: In response to the verbal request of Mr. Raymond Bowles, clerk of the Banking and Currency Committee, I have studied the amendment which Senator SALTONSTALL offered on April 15, 1948, to the committee amendments to S. 866. As you know, this proposed amendment follows very closely a suggested amendment recommended to you by the Governor of New Hampshire.

For the reasons stated in the memorandum which was furnished to you yesterday, I felt very strongly that the proposed amendment required modification. Our general counsel has today discussed the matter with Mr. Bigelow of the Massachusetts State Board of Housing and Mr. L'Heureux, chief counsel for the Senate Banking and Currency Committee, and I am informed that the following modification of the proposed amendment was mutually agreed to:

"Sec. 607. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof and with the express purpose indicated in the State legislation of converting the project to a project with Federal assistance (if and when such Federal assistance becomes available), shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into prior to January 1, 1949; (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended; and (c) the State or the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended; *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections, of the United States Housing Act of 1937, to be loans to assist the development of the project."

I am sending copies of this letter to Senator LODGE, Senator SALTONSTALL, Senator TAFT, and Senator FLANDERS. Within the time available, I have not had an opportunity to submit this report to the Director of the Bureau of the Budget.

Sincerely yours,

RAYMOND M. FOLEY,
Administrator.

Mr. LODGE. Mr. President, I rise to ask whether it would not be better for me to modify my amendment so as to conform to the desires of the Senator from New Hampshire. Otherwise his amendment would be in the third degree, and would not be in order from a parliamentary standpoint.

Mr. TOBEY. I will say to the Senator that counsel for the Committee on Banking and Currency informs me that he conferred with the distinguished Senator from Massachusetts, who suggested this procedure.

Mr. LODGE. No; that is not correct. I agree with what the Senator is trying to do. However, it is my understanding that under the Senate rules an amendment to an amendment to an amendment is not in order.

Mr. TOBEY. That is correct.

Mr. LODGE. Therefore I thought the expeditious procedure would be for me to modify my amendment in accordance with the desires of the Senator.

Mr. TOBEY. That is entirely satisfactory to me. That course has the added virtue that the amendment would have the name of LODGE on it.

Mr. LODGE. I should like to have the name TOBEY on it, because it would add a great deal of force and eloquence.

Mr. BARKLEY. Mr. President, would not the difficulty be resolved by the withdrawal of the original amendment and the offering of the amendment proposed by the Senator from New Hampshire?

Mr. LODGE. It can be done either way.

The PRESIDENT pro tempore. The parliamentary situation is as follows: The amendment of the Senator from New Hampshire is not in order because it is an amendment in the third degree.

However, the Senator from Massachusetts can either alter or withdraw his amendment. In either event he can meet the situation.

Mr. LODGE. Mr. President, I modify our amendment in order to make it conform with the language desired by the Senator from New Hampshire.

Mr. TOBEY. I thank the Senator.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL], for himself and the junior Senator from Massachusetts [Mr. LODGE], as modified by the language submitted by the Senator from New Hampshire.

MILITARY MANPOWER LEGISLATION— INTEGRATION OF THE ARMED SERVICES

Mr. MORSE. Mr. President, I propose to take a few minutes to discuss what I consider to be a vital issue of the hour in this country, namely, the issue relating to military manpower legislation. I think it is a very interesting coincidence that the Senator from Florida [Mr. HOLLAND] should have made comments just a few minutes ago about the need for greater integration in our military program. He inserted in the RECORD certain editorials from his State which make a plea for greater integration of our armed services and of the program of our armed services.

In my judgment the Senator from Florida and the editorials which he has introduced into the RECORD bespeak very accurately the wish of a great majority of the American people at this time. However, I will say to my good friend from Florida that in my opinion the objective of greater integration of the military program so devoutly to be wished, to which he has addressed himself, is not to be accomplished without some legislation. At this time I wish to address myself to the question of the need of legislation which will force a greater integration between and among our armed services.

Let me make it very clear at the beginning of my remarks that although I am a member of the Armed Services Committee, I speak on this occasion as I usually speak, only for myself. I do not know to what extent, if any, any other member of the Armed Services Committee shares the views which I am about to express. However, I do know that during the past weeks I have devoted myself as studiously and conscientiously as any member of that committee could possibly do to the very critical problem which confronts us. I have followed the record which has been made by spokesmen for the armed services in open hearings and in executive hearings of our committee; and I have no hesitancy in saying that in my opinion up to this time they have made a grand record of utter confusion as to what the program should be. In my judgment those services have miserably failed to give us an integrated program for the national defense.

I believe that the reason for that result has been that the unification bill which we passed last year is a flop. It

has not given us unification, except in name only; in fact, it has not given us an integrated armed services program in the interest of national security. Therefore I am today addressing myself to the details of an overhauling of the unification law which Congress enacted last year, to the end of ascertaining if we cannot by legislation produce an integrated armed services program which will avoid the unhappy spectacle which the country has witnessed in days just gone by, of the lack of integration and coordination between and among the armed services.

After many days of hearings, I do not believe a single member of the Armed Services Committee of the Senate could take an oath and accurately testify before the American people as to just how much the program of the three branches of the service will cost the taxpayers of the country if we grant the conflicting requests which have been made of us to date by representatives of those three services. If I am correct in that statement, I submit that there is something sorely wrong with the unification law which was enacted last year. After weeks of hearings, and after we have called for report after report—and it has been insisted by us several times that a final report be submitted—we are not at this hour able to say what the over-all cost will be. If that be true, then certainly there is not a proper integration of jurisdiction and authority under the act which Congress passed last year.

I submit that what we did last year was to pass a compromise which we thought might satisfy the jealous claims of the three branches of the armed services. I submit that what has transpired in recent days is rather an adequate proof that we did not provide the legislative solution for checking those jealousies.

I have studied the figures. They are very conflicting. It is very difficult to find a common denominator or a common base from which one can analyze the statistics of the armed services. I think I know a little about statistical analysis; in my days of research in the academic field I had to deal with statistical research. Mr. President, I say that I yet have to receive from the armed services any statistical analysis of the cost of the program which is predicated on a common statistical base. So special pleaders can find in the record of the Armed Services Committee of the Senate, I submit, almost any statistical base they wish to find on which to build their case of special pleading. Nevertheless, we, the Senate, and the people of the United States are entitled to have presented to us a common base from which to analyze the statistics of the three branches of the Armed Services Establishment that have been testifying before our committee. We are entitled to receive—as I believe the Secretary of Defense has conscientiously been trying to obtain for us—a common understanding among the services as to what the total cost will be and how the expenditures and appropriations will be allocated.

There are some interesting undertones as well as overtones in this controversy, Mr. President. There are some very sig-

nificant implications, so far as our future program is concerned, to be drawn from the conflicting representations which have been made to us by the authorities in our Armed Services Establishment. It is my opinion that if we should grant the requests which have been made of the committee to date the cost of operating the Military Establishment would be at least \$19,000,000,000, and more probably \$20,000,000,000; and in all likelihood, Mr. President, if we are to judge the future by the past, in connection with the always-mounting requests for additional appropriations—because of a failure at the time when the first estimate was made to include in the estimate all so-called unforeseen conditions—the amount will be more than \$20,000,000,000.

Mr. President, we are at peace. I hope we can stay at peace, and I believe we can, provided we take the steps necessary to make clear to the world that we are determined to keep ourselves in a sufficiently strong position from the standpoint of national defense to enforce the peace.

I am aware that what I am saying at this moment can be, and will be, subject to misinterpretation unless I now make crystal clear the major proposition which motivates me as a member of the Armed Services Committee, namely, that I stand ready and willing to vote for whatever appropriation the facts presented to the committee show should be voted to keep my country secure. If it takes \$20,000,000,000, if it takes \$25,000,000,000, if it takes X billion dollars, I shall vote for such an appropriation, because no loyal, patriotic American citizen, in or out of the Congress, could do less than that. But, Mr. President, I think the American people should clearly understand that if we have reached the point in international relations where it may be necessary to appropriate \$20,000,000,000, in round numbers, for national security, it will be very difficult—and, in my opinion, if such an expenditure will have to be paid out for very many years, almost impossible—to maintain a free economy, as we know it in this country today, with \$20,000,000,000 allotted to national defense out of a total Federal budget, in round numbers, of \$40,000,000,000. I say a total Federal budget of \$40,000,000,000, Mr. President, because I assume that if we increase the appropriation for the Armed Services an attempt will be made to maintain our total budget to at least in the neighborhood of \$40,000,000,000. If that is the program, then, of course, we will have to slash out of our appropriation money for many needed civilian services an amount equal to the increase in the armed services budget.

If, on the other hand, it develops that the proposal is adding several more billions to the Federal budget of \$40,000,000,000, then I think the danger to our free economy will be even greater than if we attempted to hold our budget ceiling to a total Federal budget of \$40,000,000,000. Certainly, if we add the increase in appropriation requested by the armed services to our present \$40,000,000,000 budget we will be headed for new deficit spending and for drastic controls which it will be difficult to reconcile with a free economy.

Therefore, in this speech I shall continue to assume that an endeavor will be made through a budget slash of other departments to keep the total Federal budget at approximately \$40,000,000,000. But if the plan is to add additional billions to the present \$40,000,000,000 Federal budget estimate then everything I say about our free economy being threatened will be just that much more applicable to the budgetary situation which confronts us.

No one in the Armed Services Establishment can change the laws of addition and subtraction. No one in the armed services can change the laws of economics, as they function in a free economy. We cannot pay out half of our budget for national defense and still maintain a free economy with the other half. I have been saying this in public hearings of the committee; and, as my colleagues on the committee, some of whom are on the floor of the Senate at this time, will testify, I have consistently raised this point with witness after witness before the committee. I have tried to point out that if such a huge appropriation is to be the course of our national security expenditures, then—yes, Mr. President, even in a Presidential-election year—let us face the fact that we will have to inaugurate and put into effect some industrial controls, paradoxical as that may seem, in order to preserve a free economy under a plan which may require half of the budget to go for national security expenditures.

Are we ready to do that? Perhaps we shall be after next November, Mr. President; but I have not met very many persons who are ready to do it now. I think that is one of the realities in the situation. I am sorry to have to say it, because it saddens me; but I think the sad fact—and the true fact—is that there are some leaders in high positions in our Armed Services Establishment who recognize the political situation in which the Congress finds itself, and I think they are taking advantage of it. It appears to me that they are making requests for developments which they would not make if we were not almost on the morn of a day of election.

So I have said to some of them in executive sessions of the committee, and now I say it publicly, that I think what is needed is authority at the head of our armed services to give us an integrated and coordinated program which will protect the security of the Nation and at the same time will not saddle it with a Military Establishment which will endanger our free economy. We shall not gain much, Mr. President—

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

Mr. MORSE. I prefer not to yield until I finish my major remarks, and then I shall be glad as always to subject myself to cross-examination.

Mr. President, we shall not gain very much—in fact, we shall gain nothing—if we make a fight for democratic principles and a democratic way of life abroad, but at the same time lose it here at home by endangering our free economy. As I have said on the floor of the Senate heretofore, and I repeat it

now, we cannot have political democracy at home unless we have a capitalistic economy. We cannot preserve a capitalistic economy in this country with \$20,000,000,000 of a budget of \$40,000,000,000 going to the expenses of a military establishment.

It is no answer to my argument, Mr. President, I submit, to say to me as some have said, "But if we become involved in a war, \$20,000,000,000 will be a small amount of expenditure in its prosecution." True that is; but, Mr. President, if the dark day of a third world war comes and we are confronted with the military cost of the war, then certainly for its duration, and I am afraid, for a considerable number of years thereafter, if there is a "thereafter" so far as freedom in the world is concerned, we shall have very little that resembles a free economy in the United States. When we take into account the methods which will be used in the prosecution of such a war, when we stop and ponder what we shall have to do on the home front from the standpoint of controlling and transferring industries from one place to another, both above and under ground, I believe no one in his right mind can even think for a moment we can prosecute a third world war and not have most drastic controls placed over the national economy. So, when I ask the question with reference to the \$20,000,000,000 which is being recommended by these agencies, that are supposed to be coordinated, but have been, I submit, acting independently of each other in the days just gone by, "Can you explain how it would be possible to spend that amount of money and keep a free economy?", it is no answer to say we would have to spend a great deal more if we became involved in war. Granted. But we would not have a free economy then, either, and I think that needs to be pointed out.

Oh, I know I, too, should like to be able wishfully to think my way out of this great military decision the Congress will have to make in the weeks immediately ahead; I, too, should like to be able to sink my head in the sand and say, "Don't worry; the air boys will protect us." I should like to believe, too, Mr. President, that the American people have reached the point and that the science of war has developed to the point where we can turn the major job of national defense over to the Air Force.

I wish we could assume with national safety that, by unbalancing our Military Establishment and sinking many additional billion dollars into the Air Forces, national security is guaranteed. Oh, that would be a great political advantage, too, if one wanted to think in terms of politics, Mr. President; but I say that one cannot sit on the Armed Services Committee for the weeks I have spent there, or study the record which has been made by all the witnesses before that committee, and safely assume that the answer to the very difficult issue confronting us is to spend great sums of money on the Air Forces to the detriment and the sacrifice of other branches of the service.

I want a strong air force. I serve notice now, I shall vote for the strongest air force the facts show we need in order

to protect the national security. But I shall not vote on the basis of a political program. I shall insist, before I vote for what amounts after all to a separate independent request for funds, that the clear evidence before the committee shall show that the request is bottomed on facts, and that the granting of it will actually give us the maximum of national security that we need.

In my opinion, a grand job has been done in affecting public opinion in regard to the Air Force. It is understandable, it is only human, that the mothers and the fathers of this country would like to avoid a drastic manpower legislative program if they can and at the same time remain secure as a Nation. But I am convinced, Mr. President—I said this in open hearing, and I repeat it now—that if the American people, the mothers and fathers of American boys and girls, are given the facts, whatever they may be, which support the need of a balanced manpower program, I have such confidence in their inherent patriotism that they will say to us in the Congress, "Vote for what the facts show to be necessary in order to protect our national security."

Mr. President, the American people need to be told that within this agitation for additional billions of dollars over and above the amounts recommended in the public hearings of the committee for aircraft development and air defense development, an air force is still the most immobile of all our armed services. The average citizen gets the idea, when he sees a squadron of bombers or fighters or jet planes skirt across the sky, that he is looking at a great mobile defense; but he is not, because those planes are no more mobile so far as the ultimate security of our Nation is concerned than the air bases below them, from which they go into the air, and to which, if they are lucky, they return. The security of those air bases and the defense of those air bases and of the lines of communication and supply between them and our country, determine the degree of mobility of our Air Force. Air Force cannot do the job, Mr. President, unless it is backed up on the ground by the Army and Navy. It cannot protect the security of the Nation unless its bases are secure; and it takes men to make them secure.

What are we confronted with? We are confronted in the testimony before the committee with a conflict between the Air Force and representatives of the Army and the Navy as to how many men it will take to keep an air base secure. Whose testimony are we to take, Mr. President? Is it any wonder that many of us find ourselves confused, trying to figure out the conflicts in the testimony before us?

There is another fact that the American people need to be told. We have heard a great deal said about a 70-group air force. How many planes would there be in a 70-group air force, Mr. President? You will never find out by reading the testimony before the Armed Services Committee. In one moment it is thought we have the figure, and in the next moment it has gone, because the qualifiers and indefinite conditions given

by the witnesses when they are asked for a definition of a 70-group air force are remarkable. Mr. President, a Philadelphia lawyer holds no candle to the witnesses who have testified before us as to the meaning of a 70-group air force. I do not know how many planes comprise a 70-group air force, and I have not found any member of the armed services to date who has been able to tell me. They say, "It all depends on what you include in a group." Of course, the question is directed to what is in a group. They say, "Well, maybe in this group there will be X number of bombers, and maybe in this group there will be Y number of bombers; but maybe this X number of bombers will be changed, if certain circumstances develop, and Y number of bombers will be changed if another program seems desirable."

The impression left with me, Mr. President, is that they want the money for a 70-group air force, but they want to leave the definition so vague and ambiguous that, subsequently to the appropriation of the money, they can determine for themselves at will what would be in their program. But that will not be done with my vote. I want to know much more specifically than the Air Forces have told me in any testimony up to this time what the details of their program are. I want to know specifically what constitutes their 70-group program, because the American people are talking and hoping in terms of an air slogan, namely, a 70-group program. They are assuming that merely effectuating that slogan and granting to the Air Force the money with which to implement it as the Air Force may wish to implement it will give our people national security. I do not believe that to be so, Mr. President, and I do not believe on the record the Air Forces have made their case by way of indisputable evidence in support of that program.

There are many facets of this question which I shall not take the time to expound today. There is the question of how soon even the planes which they are proposing to build will become obsolete. There is the question as to what reliance we can place upon an air program based on foreign soil. There are many questions involving high policy which I think will bear very close examination and investigation along the line of the great work which the Presiding Officer of the Senate does on the Foreign Relations Committee. It is not a problem of the Armed Services Committee alone. It has many interrelations with the whole question of American foreign policy. Shall we maintain bases in the Middle East? Should we build up an air-force program now on the assumption of maintaining bases in the Middle East? Would a program based on that assumption promote or decrease the chances of peace? What about our relationship with England in regard to bases? Those are not alone Armed Services Committee questions; they are more basically questions which fall within the jurisdiction of the Foreign Relations Committee presided over by the distinguished President pro tempore of this body.

Speaking for myself, I have not been satisfied, as I have listened to the wit-

nesses, that the representatives of our armed services have fully comprehended the implications in respect to war and peace of their recommendations for a military establishment. That is why there is need for greater integration and coordination on the part of the armed services so far as their program is concerned. That is why, in my opinion, the time has come when someone must be entrusted with the authority and the jurisdiction to knock some heads together in the Pentagon Building and the Navy Building.

So, Mr. President, after a careful and thorough examination of all those facets, and many more to which I have alluded, my query is, Is this a program which will best defend our country and protect our national security? Is this a program which has taken into account the economic problems about which I have been speaking and which at least gives some reasonable assurance that we can spend these sums and still have a free economy in this country? We shall never have satisfactory answers to those questions, Mr. President, under the unification law as it is now on the books.

We may surmount this crisis. It may be decided by the armed services that it is the better part of wisdom, strategy, and expediency to come forward at long last with a compromise settlement among themselves. But that is not good enough, because we have had demonstrated to us, in my opinion, that a conviction on the part of the armed services that we should have an integrated program does not exist. I think we in the Halls of Congress, with the legislative responsibility entrusted to us, owe it to the American people to see to it that this lack of integration on the part of the armed services is brought speedily to an end. That is what I seek to do through the proposed legislation which I am offering today; but before I describe it, I want to cover one more point.

A great fallacy has prevailed among the armed services for months. It is a fallacy which I submit is based upon the selfish interest of the individual services. It is the fallacy that we cannot, right down to minute details, have a unified program in procurement for the armed services. Special interests, both in and out of the armed services, have been built up over the years on the fallacy of maintaining separate procurement services. I think the time has come for us to have a unified program in fact as well as in name in procurement, too.

I say it defies common sense to take the position that we cannot have, in fact, a single unified office for procurement for all the armed services. It is nonsensical, Mr. President, to argue that it cannot be done. I am convinced that many million dollars can be saved the taxpayers of the United States if we are willing to come to grips with the subject of unified procurement. We shall have to step on some economic toes in America. Certainly, we must be ready for terrific pressures which will be brought to bear by defense concerns in this country against such a reform, because it is to their economic advantage to keep alive the wasteful conflicts which exist between the armed services in their race for contracts for

specific articles which they want to procure for a special branch of the service. I am convinced that if the American people know all the facts as to what a failure to have a unified procurement service has meant to them in tax dollars, they would be startled and shocked, and they ought to be.

We are now at peace. For how long, no one knows. But I think we should set our domestic house in order. I believe we should put our American Military Establishment in order. One of the best ways to put it in order is to scrutinize more carefully than we have to date the procedures of those establishments, including the procedure which relates to procurement.

I think we must recognize, also, Mr. President, that the science of war has changed. I am perfectly aware of the fact that there is much merit in the arguments and testimony presented to us by Air Force witnesses when they discussed with us the developments of science in the field of air defense and air attack. I am perfectly aware of the fact that we must keep ourselves abreast at all times of the newest scientific developments, but it is not necessary, it seems to me, to proceed now with the manufacture of planes which I think the best testimony indicates will be obsolete within 2 or 3 or 4 years. I recognize that we have an air-plant problem, but I think we will save the taxpayers more money and serve the national defense just as well if we enter into a governmental contractual relation with some of the aircraft companies which will make it possible for them, not to profiteer, but will make it profitable for them to proceed on pilot-plant operations. For example, to build test planes, keeping their plants up to date, maintaining the factories at such a point of production that if a sudden catastrophe should strike us in the form of a war, they could rapidly go into full production. I think that is better than for us now to proceed to manufacture planes which will be worthless, in the prosecution of a modern war, by 1950 or 1951. We cannot ignore the economic problem which the requests of these establishments have placed before us.

So, Mr. President, I am today introducing a bill providing a rather thorough revision of the National Security Act of 1947, and I want briefly to outline it.

Section 201 of my proposed act sets up the establishment of a Department of Defense.

Section 202 provides for a Secretary of Defense.

Section 203 provides for an Under Secretary of Defense. We do not have an Under Secretary of Defense now. We have a Secretary of Defense, then we have Secretaries of the Army, of the Navy, and of the Air Force. I want Senators to note that I propose a Secretary of Defense, and in another section an Under Secretary of Defense. In other words, I am seeking to vest authority and jurisdiction in an Office of National Defense to give us a coordinated and integrated military program.

In section 204 I abolish the present offices of Secretary of the Army, Secretary of the Navy, and Secretary of the Air Force, and set up in lieu thereof Assist-

ant Secretaries of Defense for the Army, for the Navy, and for the Air Force.

In section 205 I propose civilian and military assistants to the Secretary of Defense, because I think he must be given authority to call in those civilians in the field of science or any other field of service whom he needs in order to assure an integrated and coordinated Military Establishment on a civilian basis, and to assist him in the very critical and important work which his office calls upon him to perform.

Then my bill provides the necessary power on the part of the Secretary of Defense and his Office to present to the Congress an integrated program which will avoid the type of conflict to which we have been treated in the days just gone by. That does not deny to the Congress of the United States the power and the right to call before any of its committees anyone in the Military Establishment and ask him whatever questions the committees desire to ask. But it seems to me we cannot conduct an efficient and effective integrated and coordinated Military Establishment unless, so far as that establishment is concerned, the responsibility for the final program is vested in a central office of a Secretary of National Defense.

Mr. President, I have this section in my proposed bill:

(b) Section 158 of the Revised Statutes is amended to include the Department of Defense, and the provisions of so much of title IV of the Revised Statutes, as now or hereafter amended, as is not inconsistent with this act, shall be applicable to the Department.

(c) All military and civilian personnel and all property, both real and personal (including all records), of the Department of the Army, the Department of the Navy, and the Department of the Air Force are hereby transferred to the Department of Defense.

I can hear all the objections to that. I can see all the scarecrows which will be erected, including the charge of the setting up of a military dictatorship in this country. Charges probably will be that extreme. The fact remains that there is no merit in that type of a fear argument. If we are to have an integrated and coordinated Military Establishment, then the properties and the records of the Army, the Navy, and the Air Force should be subject to the jurisdiction and authority of the Office of National Defense.

Then I provide this language:

The offices of Secretary of the Army, Secretary of the Navy, Secretary of the Air Force, Under Secretary of the Army, Under Secretary of the Navy, Under Secretary of the Air Force, Assistant Secretaries of the Army, Assistant Secretaries of the Navy, and Assistant Secretaries of the Air Force are hereby abolished, and the functions, powers, and duties vested in and imposed upon such officers shall hereafter be vested in and imposed upon the Secretary of Defense, who may delegate the same to the Under Secretary of Defense, or to such of the Assistant Secretaries of Defense as he may designate.

Then I set forth in the bill the terms and conditions and qualifications which shall surround the appointment of the Secretary of Defense, the Under Secretary of Defense, and the Assistant Secretaries of the Army, the Navy, and the Air Force.

I provide in section 205 the following:

(a) The Secretary of Defense is authorized to appoint from civilian life not to exceed three special assistants to advise and assist him in the performance of his duties. * * *

(b) The Secretary of Defense is authorized, subject to the civil service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such civilian personnel as may be necessary for the performance of the functions of the Department of Defense.

Without talking to the Senate longer, I close by making a brief comment on section 211, which I think is the second most vital provision of my bill. The first is the provision to vest the power in the Secretary of Defense which he should have if we are to have an integrated program. The other is to set up a single Chief of Staff.

I, too, have talked to a great many military men. I, too, have tried to familiarize myself with some of the experiences of our military leaders in determining joint policy during the last war. At this time I wish only to say that I am satisfied that the creation of the office of a single Chief of Staff will result in a much more efficient Military Establishment, will promote to a greater degree national security, and will bring about a tremendous economic saving to the American people.

Is there any one here who is not aware of the fact that war not only is costly from the standpoint of its unavoidable cost, but that it is costly also because of what have always been avoidable costs of war, in the form of waste because of a lack of coordination in our Military Establishment? I should not like even to make a guess of how many millions of dollars were wasted in the last war because the type of coordinated authority for which I am pleading here today did not exist. I am satisfied that a single Chief of Staff working in close cooperation with a single Secretary of Defense in case we should become embroiled in a third world war would save us some of the unjustifiable wastes which characterized so much of the prosecution of the last war both here and abroad.

I do not want to be misunderstood on this point, Mr. President. I know we cannot eliminate all waste. I know that when we are dealing with precious human lives waste is of insignificant importance. When it comes to rendering a decision as to whether or not a certain expenditure should be made or should not be made, knowing that making it might result in a waste but might also prevent the loss of a single member of the armed services, I am perfectly willing at any time to say "Spend the money." But that is not always the case, Mr. President. That justification cannot be advanced in support of any rationalization of a great deal of the waste of the last war. That waste, in my opinion, resulted because we did not have the coordination that is provided for under my bill.

Hence, Mr. President, I ask unanimous consent to introduce the bill out of order, with the understanding that it will be printed in the body of the RECORD as a part of my remarks. In conclusion, I want to assure the Senate as I have in in the meetings of the Armed Services

Committee assured the members of the armed forces that they can count on me to vote for whatever program is needed to provide to the maximum possible extent the security of our country. But I also want to make clear to the armed services as I hope I have today, that they, too have a fundamental responsibility to protect the economy of the Nation. They, too, are servants of the American people, and they, too, have the obligation of seeing to it at all times that the military recommendations they make will protect our military security without involving unnecessary expenditures of the taxpayers' money.

The PRESIDENT pro tempore. The bill will be received, appropriately referred, and printed in the RECORD, as requested by the Senator from Oregon.

There being no objection, the bill (S. 2523) to amend the National Security Act of 1947 to provide for a single executive department for the operation and administration of the Army, the Navy, and the Air Force; and to give the Secretary of Defense adequate power to enable him to formulate and place in operation integrated programs for the national security, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the National Security Act of 1947 is hereby amended to read as follows:

"SHORT TITLE

"That this act may be cited as the 'National Security Act of 1947.'

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"Sec. 310. Succession to the Presidency.

"DECLARATION OF POLICY

"SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security

of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a single military department for the operation and administration of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force, with their assigned combat and service components; to provide for authoritative coordination and unified direction of the armed forces under civilian control; to provide for the effective strategic direction of the armed forces and for their integration into an efficient team of land, naval, and air forces.

"TITLE I—COORDINATION FOR NATIONAL SECURITY

"NATIONAL SECURITY COUNCIL

"SEC. 101. (a) There is hereby established a council to be known as the National Security Council (hereinafter in this section referred to as the "Council").

"The President of the United States shall preside over meetings of the Council: *Provided*, That in his absence he may designate a member of the Council to preside in his place.

"The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security.

"The Council shall be composed of the President; the Secretary of State; the Secretary of Defense, appointed under section 202; the Chairman of the National Security Resources Board, appointed under section 103; and such of the following-named officers as the President may designate from time to time: The Secretaries of the executive departments, the Chairman of the Munitions Board, appointed under section 213, and the Chairman of the Research and Development Board, appointed under section 214; but no such additional member shall be designated until the advice and consent of the Senate has been given to his appointment to the office, the holding of which authorizes his designation as a member of the Council.

"(b) In addition to performing such other functions as the President may direct, for the purpose of more effectively coordinating the policies and functions of the departments and agencies of the Government relating to the national security, it shall, subject to the direction of the President, be the duty of the Council—

"(1) to assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith; and

"(2) to consider policies on matters of common interest to the departments and agencies of the Government concerned with the national security, and to make recommendations to the President in connection therewith.

"(c) The Council shall have a staff to be headed by a civilian executive secretary who shall be appointed by the President, and who shall receive compensation at the rate of \$10,000 a year. The executive secretary, subject to the direction of the Council, is hereby authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions.

"(d) The Council shall, from time to time, make such recommendations, and such other reports to the President as it deems appropriate or as the President may require.

"CENTRAL INTELLIGENCE AGENCY"

"SEC. 102. (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life. The Director shall receive compensation at the rate of \$14,000 a year.

"(b) (1) If a commissioned officer of the armed services is appointed as Director then—

"(A) in the performance of his duties as Director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the Department of Defense, or the armed services or any component thereof; and

"(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, as Director) with respect to the armed services or any component thereof, the Department of Defense, or any branch, bureau, unit, or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

"(2) Except as provided in paragraph (1), the appointment to the office of Director of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in the office of Director, receive the military pay and allowances (active or retired, as the case may be) payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which \$14,000 exceeds the amount of his annual military pay and allowances.

"(c) Notwithstanding the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

"(d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

"(1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

"(2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

"(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: *Provided*, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: *Pro-*

vided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: *And provided further*, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

"(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

"(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

"(e) To the extent recommended by the National Security Council and approved by the President, such intelligence of the departments and agencies of the Government, except as hereinafter provided, relating to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies of the Government, except as hereinafter provided, shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination: *Provided, however*, That upon the written request of the Director of Central Intelligence, the Director of the Federal Bureau of Investigation shall make available to the Director of Central Intelligence such information for correlation, evaluation, and dissemination as may be essential to the national security.

"(f) Effective when the Director first appointed under subsection (a) has taken office—

"(1) the National Intelligence Authority (11 Fed. Reg. 1337, 1339, Feb. 5, 1946) shall cease to exist; and

"(2) the personnel, property, and records of the Central Intelligence Group are transferred to the Central Intelligence Agency, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available or authorized to be made available for such Group shall be available and shall be authorized to be made available in like manner for expenditure by the Agency.

"NATIONAL SECURITY RESOURCES BOARD"

"SEC. 103. (a) There is hereby established a National Security Resources Board (hereinafter in this section referred to as the 'Board'), to be composed of the Chairman of the Board and such heads or representatives of the various executive departments and independent agencies as may from time to time be designated by the President to be members of the Board. The Chairman of the Board shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$14,000 a year.

"(b) The Chairman of the Board, subject to the direction of the President, is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to assist the Board in carrying out its functions.

"(c) It shall be the function of the Board to advise the President concerning the coordination of military, industrial, and civilian mobilization, including—

"(1) policies concerning industrial and civilian mobilization in order to assure the most effective mobilization and maximum utilization of the Nation's manpower in the event of war;

"(2) programs for the effective use in time of war of the Nation's natural and industrial resources for military and civilian needs, for the maintenance and stabilization of the civilian economy in time of war, and for the adjustment of such economy to war needs and conditions;

"(3) policies for unifying, in time of war, the activities of Federal agencies and departments engaged in or concerned with production, procurement, distribution, or transportation of military or civilian supplies, materials, and products;

"(4) the relationship between potential supplies of, and potential requirements for, manpower, resources, and productive facilities in time of war;

"(5) policies for establishing adequate reserves of strategic and critical material, and for the conservation of these reserves;

"(6) the strategic relocation of industries, services, government, and economic activities, the continuous operation of which is essential to the Nation's security.

"(d) In performing its functions, the Board shall utilize to the maximum extent the facilities and resources of the departments and agencies of the Government.

"TITLE II—THE DEPARTMENT OF DEFENSE"

"ESTABLISHMENT OF THE DEPARTMENT OF DEFENSE"

"SEC. 201. (a) There is hereby established the Department of Defense, and the Secretary of Defense shall be the head thereof.

"(b) Section 158 of the Revised Statutes is amended to include the Department of Defense, and the provisions of so much of title IV of the Revised Statutes, as now or hereafter amended, as is not inconsistent with this act, shall be applicable to the Department.

"(c) All military and civilian personnel and all property, both real and personal (including all records), of the Department of the Army, the Department of the Navy, and the Department of the Air Force are hereby transferred to the Department of Defense; and the Department of the Army, the Department of the Navy, and the Department of the Air Force shall cease to exist as executive departments of the Government. The Department of Defense shall consist of (1) all personnel and property transferred to it under the foregoing provisions of this act, and (2) the agencies created under title II of this act.

"(d) The offices of Secretary of the Army, Secretary of the Navy, Secretary of the Air Force, Under Secretary of the Army, Under Secretary of the Navy, Under Secretary of the Air Force, Assistant Secretaries of the Army, Assistant Secretaries of the Navy, and Assistant Secretaries of the Air Force, are hereby abolished, and the functions, powers, and duties vested in and imposed upon such officers shall hereafter be vested in and imposed upon the Secretary of Defense, who may delegate the same to the Under Secretary of Defense or to such of the Assistant Secretaries of Defense as he may designate.

"SECRETARY OF DEFENSE"

"SEC. 202. (a) There shall be a Secretary of Defense, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate: *Provided*, That a person who has within 10 years been on active duty as a commissioned officer in a Regular component of the armed services shall not be eligible for appointment as Secretary of Defense. The Secretary of Defense shall be the principal assistant to the President in all matters relating to the national security. Under the direction of the President and subject to the provisions of this act, he shall (1) exercise direction, authority, and control over the Department of Defense, and (2) prepare and submit to the President and to the Congress, from time to time, such integrated programs to provide for the common defense of the United States as he may deem appropriate.

"(b) The Secretary of Defense shall submit annual written reports to the President and the Congress covering expenditures, work, and accomplishments of the Department of Defense, together with such recommendations as he shall deem appropriate.

"(c) The Secretary of Defense shall cause a seal of office to be made for the Department of Defense of such design as the President shall approve, and judicial notice shall be taken thereof.

"UNDER SECRETARY OF DEFENSE

"Sec. 203. There shall be in the Department of Defense an Under Secretary of Defense, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$15,000 a year. The Under Secretary shall perform such duties as may be required by law or prescribed by the Secretary of Defense. The Under Secretary shall, (1) in case of death, resignation, or removal from Office of the Secretary, perform the duties of the Secretary until a successor is appointed; and (2) in case of the absence of the Secretary, perform the duties of the Secretary until such absence shall terminate.

"ASSISTANT SECRETARIES OF DEFENSE FOR THE ARMY, NAVY, AND AIR FORCE

"Sec. 204. There shall be in the Department of Defense an Assistant Secretary of Defense for the Army, an Assistant Secretary of Defense for the Navy, and an Assistant Secretary of Defense for the Air Force, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$15,000 a year. The said Assistant Secretaries, under the direction and control of the Secretary of Defense, shall administer the United States Army, the United States Navy, and the United States Air Force, respectively, and shall perform such other duties as may be required by law or prescribed by the Secretary of Defense.

"CIVILIAN AND MILITARY ASSISTANCE TO THE SECRETARY OF DEFENSE

"Sec. 205. (a) The Secretary of Defense is authorized to appoint from civilian life not to exceed three special assistants to advise and assist him in the performance of his duties. Each such special assistant shall receive compensation at the rate of \$10,000 a year.

"(b) The Secretary of Defense is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such civilian personnel as may be necessary for the performance of the functions of the Department of Defense.

"(c) The Secretary of Defense is authorized to establish a military staff to advise him with respect to the performance of his duties and to detail to such staff any members of the armed services whom he may designate.

"UNITED STATES ARMY

"Sec. 206. In general the United States Army, within the Department of Defense, shall include land combat and service forces and such aviation and water transport as may be organic therein. It shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations on land. It shall be responsible for the preparation of land forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of peacetime components of the Army to meet the needs of war.

"UNITED STATES NAVY

"Sec. 207. (a) In general the United States Navy, within the Department of Defense, shall include naval combat and service forces and such aviation as may be organic therein. It shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations at sea. It shall be responsible for the preparation of naval forces necessary for the effective prosecution of war except as otherwise assigned, and, in accordance

with integrated joint mobilization plans, for the expansion of the peacetime components of the Navy to meet the needs of war.

"All naval aviation shall be integrated with the naval service as part thereof. Naval aviation shall consist of combat and service and training forces, and shall include land-based naval aviation, air transport essential for naval operations, all air weapons and air techniques involved in the operations and activities of the United States Navy, and the entire remainder of the aeronautical organization of the United States Navy, together with the personnel necessary therefor.

"The Navy shall be generally responsible for naval reconnaissance, antisubmarine warfare, and protection of shipping.

"The Navy shall develop aircraft, weapons, tactics, technique, organization, and equipment of naval combat and service elements; matters of joint concern as to these functions shall be coordinated by the Secretary of Defense and the Chief of Staff of the armed services among the Army, the Air Force, and the Navy.

"(b) The United States Marine Corps, within the Department of Defense, shall include land combat and service forces and such aviation as may be organic therein. The Marine Corps shall be organized, trained, and equipped to provide fleet marine forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign. It shall be the duty of the Marine Corps to develop, in coordination with the Army and the Air Force, and under the supervision of the Chief of Staff of the armed services those phases of amphibious operations which pertain to the tactics, technique, and equipment employed by landing forces. In addition, the Marine Corps shall provide detachments and organizations for service on armed vessels of the Navy, shall provide security detachments for the protection of naval property at naval stations and bases, and shall perform such other duties as the President may direct: *Provided*, That such additional duties shall not detract from or interfere with the operations for which the Marine Corps is primarily organized. The Marine Corps shall be responsible, in accordance with integrated joint mobilization plans, for the expansion of peacetime component of the Marine Corps to meet the needs of war.

"UNITED STATES AIR FORCE

"Sec. 208. (a) The United States Air Force is hereby established under the Department of Defense. The Army Air Forces, the Air Corps, United States Army, and the General Headquarters Air Force (Air Force Combat Command), shall be transferred to the United States Air Force.

"(b) There shall be a Chief of Staff, United States Air Force, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years from among the officers of general rank who are assigned to or commissioned in the United States Air Force. Under the direction of the Secretary of Defense and the Assistant Secretary of Defense for the Air Force, the Chief of Staff, United States Air Force, shall exercise command over the United States Air Force and shall be charged with the duty of carrying into execution all lawful orders and directions which may be transmitted to him. The functions of the Commanding General, General Headquarters Air Force (Air Force Combat Command), and of the Chief of the Air Corps and of the Commanding General, Army Air Forces, shall be transferred to the Chief of Staff, United States Air Force. When such transfer becomes effective, the offices of the Chief of the Air Corps, United States Army, and Assistants to the Chief of the Air Corps, United States Army, provided for by the act of June 4, 1920, as amended (41

Stat. 768), and Commanding General, General Headquarters Air Force, provided for by section 5 of the act of June 16, 1936 (49 Stat. 1525), shall cease to exist. While holding office as Chief of Staff, United States Air Force, the incumbent shall hold a grade and receive allowances equivalent to those prescribed by law for the Chief of Staff, United States Army. The Chief of Staff, United States Army, the Chief of Naval Operations, and the Chief of Staff, United States Air Force, shall take rank among themselves according to their relative dates of appointment as such: *Provided*, That nothing in this act shall have the effect of changing the relative rank of the present Chief of Staff, United States Army, and the present Chief of Naval Operations.

"(c) All commissioned officers, warrant officers, and enlisted men, commissioned, holding warrants, or enlisted, in the Air Corps, United States Army, or the Army Air Forces, shall be transferred in branch to the United States Air Force. All other commissioned officers, warrant officers, and enlisted men, who are commissioned, hold warrants, or are enlisted, in any component of the Army of the United States and who are under the authority or command of the Commanding General, Army Air Forces, shall be continued under the authority or command of the Chief of Staff, United States Air Force. Personnel whose status is affected by this subsection shall retain their existing commissions, warrants, or enlisted status in existing components of the armed forces unless otherwise altered or terminated in accordance with existing law; and they shall not be deemed to have been appointed to a new or different office or grade, or to have vacated their permanent or temporary appointments in an existing component of the armed forces, solely by virtue of any change in status under this subsection. No such change in status shall alter or prejudice the status of any individual so assigned, so as to deprive him of any right, benefit, or privilege to which he may be entitled under existing law.

"(d) Except as otherwise directed by the Secretary of Defense, all property, records, installations, agencies, activities, projects, and civilian personnel under the jurisdiction, control, authority, or command of the Commanding General, Army Air Forces, shall be continued to the same extent under the jurisdiction, control, authority, or command, respectively, of the Chief of Staff, United States Air Force.

"(e) For a period of 2 years from the date of enactment of this act, military personnel, property, records, installations, agencies, activities, and projects may be transferred between the Army and the Air Force by direction of the Secretary of Defense.

"(f) In general the United States Air Force shall include aviation forces, both combat and service, not otherwise assigned. It shall be organized, trained, and equipped primarily for prompt and sustained offensive and defensive air operations. The Air Force shall be responsible for the preparation of the Air Forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Air Force to meet the needs of war.

"EFFECTIVE DATE OF TRANSFERS

"Sec. 209. Each transfer, assignment, or change in status under section 207 or section 208 shall take effect upon such date or dates as may be prescribed by the Secretary of Defense.

"WAR COUNCIL

"Sec. 210. There shall be within the Department of Defense a War Council composed of the Secretary of Defense, as Chairman, who shall have power of decision; the Assistant Secretary of Defense for the Army; the Assistant Secretary of Defense for the Navy;

the Assistant Secretary of Defense for the Air Force; the Chief of Staff of the Armed Services; the Chief of Staff, United States Army; the Chief of Naval Operations; and the Chief of Staff, United States Air Force. The War Council shall advise the Secretary of Defense on matters of broad policy relating to the armed forces, and shall consider and report on such other matters as the Secretary of Defense may direct.

"CHIEF OF STAFF OF THE ARMED SERVICES"

"SEC. 211. (a) There shall be in the Department of Defense an officer to be known as the Chief of Staff of the Armed Services, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 3 years. Said Chief of Staff shall be selected from among the commissioned officers of the armed services of general or flag rank and shall rank above all other officers of the armed services on active duty. The Chief of Staff of the Armed Services shall be the military adviser of the President and the Secretary of Defense, shall supervise the execution by the armed services of the orders of the President and the Secretary of Defense, and shall perform such other military duties as may be assigned him by the President or Secretary of Defense.

"(b) In the appointment of the Chief of Staff of the Armed Services, the President shall, if he deems it proper and desirable, alternate his choice of said Chief of Staff from commissioned officers of the Army, Navy, and Air Force in order that the experience of all the services may be utilized in the integration of our defense establishment.

"(c) The Chief of Staff of the Armed Services, while holding office as such, shall have the rank and title of—

"(1) General of the Army, if he is an officer of the United States Army;

"(2) Fleet admiral, if he is an officer of the United States Navy;

"(3) General of the Air Force, or such other comparable rank as may be established for the United States Air Force, if he is an officer of the United States Air Force.

The Chief of Staff of the Armed Services, while holding office as such, shall be entitled to the pay and allowances of a rear admiral (upper half) and to a personal money allowance of \$5,000 a year.

"JOINT CHIEFS OF STAFF"

"SEC. 212. (a) There is hereby established within the National Military Establishment the Joint Chiefs of Staff, which shall consist of the Chief of Staff of the Armed Services, who shall have power of decision; the Chief of Staff, United States Army; the Chief of Naval Operations; the Chief of Staff, United States Air Force; and the Chief of Staff to the Commander in Chief, if there be one.

"(b) Subject to the authority and direction of the President and the Secretary of Defense, it shall be the duty of the Joint Chiefs of Staff—

"(1) to prepare strategic plans and to provide for the strategic direction of the military forces;

"(2) to prepare joint logistic plans and to assign to the military services logistic responsibilities in accordance with such plans;

"(3) to establish unified commands in strategic areas when such unified commands are in the interest of national security;

"(4) to formulate policies for joint training of the military forces;

"(5) to formulate policies for coordinating the education of members of the military forces;

"(6) to review major material and personnel requirements of the military forces, in accordance with strategic and logistic plans; and

"(7) to provide United States representation on the Military Staff Committee of the United Nations in accordance with the provisions of the Charter of the United Nations.

"(c) The Joint Chiefs of Staff shall act as the principal military advisers to the President and the Secretary of Defense and shall perform such other duties as the President and the Secretary of Defense may direct or as may be prescribed by law.

"JOINT STAFF"

"SEC. 213. There shall be, under the Joint Chiefs of Staff, a Joint Staff to consist of not to exceed five hundred officers and to be composed of approximately equal numbers of officers from each of the three armed services. The Joint Staff, operating under a Director thereof appointed by the Joint Chiefs of Staff, shall perform such duties as may be directed by the Joint Chiefs of Staff. The director shall be an officer junior in grade to all members of the Joint Chiefs of Staff.

"MUNITIONS BOARD"

"SEC. 214. (a) There is hereby established in the National Military Establishment a Munitions Board (hereinafter in this section referred to as the Board).

"(b) The Board shall be composed of a Chairman, who shall be the head thereof, and of three civilian officers of the Department of Defense to be designated by the Secretary of Defense. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$14,000 a year.

"(c) It shall be the duty of the Board under the direction of the Secretary of Defense and in support of strategic and logistic plans prepared by the Joint Chiefs of Staff—

"(1) to coordinate the appropriate activities within the Department of Defense with regard to industrial matters, including the procurement, production, and distribution plans of the Department;

"(2) to plan for the military aspects of industrial mobilization;

"(3) to recommend assignment of procurement responsibilities within the Department of Defense and to plan for standardization of specifications and for the greatest practicable allocation of purchase authority of technical equipment and common use items on the basis of single procurement;

"(4) to prepare estimates of potential production, procurement, and personnel for use in evaluation of the logistic feasibility of strategic operations;

"(5) to determine relative priorities of the various segments of the military procurement programs;

"(6) to supervise such subordinate agencies as are or may be created to consider the subjects falling within the scope of the Board's responsibilities;

"(7) to make recommendations to regroup, combine, or dissolve existing interservice agencies operating in the fields of procurement, production, and distribution in such manner as to promote efficiency and economy;

"(8) to maintain liaison with other departments and agencies for the proper correlation of military requirements with the civilian economy, particularly in regard to the procurement or disposition of strategic and critical material and the maintenance of adequate reserves of such material, and to make recommendations as to policies in connection therewith;

"(9) to assemble and review material and personnel requirements presented by the Joint Chiefs of Staff and those presented by the production, procurement, and distribution agencies assigned to meet military needs, and to make recommendations thereon to the Secretary of Defense; and

"(10) to perform such other duties as the Secretary of Defense may direct.

"(d) When the Chairman of the Board first appointed has taken office, the Joint Army and Navy Munitions Board shall cease to exist and all its records and personnel shall be transferred to the Munitions Board.

"(e) The Secretary of Defense shall provide the Board with such personnel and

facilities as the Secretary may determine to be required by the Board for the performance of its functions.

"RESEARCH AND DEVELOPMENT BOARD"

"SEC. 215. (a) There is hereby established in the Department of Defense a Research and Development Board (hereinafter in this section referred to as the "Board"). The Board shall be composed of a Chairman, who shall be the head thereof, and six civilian or military officers of the Department of Defense to be designated by the Secretary of Defense. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$14,000 a year. The purpose of the Board shall be to advise the Secretary of Defense as to the status of scientific research relative to the national security, and to assist him in assuring adequate provision for research and development on scientific problems relating to the national security.

"(b) It shall be the duty of the Board, under the direction of the Secretary of Defense—

"(1) to prepare a complete and integrated program of research and development for military purposes;

"(2) to advise with regard to trends in scientific research relating to national security and the measures necessary to assure continued and increasing progress;

"(3) to recommend measures of coordination of research and development within the Department of Defense, and allocation of responsibilities for specific programs of joint interest to the Army, Navy, and Air Forces;

"(4) to formulate policy for the Department of Defense in connection with research and development matters involving agencies outside the Department;

"(5) to consider the interaction of research and development and strategy, and to advise the Joint Chiefs of Staff in connection therewith; and

"(6) to perform such other duties as the Secretary of Defense may direct.

"(c) When the Chairman of the Board first appointed has taken office, the Joint Research and Development Board shall cease to exist and all its records and personnel shall be transferred to the Research and Development Board.

"(d) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

"TITLE III—MISCELLANEOUS"

"COMPENSATION OF SECRETARY OF DEFENSE"

"SEC. 301. The Secretary of Defense shall receive the compensation prescribed by law for heads of executive departments.

"ADVISORY COMMITTEES AND PERSONNEL"

"SEC. 302. (a) The Secretary of Defense, the Chairman of the National Security Resources Board, and the Director of Central Intelligence are authorized to appoint such advisory committees and to employ, consistent with other provisions of this act, such part-time advisory personnel as they may deem necessary in carrying out their respective functions and the functions of agencies under their control. Persons holding other offices or positions under the United States for which they receive compensation while serving as members of such committees shall receive no additional compensation for such service. Other members of such committees and other part-time advisory personnel so employed may serve without compensation or may receive compensation at a rate not to exceed \$35 for each day of service, as determined by the appointing authority.

"(b) Service of an individual as a member of any such advisory committee, or in any other part-time capacity for a department or agency hereunder, shall not be considered

as service bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., 1940 edition, title 18, secs. 198 and 203), or section 19 (e) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves a department or agency which such person is advising or in which such department or agency is directly interested.

"STATUS OF TRANSFERRED CIVILIAN PERSONNEL"

"SEC. 303. All transfers of civilian personnel under this act shall be without change in classification or compensation, but the head of any department or agency to which such a transfer is made is authorized to make such changes in the titles and designations and prescribe such changes in the duties of such personnel commensurate with their classification as he may deem necessary and appropriate.

"SAVING PROVISIONS"

"SEC. 304. (a) All laws, orders, regulations, and other actions applicable with respect to any function, activity, personnel, property, records, or other thing transferred under this act, or with respect to any officer, department, or agency, from which such transfer is made, shall, except to the extent rescinded, modified, superseded, terminated, or made inapplicable by or under authority of law, have the same effect as if such transfer had not been made; but, after any such transfer, any such law, order, regulation, or other action which vested functions in or otherwise related to any officer, department, or agency from which such transfer was made shall, insofar as applicable with respect to the function, activity, personnel, property, records or other thing transferred and to the extent not inconsistent with other provisions of this act, be deemed to have vested such function in or relate to the officer, department, or agency to which the transfer was made.

"(b) No suit, action, or other proceeding lawfully commenced by or against the head of any department or agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any transfer or change in title under the provisions of this act; and, in the case of any such transfer, such suit, action, or other proceeding may be maintained by or against the successor of such head or other officer under the transfer, but only if the court shall allow the same to be maintained on motion or supplemental petition filed within 12 months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain settlement of the questions involved.

"TRANSFER OF FUNDS"

"SEC. 305. All unexpended balances of appropriations, allocations, nonappropriated funds, or other funds available or hereafter made available for use by or on behalf of the Department of War, the Department of the Army, the Department of the Navy, the Department of the Air Force, the United States Army, the United States Navy, or the United States Air Force shall be transferred to the Department of Defense for use in connection with the exercise of its functions. Unexpended balances transferred under this section may be used, under the direction of the Secretary of Defense, for the purposes for which the appropriation, allocation, or other funds were originally made available, or for new expenditures occasioned by the enactment of this act. The transfers herein authorized may be made with or without warrant action as may be appropriate from time to time from any appropriation covered by this section to any other such appropriation or to such new accounts established on the

books of the Treasury as may be determined to be necessary to carry into effect the provisions of this act.

"AUTHORIZATION FOR APPROPRIATIONS"

"SEC. 306. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

"DEFINITION"

"SEC. 307. As used in this act, the term function includes functions, powers, and duties.

"SEPARABILITY"

"SEC. 308. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"EFFECTIVE DATE"

"SEC. 309. (a) The first sentence of section 202 (a) and sections 1, 2, 306, 307, 308, and 309 shall take effect immediately upon the enactment of this act.

"(b) Except as provided in subsection (a), the provisions of this act shall take effect on whichever of the following days is the earlier: The day after the day upon which the Secretary of Defense first appointed takes office, or the sixtieth day after the date of the enactment of this act.

"SUCCESSION TO THE PRESIDENCY"

"SEC. 310. Paragraph (1) of subsection (d) of section 1 of the act entitled 'An act to provide for the performance of the duties of the office of President in case of the removal, resignation, death, or inability both of the President and Vice President,' approved July 18, 1947, is amended by striking out 'Secretary of War' and inserting in lieu thereof 'Secretary of Defense,' and by striking out 'Secretary of the Navy.'

Mr. GURNEY. Mr. President, we have listened to an address by the junior Senator from Oregon [Mr. MORSE], a member of the Armed Services Committee, telling us about the workings, as he sees it, of the Unification Act and the difficulty encountered by the Congress in obtaining accurate information necessary to resolve the manpower and fiscal problems of the defense establishment.

Let me say to the Senate that our committee has worked diligently on the manpower problem, believing that our first objective should be security; that our second objective should be the saving of manpower; and that our third objective should be the saving of dollars. A sincere effort is being made. I shall not say that unification has proved a failure. In fact, I still believe, as I stated to the Senate a year ago, that we did not merely make a start then, but we went a long way toward getting the kind of defense establishment necessary for the United States. Our action at that time was more than taking merely a few steps. I stated a year ago, and I now repeat, that several years will be required to eliminate the kinks in the defense establishment. They will be presented to Congress possibly over a period of 20 years. Nevertheless, we now have one avenue of approach to the over-all problem of national security, as represented by the Army, the Navy, and the Air Force.

Our committee will meet tomorrow morning and again tomorrow afternoon. I have high hope that at that time we shall receive from the Secretary of National Defense one recommendation on

which there is some agreement in the defense establishment. I realize that Congress will have to meet the problem of dollars, but I am rather hopeful that by the end of this week or the first of next week we shall have a recommendation to make to the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4931) to amend title 17 of the United States Code entitled "Copyrights."

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 46) providing for the printing of additional copies of Senate Report No. 986, on Labor-Management Relations.

EXCLUSION OF CERTAIN NEWSPAPER OR MAGAZINE VENDORS FROM CERTAIN PROVISIONS OF THE SOCIAL SECURITY ACT AND THE INTERNAL REVENUE CODE—VETO MESSAGE

Mr. MILLIKIN obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me so I may make a unanimous-consent request?

Mr. MILLIKIN. I yield.

Mr. WHERRY. I ask unanimous consent that the Senate proceed to the reconsideration of House bill 5052.

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

There being no objection, the Senate proceeded to reconsider the bill (H. R. 5052) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and the Internal Revenue Code, returned by the President on April 6, 1948, without his approval, and passed by the House, on reconsideration, on April 14, 1948.

The PRESIDENT pro tempore. The veto message has heretofore been read. The question before the Senate is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

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:

Alken	Fulbright	McKellar
Baldwin	George	Malone
Ball	Green	Martin
Barkley	Gurney	Maybank
Brewster	Hatch	Millikin
Bricker	Hayden	Moore
Bridges	Hickenlooper	Morse
Brooks	Hill	Murray
Buck	Hoey	Myers
Bushfield	Holland	O'Connor
Butler	Ives	O'Daniel
Byrd	Jenner	Overton
Cain	Johnson, Colo.	Pepper
Capehart	Johnston, S. C.	Reed
Capper	Kem	Revercomb
Chavez	Kilgore	Robertson, Va.
Cordon	Knowland	Robertson, Wyo.
Donnell	Langer	Saltonstall
Downey	Lodge	Stennis
Dworshak	Lucas	Stewart
Eastland	McCarran	Taft
Eaton	McCarthy	Thomas, Utah
Ellender	McClellan	Thye
Ferguson	McFarland	Tobey
Flanders	McGrath	Tydings

Umstead	Wherry	Williams
Vandenberg	White	Wilson
Watkins	Wiley	Young

Mr. WHERRY. I announce that the Senator from Kentucky [Mr. COOPER] is absent by leave of the Senate on official business.

The senior Senator from New Jersey [Mr. HAWKES] is necessarily absent.

The junior Senator from New Jersey [Mr. SMITH] is absent on official business.

Mr. LUCAS. I announce that the Senator from Texas [Mr. CONNALLY] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Connecticut [Mr. McMAHON] and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

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

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

The parliamentary situation is as follows: the business before the Senate is the Presidential veto of House bill 5052, a bill to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and the Internal Revenue Code.

The question before the Senate is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? The Constitution requires that the vote be by yeas and nays.

Mr. BARKLEY. Mr. President, has the message been read?

The PRESIDENT pro tempore. The message was read when it was laid before the Senate on a previous day.

Mr. MILLIKIN. Mr. President, the issue here is whether the Congress shall sustain the decision which it has already made: namely, to exclude from social security the newspaper and magazine vendors. Both Houses of Congress have decided that they should be excluded. The bill went to the President, and the President vetoed it. I think that in common understanding, newspaper and magazine vendors are not employees of the publishers. Many Members of the Senate at some time or other in their lifetimes have sold newspapers or magazines, and from their own experiences they know that a vendor of newspapers or of magazines to the ultimate purchaser is not in fact an employee. That was rather well recognized as a matter of law until the latter part of 1946, when a decision of a Federal district court in the northern district of California held that the newspaper vendors involved in the case there being considered were employees and therefore were entitled to coverage. Since that time the social-security aspects of magazine and newspaper distribution have been in a state of extreme confusion and uncertainty.

Mr. President, the social-security system was intended to apply to employees. There is strong sentiment in Congress, I believe, to extend the coverage to persons in self-employment, to independent contractors, to professional people, and to other persons not now included. I may remind the Senate that the Senate Finance Committee is receiving the benefit of the advice of a very distinguished council of citizens selected from all over the United States as to how our social-security system can be improved. The Senate Finance Committee now has before it the first report of that council; and I may say that the recommendations deal with coverage for independent contractors, self-employed persons, and also other persons who are clearly employees, but who now do not have coverage.

I believe it is a great mistake to mutilate the social-security system in the fanciful judicial or administrative constructions of the word "employee." If we wish to bring into that system people who are in twilight zones or who heretofore have clearly not been considered as employees, let us bring them in by legislation for that specific purpose.

As a practical matter, Mr. President, this tax is not collectible on the type of newspaper vendors and magazine vendors I have described.

The act excludes from coverage an individual who sells newspapers or magazines who at the time of the sale to the ultimate consumer, sells, under an arrangement under which the sale is made, at a fixed price, whose compensation is based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, and whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back.

I invite attention to the fact that we are not reaching basic distributors, wholesalers, those who take the newspapers and the magazines to the person who finally sells them to the ultimate purchaser.

At the hearing before the House committee, a witness testified as follows:

1. The tax is not collectible. The Social Security and Federal Unemployment Tax Acts require that "the employee of taxpayer shall deduct the amount of the tax from the wages as and when paid."

Street vendors buy and pay the publishers for newspapers at wholesale rates and sell them at retail rates. All payments are made from the vendors to the publishers. Consequently, making no payments, the publisher can make no withholding or give an accurate computation of tax. No law or regulation authorizes a collection except by withholding.

2. It is impossible to obtain the data necessary for determining the tax. To appreciate this fully it is necessary to understand the operation as it generally involves the vendors.

Mr. President, I think what I am about to read will coincide with the direct observation of Senators:

Each day when the first edition of a newspaper comes off the press it is delivered by employees of the publisher, known as wholesalers, to the vendors. Each vendor is charged with the number of papers delivered

to him. As each subsequent edition is released during the day the process is repeated. From time to time during the day or at the end of the day's selling period, the wholesalers pick up any unsold papers from the vendors and collect the wholesale price of all papers not returned.

Frequently wholesalers' working shifts do not correspond with the working periods of the vendors, so that a vendor will deal with one wholesaler during a portion of the day and with another during the rest of the day.

Moreover, editions often follow each other so closely that different wholesalers must handle them—the first man cannot make his deliveries and get back before the next one goes out.

Naturally, then, neither of the wholesalers knows the total number of papers handled by the vendor during the day.

It is generally customary for one vendor to handle the newspapers of several publishers at the same time on his corner. For example, he will handle two morning or two evening papers. Of course, these vendors are served independently by the respective wholesalers of the papers being handled.

The practice of "off sales" also generally exists. An example will illustrate the "off sale."

The first editions of the morning papers appear on the streets during the evening while evening papers are still being sold. When later vendors of the evening papers leave their corners for the day, they turn over and sell the remainder of their evening papers to vendors of the morning papers.

The publishers of the morning papers have no part in this and no means of obtaining any information as to profits made by morning-paper vendors from the sale of these evening papers. The same sort of thing occurs when morning-paper vendors leave their corners for the day.

It was much easier for Judge Goodman to decide that these men were employees and not independent contractors than it is for publishers in practical operation to figure whose employees they are, how much they make, and who owes what to whom, and whose responsibility it is to report how much profits have been made even on transactions to which one is not a party at all. It sounds a little involved, and it is.

The profits of a vendor are neither uniform nor constant. Too many factors influence sales, such as weather, location, and news breaks, and so forth.

For example, the sale of papers on a corner in the financial district will be affected much more by news about the stock market than on a corner in a residential section. And so it follows that from corner to corner and from day to day the vendors' profits are never fixed, but always variable.

It is also well known that many vendors—

And, Mr. President, I am sure this statement will be confirmed by the observations of all of us—

sell things other than newspapers, such as candy, razor blades, gum, magazines, racing forms, and so forth. It would be rather impossible for a publisher to compute these profits, or at least unfair to ask him to do so.

As a matter of fact, the vendor handles the gum, candy, and so forth, on exactly the same basis as he handles the newspapers. How can anyone compute the relative withholding or taxpaying responsibility of the newspaper publisher or two or three more newspaper publishers and the candy maker, the gum manufacturer, the supplier of pencils, racing forms, and miscellaneous other merchandise?

I believe, from that rather brief recital, it is made clear how utterly impractical it is to apply the present withholding-tax provision to newspaper vendors or to magazine vendors.

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

Mr. MILLIKIN. I yield to the Senator.

Mr. AIKEN. Mr. President, I should like to ask the Senator from Colorado whether the men who stand outside hotels and theaters at night selling newspapers are vendors, or whether they are newsboys.

Mr. MILLIKIN. I suggest they can be termed either vendors or newsboys.

Mr. AIKEN. What is the difference between a vendor and a newsboy, assuming the vendor has no fixed place of business but stands on a street corner?

Mr. MILLIKIN. I do not see any difference. I may say also, as all Senators know, the Social Security Act excludes newsboys under the age of 18 years.

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

Mr. MILLIKIN. I yield.

Mr. REVERCOMB. The point made by the Senator is, I take it, that the vendor of papers, the newsboy, is not an employee within the meaning and intent of the Social Security Act.

Mr. MILLIKIN. That is correct.

Mr. REVERCOMB. The coverage of the Social Security Act is now under study by the Finance Committee of the Senate, of which the able Senator from Colorado is chairman, and of course if the question of coverage comes up with respect to independents, or men engaged independently in business, the subject would properly be taken up and considered by that committee under that head.

Mr. MILLIKIN. I agree entirely.

Mr. REVERCOMB. The point made by the Senator is that it has no place in the present act, and could have no place until the present act is properly amended respecting coverage.

Mr. MILLIKIN. I make two points: First, that under the ordinary conception of the term "employee," and I believe, under the legal conception of the term "employee" prior to the California decision which I have mentioned, a newspaper and magazine vendor is not an employee. Second, I make the point that, by reason of the circumstances which have been detailed, it is impracticable to bring such persons within the system, it being simply impossible to establish responsibility for the collection and payment of the withholding tax.

Mr. REVERCOMB. Mr. President, will the Senator further yield at that point?

Mr. MILLIKIN. I yield.

Mr. REVERCOMB. By the statement that it is impractical to bring certain persons within the system, I assume the Senator means it is impractical under the present law; but if the coverage were extended to independent business, we should then have a different situation as to coverage.

Mr. MILLIKIN. Exactly; and it would be on an entirely different basis.

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

Mr. MILLIKIN. I yield.

Mr. GEORGE. To what the Senator from Colorado has said I merely wish to add this particular observation. This matter has been twice before the Congress. It had been so troublesome for

publishers of newspapers and magazines that it was presented to the Congress. The President vetoed last August a bill which both Houses had passed. This was the second appearance of the bill, and again the President vetoed it. At this time the House had overridden the President's veto.

I speak as one who has the friendliest interest in the vendors of newspapers and magazines, in that I can understand their desire, some of them, at least, to come under the Social Security System and receive social-security benefits. The distinguished chairman of the committee has correctly said that a group of very eminent men, gathered from all parts of the country, has been studying the whole Social Security System for some time. We are already advised that among their recommendations, and prominently among their recommendations, will be one calling especially for the extension of coverage to classes not now under social security, including the self-employed.

Beyond any doubt, the vendor of newspapers on the street corner or in the hotels or elsewhere who sells to the ultimate consumer is self-employed. He is selling merchandise. He buys it as merchandise, and he may or may not have the option of returning any unsold portions of the papers and magazines entrusted to him for sale. He is self-employed in every fair sense of the term. He is not an employed person within the original meaning of the Social Security Act.

The whole difficulty here arises because of the impatience of those now administering social security to extend the system by construction and by regulation rather than to give the Congress an opportunity of saying who is and who is not intended to be covered.

In this particular case it is practically impossible for the newspaper publisher to withhold anything from a vendor of newspapers sold on the street corners to whoever wishes to buy them. He does not even know in thousands of instances the name of the newspaper vendor. He has no idea of how many newspapers he sells or does not sell, except as it is based upon his own statement. If he returns the paper he may get credit; if he does not return them, he does not get credit, whether he has sold them, thrown them away, or used them for his own purposes. There is no money passing through the publisher's hands that belongs to the newspaper vendor. The publisher has nothing to withhold. The newspaper salesman may represent a half dozen different newspaper publishers, a group of magazine publishers, and a group of manufacturers of ordinary mercantile products. So there is no practical way of administering the law with respect to the ordinary newspaper vendor, whom the Social Security Board has by its regulations undertaken to bring within the system.

Solely for that reason, Mr. President, I shall vote to override the President's veto. It seems to me that when Congress twice passes upon a matter of this character it should be allowed to become law without further action. I am happy to say that I am voting to override be-

cause when we extend social security to include the self-employed, undoubtedly then the man who wishes to sell newspapers, or wheat, or corn, or what not, may be brought under the social-security system, but under a system that will enable the taxing authorities really and effectively to collect the tax.

THE BOGOTA CONFERENCE

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

Mr. MILLIKIN. I yield.

Mr. CHAVEZ. I would not delay the vote on the veto message were it not that I feel the few remarks I am about to make are important to the Senate and to the country.

The recent rioting in Bogota, which nearly resulted in stopping the Ninth Pan-American Conference, has aroused the sympathy of the world and focused attention on the Conference.

The pillaging and burning, and the hundreds of bodies lying in the morgues, give stark evidence of the seething unrest of the masses. The revolution in Costa Rica and the rumblings in Chile and Ecuador are ominous warnings of more trouble to come. So long as people are ill-fed, ill-housed, ill-clad, and so long as there are misery, poverty, suffering, and ignorance in the world, Communist propaganda, however false, will have appeal. The mobs in Bogota that burned and robbed and killed were composed of people who were cold and hungry.

If international communism planned to kill the Conference by means of the Bogota riots, the plans miscarried. The Conference has been resumed. The delegations of the American Republics got a first-hand lesson on Communist facts of life. Communism is not some remote bogey; on the contrary, it is a menace ever present in our midst. The riots have inspired and alarmed the delegates as no speeches or discussions could have done.

For us the Bogota riots were a rude awakening. Most of us were hardly aware that a Pan American Conference was taking place. I doubt if we appreciated what the strengthening and developing of pan-Americanism really means.

Do we realize the role which Latin America played in the recent world conflict? Through a series of conferences beginning more than a century ago machinery for inter-American cooperation and defense has been created. This machinery operated successfully during the late war. If it is developed and strengthened even further, it will inure not only to our benefit but to the benefit of the entire Western Hemisphere, which, by tradition, heritage, and geography, should be one in spirit and one in actuality.

We have in this hemisphere wealth and resources, technical ability, and industrial capacity, which, if organized, would create the most efficient, prosperous, happy, and powerful civilization that history has ever known. It would possess the choicest blessing God has given to man—freedom.

It is for us to make the decision. The Bogota Conference must be a success.

Our future, the future of this continent and, in all likelihood, the future of civilization, may well depend on what our diplomats and those of our sister republics evolve at this historic conference.

Our Government should have taken the trouble to enlighten the American people on the historical background of pan-Americanism, so that we might have been better prepared to appreciate the significance of Bogota.

As all of us know, the George Washington of Latin America was Simon Bolivar, the liberator and founder of Colombia. His divinely inspired mind originally conceived the idea of a League of American States.

The Pan-American movement as we know it today had its origin some 50 years ago. Since that time 8 international conferences and approximately 175 special conferences have succeeded in creating a habit of cooperation and mutual assistance, which, God willing, will be translated at Bogota into a specific charter for a living, vigorous, and effective Pan-American movement.

Over the years these conferences have succeeded in establishing certain basic principles to which the 21 Republics all subscribe, and the universality which men of good will the world over revere.

During the recent war a series of emergency meetings of the foreign ministers of the American Republics took place. These conferences made possible the amazing cooperation of all the nations of this hemisphere in successfully waging war against the Axis and in winning the victory.

Perhaps some persons do not know how important it is that the resources, the manpower, and the political strength of Latin America be on our side. How fortunate it was for the world and for democracy that the American hemisphere was united.

When we formally declared war on Japan eight American Republics were already at war with her. Within 3 days of our declaration of war against Germany, 10 of the Latin-American Republics had ranged themselves against Hitler. Never before in history have so many nations accepted the hazards of war and supported their pledged word and national honor.

Latin-American nations did not stop with their prompt declaration of war. They immediately embarked on a broad program of aid to the United Nations in opposition to the Axis Powers. Trade relations with the Axis were severed. Foreign credits, facilities, and capital were seized.

As the war developed, the nations of Latin America took prompt, economic, and military action. The United States, in spite of its tremendous industrial strength, was hard pressed for innumerable kinds of supplies. In that emergency the vast material resources of Latin America proved a tremendous asset. A constantly increasing stream of materials, minerals, and forest and agricultural products necessary for war industry poured northward into the United States. From iron ore to industrial diamonds, and from rubber to coffee, American industry was supported by the resources of our neighbors.

In addition to vital political and economic measures directed against the Axis, Latin-American nations were prompt to participate in the military prosecution of the war. Mexico, Brazil, Cuba, Colombia, and Venezuela, among others, engaged their air, sea, and military forces in protecting the American seaboard and in the war against the Germans' U-boats.

Military airfields, troop bases, and shipping depots, throughout the Latin-American nations were made available or were specially built for the use of all American forces.

Air and ground components of the Brazilian and Mexican armies fought alongside the armies of the United Nations. As our forces drove up the Italian Peninsula, Mexican and Brazilian air and ground units, under the leadership of Mark Clark, distinguished themselves in the fighting which took place in July and August of 1944 and were an important factor in driving back the Germans. The technical skill and daring of the Mexican pilots in the Pacific were commented upon by all nations. Their record is one which must not be forgotten. The value to the United States of these services cannot be overestimated.

For future security of the hemisphere it is essential that we go further in support of Western Hemisphere cooperation and that we lend our weight and direct our energies toward strengthening these bonds.

The Conference at Bogota seeks to strengthen our hemispheric solidarity by consolidating and carrying forward the decisions made by previous conferences, especially at Mexico City in 1945 and at Rio de Janeiro last year.

The agenda lists reorganization and strengthening of the inter-American system, giving effect to the provisions of the ninth resolution of the Mexico City conference. The proposed organic pact which the Pan American Union has projected will give substance to the dream of Simon Bolivar. The specific rights and duties of the signatory nations will be described in clear, precise language so that each nation, small or great, will understand its position. Up to now the Pan American Union has been little more than an idea and a habit. The Bogota Conference must establish a live, active, vigorous, working organization.

The Conference must also consider the economic issues outlined in the act of Chapultepec. It is the universal ambition of Latin Americans to increase their standard of living. This can be accomplished only if the industrial nations cooperate.

Secretary of State Marshall declared that the United States would support long-term loans by the International Bank for the development of the economies of the American Republics. He also announced that the President of the United States is submitting to the Congress a request for an increase in the lending authority of the Export-Import Bank. General Marshall also informed the Conference that the President has under consideration new measures to reduce taxes on capital invested in foreign countries.

I sincerely hope that the Conference will follow the line of attack urged by the Cuban representative, Dr. Belt. In an impressive and scholarly address he urged the delegates to welcome the assistance of American private and governmental capital and yet recognize that foreign capital must be protected upon investment.

The resumption of the Conference after the bloody rioting of last week is due to the calm and courageous leadership of Secretary Marshall and to the prompt action on the part of Dr. Belt and the Argentine representative when they took up the gauntlet of communism and urged that the Conference continue its sessions.

The Conference is now deliberating these problems. We know that under the tremendous demands of the European recovery program essential materials, machinery, and technical knowledge will be devoted to that sphere. But we must realize that the threat of communism, so active and menacing in Europe, is here in our midst and presents a danger even more menacing. We must realize that no amount of talking, persuasion, loans, or doles will make pan-Americanism work unless we champion the cause of raising their standard of living, help them industrialize, and furnish them with the necessary materials.

There is great merit in the arguments of the Foreign Minister of Mexico, Sr. James Torres Bodet, who brilliantly outlined to the conference the position of the undeveloped nations of this hemisphere. He sympathized with the undernourished war-ravaged peoples of Europe, but he called attention to the fact that the living standards of many of the peoples in our own hemisphere are much lower than the standards existing in Europe today. Inter-American solidarity derives its strength from the universal desire of all the Americas for friendship, security, and peace. If we believe in pan-Americanism only in time of war and forget it in time of peace, that is a travesty.

Here, then, is our formula for forging something good and fine and effective out of inter-American cooperation: Our Nation must firmly and vigorously adopt a program pledging its resources and its industry to assist in the elevation of the standard of living of Latin America. The only answer to communism is to better the standard of living by exporting essential industrial material and machinery to Latin America. Promotion of commerce and the development of industry are essential.

Would we not feel safer, would not the world, disunited by the imminent threat of communism, have more faith in us, in our civilization, and in our institutions, if all America had living standards comparable to those in our own country? Give the humblest Indian peon in Guatemala more privileges, more freedom, more of life's essentials than the average person in Russia, and no one could make him a Communist. That news would penetrate the iron curtain and stop communism more effectively than armies of men or squadrons of airplanes. That weapon is more powerful than the atomic bomb.

Its use rests in the hands of the Conference.

May success attend the efforts of the conferees at Bogota; let us assist them through our prayers.

Mr. President, the National Broadcasting Co. had allotted time last evening for me to deliver this message to the people of the United States. Because of some confusion in timing, or the hour at which the broadcast was to be made, I did not make the broadcast, but I do want the message to go to the country through the CONGRESSIONAL RECORD.

EXCLUSION OF CERTAIN NEWSPAPER OR MAGAZINE VENDORS FROM CERTAIN PROVISIONS OF THE SOCIAL SECURITY ACT AND THE INTERNAL REVENUE CODE—VETO MESSAGE

The Senate resumed the reconsideration of the bill (H. R. 5052) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and the Internal Revenue Code.

Mr. DOWNEY. Mr. President, it is my opinion, for whatever it may be worth to the Senate, that the veto of the President should be overridden.

During the past 2 or 3 days I have been reading the opinion of the court in this case, rendered at San Francisco; I have talked to certain representatives of the social-security system, and I have likewise talked to some newspaper boys and newspaper vendors. It is my measured opinion that for every dollar which might be collected by the Federal Government under a social-security tax against news vendors there would be several dollars spent in the effort, both by the Government as the collecting and enforcing agency, and by business itself.

I should like to mention the typical situation which is found at the intersection near where I live. There each of two newsboys, on opposite corners, sell both of our morning newspapers from about 6:30 in the morning until a quarter of 9. One of them is slightly past 17 years of age. He would not come under the proposed act, because under the basic Social Security Act all newsboys under 18 years of age are exempt, so the first boy would not come under the act, but someone would have to keep careful track to find when he did become 18 years of age.

The other boy is 18½ years of age, and has been selling papers for about a year, during 6 months of which he would have been under the act, if it had been applicable. He makes about a dollar a day, and will cease selling newspapers when he graduates from high school and goes to college next June.

If the Government should attempt to collect 2 cents a day of the dollar each boy makes, in my opinion it would be perfectly worthless to the young man, as I do not think he would ever get any benefit from it, and I believe it would cost the Government more to collect the 2 cents a day than the amount of money which would finally be accumulated.

At the same intersection is the opposite extreme. There a news vendor sells not only all the Washington newspapers, but 10 or 15 outside papers. He has contracts with the Washington newspapers,

exactly the same kind the newsboys have. He has contracts with newspapers in New York, Baltimore, and Philadelphia, which, he tells me, have certain degrees of similarity and certain degrees of dissimilarity. In my opinion there would have to be a decision on every one of those contracts to determine whether or not the sale of the newspapers under those different contracts came under the Social Security Act.

This vendor sells other articles, under somewhat different kinds of contracts, all of which would have to be construed. He sells many of the established magazines and many other articles. His net income from selling newspapers is only 10 percent of his total income. He, like the two newsboys, is totally disinterested in any social-security coverage. He, like them, thinks it means absolutely nothing to him.

As to some of the news vendors, a license is required in certain cities. How does that affect the question of employment or lack of employment? In some cases the news vendor has a right to transfer his operations. What effect does that have on his status as an employee? In some cases he has the right to make a substitution. How does that affect the case?

In going over the myriad conditions of all the contracts, having carefully read the decision rendered in the Federal court at San Francisco, by a judge, by the way, whom I had the honor to recommend, I am convinced that literally years of litigation would be required to determine in what particular cases the act applies and in which it does not. While Judge Goodman's decision is an able and careful analysis of the legal aspects of the subject, it does not, of course, discuss or dispose of the administrative difficulties of enforcing that particular provision of the law. I am convinced that as to the great bulk of newspaper sales the ultimate holding, under the decision given, would be that the relationship of employer and employee does not exist.

I also talked with representatives of the social-security system. They have, today, absolutely no idea how they would attempt to apply the law, how they could collect the tax, to how many it should be applied, in what conditions it should be applied.

Mr. President, I shall vote reluctantly to override the Presidential veto on this social-security measure because I have an abiding confidence that the attempt to carry it out would result, not in any good, but in a great wasting of public funds.

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 are required. The clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Kentucky [Mr. COOPER] is absent by leave of the Senate on official business. If present and voting, the Senator from Kentucky would vote "yea."

The senior Senator from New Jersey [Mr. HAWKES] is necessarily absent. If

present and voting, the senior Senator from New Jersey would vote "yea."

The junior Senator from New Jersey [Mr. SMITH] is absent on official business. If present and voting, the junior Senator from New Jersey would vote "yea."

Mr. LUCAS. I announce that the Senator from Texas [Mr. CONNALLY] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Connecticut [Mr. McMAHON] and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

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

I announce further that if present and voting, the Senator from Texas [Mr. CONNALLY] would vote "yea."

The yeas and nays resulted—yeas 77, nays 7, as follows:

YEAS—77

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

NAYS—7

Barkley	Kilgore	Pepper
Green	McGrath	
Hayden	Murray	

NOT VOTING—12

Connally	Magnuson	Sparkman
Cooper	O'Mahoney	Taylor
Hawkes	Russell	Thomas, Okla.
McMahon	Smith	Wagner

The PRESIDENT pro tempore. On this question the yeas are 77, the nays 7. More than two-thirds of the Senators present having voted in the affirmative, the bill, on reconsideration, is passed, the objections of the President of the United States to the contrary notwithstanding.

NATIONAL HOUSING

The Senate resumed the consideration of the bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes.

The PRESIDENT pro tempore. The question is now on agreeing to the amendment proposed by the senior Sen-

ator from Massachusetts [Mr. SALTONSTALL] for himself and the junior Senator from that State [Mr. LODGE], as modified, to the amendment of the Senator from Ohio [Mr. TAFT], as amended, inserting on page 92, after line 2, certain language relating to low-rent or veterans' housing projects.

Mr. MALONE obtained the floor.

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

Mr. MALONE. I yield.

Mr. TAFT. The amendment offered by the Senator from Massachusetts, as modified, is entirely satisfactory to the author of the substitute amendment, and also, I think, to the chairman of the committee.

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

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. This amendment being agreeable to all concerned, would the Senator from Nevada permit the question to be put on it before he makes his speech, unless he wishes to speak on that particular amendment?

Mr. MALONE. I yield for that purpose.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the senior Senator from Massachusetts [Mr. SALTONSTALL] on behalf of himself and the junior Senator from Massachusetts [Mr. LODGE], as modified, to the amendment of the Senator from Ohio [Mr. TAFT] as amended, inserting on page 92, after line 2, certain language relating to low-rent or veterans' housing projects.

The amendment to the amendment was agreed to.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CAIN. Is it proper at this point to move the deletion of a particular title within the pending house bill?

The PRESIDENT pro tempore. The immediate question is on agreeing to the substitute amendment proposed by the Senator from Ohio [Mr. TAFT], as amended. That, in turn, is open to further amendment.

Mr. CAIN. I therefore move that title VI, relating to low-rent housing, be stricken from the bill, beginning on page 77.

The PRESIDENT pro tempore. The amendment is in order. The pending question, therefore, is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN] to strike out title VI in the amendment of the Senator from Ohio [Mr. TAFT], as amended.

Mr. CAIN. Mr. President, I should like to speak very briefly on my amendment.

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

Mr. MALONE. I yield for that purpose.

Mr. CAIN. Mr. President, it happens to be the considered opinion of the junior Senator from Washington that the general subject of low-rent housing is very properly and actually a social and welfare problem, as opposed to a housing problem. For that primary rea-

son I think the subject is deserving of full consideration by this body, and ought to have such consideration in its own right. I believe the senior Senator from Ohio [Mr. TAFT] has very generally agreed in his testimony before the Banking and Currency Committee that public housing is essentially a welfare or social problem.

I am further of the opinion that it is doubtful if the adoption of this low-rent housing provision at this time would result in creating within the immediate future one additional unit of housing. It seems to many of us that the encouragement to further stimulation of private building within the remainder of the omnibus housing bill before us would so increase private building that there would be no opportunity to accommodate and construct the first 100,000 public housing units requested, other than by means of taking those housing units out of the hands of the builders who are provided additional encouragement and assistance within the bill itself.

I am of the opinion that my feeling of opposition to the desirability of including a public housing program within this bill is shared not only by many other Senators, but by a large percentage of the Membership of the House of Representatives. I think our approach to America's housing shortage will be the more constructive, the more understandable, the more reasonable, and the more practical at this time if title VI, entitled "Low-Rent Housing" is entirely eliminated.

Mr. TAFT. Mr. President, I merely wish to say that I intend to reply at some length to the Senator from Washington, but I do not wish to interrupt the speech of the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, we now have before us another so-called emergency bill, the Taft-Ellender-Wagner housing bill. This emergency has been brought about largely through administration policies over a period of months and years. The housing emergency is the result of the prolonged shortage of building materials rather than the lack of funds to finance such construction. The building material shortage can be traced directly to unwise national and international policies, such as the Morgenthau plan of reducing postwar Germany to an agrarian state with no substantial industries, holding the prewar 24,000,000 tons of steel production capacity to less than 4,000,000 tons annually, thereby necessitating large steel exports to the European nations of from 6,000,000 to 8,000,000 tons annually. The steel to meet these requirements was formerly produced by Germany. The needed 6,000,000 to 8,000,000 tons annually could be produced in Germany by existing plants within a few months without substantial repairs, very little damage having been done to many German plants during the war. Our own steel could then be made available for domestic uses, including building construction and housing. Housing construction would then take a new lease on life.

Government departments and bureaus would have us believe that we are a "have not" nation; yet we continually export

steel containing such strategic minerals as manganese, chromite, tungsten, and other scarce materials; and in addition the scrap from such steel is lost to us, whereas if it could be utilized in this country the scrap, including these strategic minerals, would be utilized over and over again in this country, as a kind of continuous available stock, as was formerly done.

Lack of money is not the principal cause of the slowing down of building construction. The principal causes are found in the inflated cost and the scarcity of building materials, chiefly steel. For example, veterans have been largely priced out of the market. A \$5,000 house now costs them or anyone else from \$10,000 to \$12,000. Even if they have the necessary funds, ordinary good judgment dictates that they not invest them under present conditions.

The American Legion considered this legislation in connection with its veterans' housing program.

I have in my hand a summary of proceedings of the 29th annual national convention of the American Legion. On page 100, under the heading, "Report of Committee on Veterans Housing," I find that a resolution numbered 35, calling for support of the Wagner-Ellender-Taft housing bill, and another resolution No. 719, calling for support of the Taft-Ellender-Wagner bill were rejected. I know, as a matter of fact, that by a vote of 4 to 1 among the delegates at the National American Legion convention, which was held in New York City on August 28 to 31, 1947, a resolution to support the legislation we are considering today was shouted down. Some 3,500 delegates, representing more than 4,000,000 veterans, voiced their opposition to this long-range, federally-subsidized public-housing legislation. The public housers who proposed American Legion support of this bill insisted upon a roll call vote. Yet it was defeated 4 to 1.

Mr. President, I offer for the RECORD at this point in the RECORD a list of successive Public Housing Acts and the operations of the Federal Housing Administration under the Lanham Act.

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

I. LEGISLATIVE ORIGINS OF THE FEDERAL PUBLIC HOUSING AUTHORITY

A. THE PUBLIC WORKS ADMINISTRATION

The National Recovery Act of 1933 first provided for development of slum clearance projects. These were administered by the Public Works Administration under the National Industrial Recovery Act. When the United States Housing Authority was established in 1937, these functions were transferred to that agency.

B. UNITED STATES HOUSING ACT OF 1937

In 1937, the United States Housing Authority was created pursuant to the United States Housing Act of that year (42 U. S. C. 1401). This agency administered the public housing activities of the Federal Government under its low-rent legislation. Under this legislation, the Federal Government aided local housing agencies in building and managing large-scale housing projects, for families in the lowest income groups.

C. THE UNITED STATES HOUSING ACT AMENDMENT FOR DEFENSE HOUSING

Amendments of United States Housing Act: The United States Housing Act was

amended in June 1940 by Congress. Under this amendment, the United States Housing Authority was authorized to use the funds previously allotted to low-rent housing and slum clearance for housing for defense workers (42 U. S. C. 1501).

D. WORK OF THE FEDERAL WORKS AGENCY

Defense Housing Activities of FWA: At the outset with its own Administration, the Federal Works Agency handled allotments to other agencies of the Government relating to defense housing which had been provided for under two laws, the Lanham Act (55 Stat. 14, 197, 810) and the Temporary Shelter Acts (59 Stat. 260).

E. MUTUAL OWNERSHIP DEFENSE HOUSING

Mutual Ownership Defense Housing Division of the Federal Works Agency: Under the Lanham Act, projects were developed by a division of the Federal Works Agency called the Mutual Ownership Defense Housing Division. These projects were to be sold to non-profit corporations that were set up by those who lived in such projects, under the terms of the Lanham Act, which provided for the disposal of housing.

F. PUBLIC BUILDINGS ADMINISTRATION

The Public Buildings Administration's Defense Housing Program: From funds provided in the Lanham Act (59 Stat. 674), the Public Building Administration undertook defense housing projects. In the various States they consisted of family dwellings, and in the District of Columbia they were dormitories.

G. WAR AND NAVY DEPARTMENT HOUSING

1. Housing for the War and Navy Department: The second supplemental National Defense Appropriations Act of 1941 (58 Stat. 765), provided for war housing for the War and Navy Departments. Under the Lanham Act, these funds could be transferred for expenditures under the provisions of that law.

2. The functions transferred to FPHA did not include housing located on military or naval reservations, post, or bases.

H. FARM SECURITY ADMINISTRATION

National Recovery Act: The nonfarm housing projects of the Farm Security Administration were built from the months appropriated by the National Industrial Recovery Act of 1933 (40 U. S. C. 401-414) and the Emergency Relief Appropriations Act of 1933 (49 Stat. 115). There were two main types of projects built pursuant to the foregoing.

1. First, there were subsistence homesteads or groups of homes with garden plots. These were intended for low-income families living in cities.

2. Then there were model developments outside the cities for low-salaried office workers. These were known as Greenbelt towns.

I. FARM SECURITY ADMINISTRATION HOUSING FOR DEFENSE

Under the Lanham Act (42 U. S. C. 1521) and the Temporary Shelter Acts (55 Stat. 14, 197, 810), defense housing was developed in outlying areas. These functions were transferred to FPHA from the Farm Security Administration. Various types of temporary housing were developed, consisting essentially of trailers.

J. WORK OF THE DEFENSE HOMES CORPORATION

Organization: The Defense Homes Corporation was established as a Maryland corporation in October 1940. This was pursuant to the direction of the President in a letter of October 18, 1940.

1. Permanent war housing was provided by this Corporation in war-activity centers where private capital was unable to provide adequate housing, and where it was indicated that such housing would be needed after the war. This housing consisted of groups of individual houses, dormitories, and large-scale projects.

2. The functions of this Corporation were transferred to FPHA by Executive Order 9070. Since January 1, 1945, this Corporation has been in process of liquidation.

K. ADDITIONAL WORK FOR FPHA UNDER LANHAM ACT

Defense housing: Under the Lanham Act (42 U. S. C. 1521), FPHA was given additional funds after the consolidation that was authorized by the basic public defense housing legislation, the Lanham Act, passed October 14, 1940. This law provided for housing for those engaged in national defense work in localities where there was an acute shortage of housing which could not be supplied by private capital.

L. TEMPORARY SHELTER ACTS

Under the Temporary Shelter Acts of 1941, FPFA received additional funds. These were to provide temporary shelter immediately for defense workers (55 Stat. 14, 197, 810).

M. MARITIME COMMISSION ACTIVITIES

Under its own appropriations the United States Maritime Commission constructed defense dormitories and family-dwelling unit projects in connection with the activities of commercial shipbuilding firms performing Government work. On June 30, 1944, most of these projects were transferred to FPFA.

N. HOME OWNERS' LOAN CORPORATION ACTIVITIES

The Home Owners' Loan Corporation, under the Lanham Act, inaugurated a home-reconversion program in October 1942. Under this program, the Government leased existing structures and remodeled them into apartments for war workers. The management of this program was turned over to FPFA on August 1, 1944.

O. AUTHORIZING WAR HOUSING FOR VETERANS UNDER THE LANHAM ACT

On June 23, 1945, title V was added to the Lanham Act (59 Stat. 260). This authorized the use of war housing and funds to provide housing for veterans and for families of servicemen. On December 31, 1945, and on March 28, 1946 (59 Stat. 674), this title was amended. Under these amendments, appropriations were made available for either relocating or converting surplus war housing and other facilities for transfer to universities and local bodies, for housing veterans.

P. REHOUSING JAPANESE-AMERICANS

The responsibility for rehousing some 10,000 Japanese-Americans before they entered into normal civilian life was transferred to FPFA by the War Relocation Authority on August 18, 1945.

Q. DISPOSING OF SURPLUS HOUSING PROPERTY OF OTHER AGENCIES

In accordance with the Surplus Property Act of 1944 (58 Stat. 765), the National Housing Agency designated FPFA to dispose of surplus housing property of other agencies.

R. PROVIDING EUROPEAN HOUSING AND BARRACKS

The Foreign Economic Administration assigned to FPFA the program of producing 30,000 houses for the United Kingdom and 4,500 for France on December 28, 1944. The United Kingdom cancelled the remainder of its program, including 8,110 partially completed units, on VJ-day. These were declared surplus and sold to the French Government thereafter.

II. PUBLIC WAR HOUSING

A. AMOUNT OF WAR HOUSING CONSTRUCTED

More than 1,900,000 dwelling units for war workers and their families were constructed under the war housing program.

B. SOURCE OF CONSTRUCTION OF WAR HOUSING

1. Private enterprise: More than one-half the total of 1,900,000 dwelling units built

for war workers were constructed by private enterprise. These dwellings form a permanent addition to the housing supply of this Nation.

2. Government activities: The remainder of the war dwelling units were financed, and for the most part, owned by the Federal Government. The majority of this construction is temporary and cannot be used for permanent housing.

III. DISPOSITION OF WAR HOUSING

A. PREVAILING PROBLEMS

The disposition of war housing is governed by Federal laws and regulations pursuant thereto. Before homes can be torn down, people living in them must be housed elsewhere. As a result, it becomes a Federal and local problem.

B. NEEDS OF VETERANS

Returning veterans and servicemen require housing. As war workers move out of the housing projects, vacated units are made available to the families of veterans and servicemen. The exception is a civilian personnel completing war functions. They have top priority for all vacancies that occur.

IV. EXTENT OF WAR HOUSING UNITS UNDER FPFA

A. TOTAL AMOUNT

FPFA had approximately 531,000 war housing dwelling units in June 30, 1946.

B. TYPES OF WAR HOUSING

1. Temporary units: There are about 251,000 temporary units that are not suitable for permanent housing. These include family dwellings and dormitories.

2. Permanent construction.

(a) Permanent dwelling units: About 182,000 units of permanent construction are to be disposed of. These include some 111,000 standard permanent dwelling units.

(b) Demountables: About 71,000 demountable dwelling units can be used either permanently on their present sites, or demounted, moved, and erected at new locations. These include some 8,600 family and dormitory units built by the Defense Homes Corporation, and are only available for sale.

(c) Permanent war housing building under United States Housing Act: Another 14,000 permanent family units, now used for war housing, were built with funds, authorized by Congress under the United States Housing Act. These are to be turned over for the use of low-income families as public low-rent housing, and will not be available for private purchase.

(d) Trailers: FPFA owns a stock of about 35,000 trailers which are being used as temporary emergency housing for veterans. As they become surplus, they are turned over to the War Assets Administration for disposal.

(e) Conversions: There are about 49,000 war housing units which were converted from existing structures. They were leased from private ownership and will be returned to them when the leases expire.

V. LAWS AND REGULATIONS CONCERNING DISPOSITION OF WAR HOUSING

A. THE LANHAM ACT

In this act, Congress laid down the general policy that governs the disposition of federally owned public housing that is under the jurisdiction of the National Housing Agency. The disposal of such housing is exempted from the provisions of the Surplus Property Act which establishes requirements for disposing of most Government war surplus.

B. WHERE LANHAM ACT DOES NOT APPLY

1. Disposal of war housing under NHA: The Lanham Act does not apply to the disposal of war housing under the jurisdiction of the National Housing Agency.

2. Defense Homes Corporation properties: The Lanham Act likewise does not apply to the properties of the Defense Homes Corporation which were financed with loans from RFC.

3. The United States Housing Act: The provisions of the Lanham Act do not apply to properties financed under the United States Housing Act.

4. Subsistence homesteads in the Greenbelt towns: The provisions of the Lanham Act do not apply to nonwar housing such as the subsistence homesteads in Greenbelt towns transferred to FPFA from the Farm Security Administration.

C. AUTHORITY OF NHA UNDER LANHAM ACT TO DISPOSE OF WAR HOUSING

Under the Lanham Act, NHA is responsible for disposing of war housing facilities. This includes land essential thereto. NHA has assigned this function to FPFA which built and manages most of the public war housing programs.

VI. DISPOSAL OF PERMANENT WAR HOUSING

A. PERMANENT WAR HOUSING

1. Disposal: Where permanent war housing is sold to local housing authorities for low-rent use, the community must request it officially and Congress must approve it.

2. Disposal to occupants: Permanent war housing must be sold "as expeditiously as possible" to occupants and prospective occupants with preference to veterans.

3. Exception: Projects that are financed under the United States Housing Act and Defense Homes Projects are exceptions and the rule does not apply to these projects.

4. Veterans preference: Permanent housing sold on-site will be subject to veterans preference in resale until December 31, 1947. The same applies to the resale or rental to veterans.

VII. DISPOSITION OF PERMANENT WAR PROJECTS FOR PUBLIC LOW-RENT HOUSING

A. GENERAL POLICY

Congressional and community approval are necessary for the disposal of permanent projects that become surplus to the demobilization purposes which are to be sold for private residential use. By community approval is meant community approval by a local housing authority for use as public low-rent housing.

B. DISPOSAL OF PERMANENT WAR HOUSING FOR PUBLIC USE

The local housing authority in the community may buy the project for use as low-rent housing under the following three conditions:

1. That the local housing authority and the local governing body determine that such use is in the best interests of the community;

2. That the plan of operation conforms to requirements prescribed by FPFA under the United States Housing Act;

3. That the low-rent use and the operating plan are specifically approved by Congress.

VIII. DISPOSAL OF UNITED STATES HOUSING ACT WAR PROJECTS¹

A. WAR HOUSING AUTHORIZED BY CONGRESS WITH UNITED STATES HOUSING ACT FUNDS

1. Disposal of war housing: War housing that is Federally owned and built by authorization of Congress with United States Housing Act funds, which are distinguished from the Lanham Act funds, will be sold to local housing authorities to provide low-rent housing. The use of such housing for war workers was only temporary. (Cf. 54 Stat. 676, 681, title II, Public Law 671, 76th Cong., 3d sess.)

2. Sales prices for United States Housing Act war projects: Sales prices will be established on the basis of long-range value. To maintain rents within the reach of low-income families such projects will be eligible for subsidy assistance the same as for pre-

war housing built under the United States Housing Act.

IX. SPECIFIC LANHAM ACT PROHIBITIONS ON SUBSIDIZED HOUSING

A. LANHAM ACT

The Lanham Act of 1940 as amended in 1942 prohibits the disposal of war housing for subsidized housing, etc., as follows: "Provided, . . . said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low incomes" (U. S. C. A. 40; 1524, 1943 ed., p. 690).

B. NECESSITY FOR CONGRESSIONAL APPROVAL OF LANHAM ACT SUBSIDIZED HOUSING

From the foregoing it will be seen that specific congressional approval is required by Congress before FPFA can transfer to subsidized housing permanent war housing under the Lanham Act.

C. NO CONGRESSIONAL APPROVAL NEEDED FOR UNITED STATES HOUSING PROJECT

On the other hand where the war housing projects have been built under the United States Housing Act and are federally owned and United States Housing Act funds have been used, as distinguished from Lanham Act funds, no congressional authorization is needed, and FPFA can dispose of such property in accordance with the standards prescribed by Congress under the United States Housing Act.

X. OPINION OF FEDERAL LAW SECTION ON OPERATION OF FPFA UNDER THE LANHAM ACT

A. FEDERAL LAW PROHIBITING THE FPFA DISPOSAL OF WAR HOUSING FOR SLUM CLEARANCE

1. In the attached legal opinion prepared by the Federal Law Section, and analysis is made of the authority of FPFA under the Lanham and United States Housing Authority Acts. This memorandum cites the two main kinds of law that FPFA is subject to in low-rent housing.

2. On page 1 of this opinion the Lanham Act is cited to show that war housing constructed thereunder cannot be used for slum clearance or subsidized housing for persons of low income without specific authorization by Congress.

B. UNITED STATES HOUSING ACT PERMITTING THE USE OF LOW-COST HOUSING FUNDS FOR WAR HOUSING CONSTRUCTION

On page 1 of the attached legal opinion reference is made to Public Law 671 of the Seventy-sixth Congress, under which FPFA could use funds provided for low-cost housing for construction of war housing. Note that this is not war housing under the Lanham Act and that no specific authorization is required of Congress for the return to its original use as prescribed by Congress, namely, low-cost housing.

XI. CONCLUSION

It is a question of fact as to whether FPFA is disposing of permanent war housing under the Lanham Act, or under the United States Housing Act, which provides for war projects.

1. Where FPFA acts pursuant to the Lanham Act it cannot lawfully dispose of permanent war housing for slum clearance or subsidized housing purposes without specific authorization from Congress.

2. Where FPFA is disposing of permanent war housing provided with funds from the United States Housing Act it can dispose of such housing for subsidized housing or slum clearance purposes under the prior standards prescribed by Congress in that act and reasonable regulations pursuant thereto.

OPERATIONS OF THE FPFA UNDER THE LANHAM ACT

Section 4 of the Lanham Act, as amended, provides that "said housing or any part thereof shall not, unless specifically author-

ized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income." This section was added on January 21, 1942, by Public Law 409 of the Seventy-seventh Congress (56 Stat. 11). It appeared in the conference report as amendment 9 (H. Rept. 1589), and the only reference to this particular amendment in debate pertained to the possibility of disposal of war housing to private individuals and to municipalities (CONGRESSIONAL RECORD, vol. 88, pt. 1, p. 406).

However, the following provisions for low-rent housing indicate authority for disposal of certain other war housing by Federal Public Housing Authority to local housing authorities for low-rent housing.

The United States Housing Act of 1937, Public Law 412, Seventy-fifth Congress (50 Stat. 888), authorized loans to local housing agencies for low-rent dwellings. On June 28, 1940, in connection with provisions for expediting naval shipbuilding, war housing was authorized to be constructed with funds of the United States Housing Authority under title II of Public Law 671 of the Seventy-sixth Congress, third session (54 Stat. 676, 681). Reference is made to title II of the Conference Report (H. Rept. 2706), as follows:

"Amendments Nos. 35 to 40, inclusive, comprising all of title II of the act: Provide for housing for military personnel (except officers) and for civilian workers under the War and Navy Departments and for workers in national-defense industries, including their families. The two defense departments and the United States Housing Authority are authorized, jointly and severally, to provide such housing wherever needed by our rapidly growing defense program. No funds are provided, but any funds available to United States Housing Authority may be used. All projects will be subject to the approval of the President and a determination by him that an acute shortage of housing exists in the locality which impedes the national defense program.

"Low rentals will be charged, within the financial capacity of the workers, and in the case of the War and Navy Departments, the rental reserved will be sufficient to return to the United States Housing Authority the cost of the project. Projects now under construction by United States Housing Authority may be devoted to the national defense program."

No reference had been made to the subject of the above amendments in the report of the House committee (H. Rept. 2257), or in the report of the Senate committee (S. Rept. 1863, or in the debate.

Section 204 of title II of Public Law 671 provides that although the construction under this title would be war housing, that "such projects shall be deemed projects of a low-rent character for the purpose of any of the applicable provisions of title I of" the United States Housing Act of 1937. It provided for war housing chiefly by making such construction exempt from requirements of the United States Housing Act of 1937 as to eligibility of occupants (not subject to sections 2 (1) and 2 (2)), and exempt from requirement of clearance of slum area (not subject to sections 10 (a) and (11) (a)).

"Functions, powers, and duties" of the United States Housing Authority are administered "as the Federal Public Housing Authority" pursuant to Executive Order 9070 of February 24, 1942. This Executive order, which consolidated housing functions by creating the National Housing Agency, also established the Federal Public Housing Authority as one of its "three main constituent units" and defined its authority, in part, as that of the United States Housing Authority (par. 3).

War housing under the Lanham Act is distinct from war housing under Public Law 671, the latter housing being constructed

¹ Public Law 412, 75th Cong.; 50 Stat. 888, is the United States Housing Act of 1937.

from funds of the United States Housing Authority for temporary use as war housing, but otherwise deemed projects of a low-rent character.

During the war, and for advantage in administration, the Lanham Act war housing was leased to the local housing authorities.

In the Eightieth Congress, S. 866 has been introduced which, in part, would permit the Federal Public Housing Authority to pass title in war housing constructed under the Lanham Act to local housing authorities for low-rent housing. (See title XII, sec. 1201 (a) and sec. 1201 (b)).

Mr. MALONE. We often forget, in the press of new legislation, what has gone before—and the mere fact that little of the previous legislation was successful seems to give added impetus to the new proposals instead of combing out and coordinating the old.

Mr. President, I should like to have inserted at this point in the RECORD an excerpt from the New York Sun of Tuesday, April 15, 1947, entitled "United States Housing Agencies' Duplication Is Costly—House Committee Investigators Turn Up Two Pay Rolls of Three Hundred Persons, Each Performing Same Functions." I offer this article for the RECORD, Mr. President.

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

UNITED STATES HOUSING AGENCIES' DUPLICATION IS COSTLY—HOUSE SUBCOMMITTEE INVESTIGATIONS TURN UP TWO PAY ROLLS OF THREE HUNDRED PERSONS, EACH PERFORMING SAME FUNCTIONS

(By Edward Nellor)

Investigators of a special House subcommittee on the Federal Public Housing Authority and other Government corporations have turned in a stinging report on the costly duplication of operations in the New York-New Jersey area. The New York Sun has learned.

Aided by the Treasury Department and the Federal Bureau of Investigation, the House staff uncovered evidence that in New York City the Municipal Housing Authority and the Federal Government's Regional Authority operate side by side, duplicating almost to a man the individuals paid from public funds who perform the same work. In all the local Housing Authority and the Regional Office of the FPHA employ over 300 individuals each, with the Federal office laying out \$94,000 of Uncle Sam's dollars annually for office and storage space that is unnecessary in the face of the local unit's operations. This cost is in addition to salaries.

In the New Jersey area, one of the States in Housing Region No. 2, the Housing investigators found evidence of irregularities in the expenditure of public funds, as well as indications that efforts are being made to perpetuate the Housing Authority, although the Congress has specifically ordered the disposal of Government-owned home developments. At Audubon, N. J., near Camden, and at Harrison, where two public housing developments are in operation, the investigators uncovered many strange and costly manipulations, including efforts by a CIO official to secure the purchase of dwellings for \$5 that cost over \$5,000 to construct.

CONDITIONS WORSE ELSEWHERE

Actually however, the findings in the New York-New Jersey area are somewhat less startling than those uncovered in other Federal housing regions in the Nation. In the San Francisco area, for example, the investigators found evidence of fraud, inefficiency, pay-roll padding, drunkenness, domination by the CIO and by Communists. Other housing areas in the country yielded examples of squandered public funds, all of

which will be used as the basis of budget-cutting efforts as the housing agencies submit their budget requirements to Congress.

Today the Government is expending a vast sum for salaries and the maintenance of offices for various housing bureaus. All of them have sought more money for the fiscal year 1948, despite the fact that Congress issued the liquidation mandate. In almost all instances subsidies are being paid, although the investigators found that tenants are earning far above the minimum salaries set for renters when the low-cost developments were first constructed. The Government is, in fact, still paying the cost of Federal Works Agency developments started over 10 years ago. One of these developments is still in hock to the United States Treasury for over \$360,000,000 and another, also obligated to the United States taxpayer, has set aside funds totaling over \$2,000,000 for "contingencies which might arise within the next 60 years."

The local housing authority is the largest local authority operating Federal housing in the United States, with a total of 31 projects, comprising 39,737 dwellings. In all, in region 2, there are 44,715 dwelling units in this category, with 35 separate local offices in New York, 24 in New Jersey, 20 in Pennsylvania, 3 in Maryland, 1 in Delaware. In all, New York authorities operate 40 percent of these dwellings, but alongside these functionaries are the region's pay-roll-consuming corps which could well be abolished, the House staff concluded.

FIND MANIPULATION OF FUNDS

At Harrison Gardens, in Harrison, N. J., the House staff learned that there were many questionable manipulations of housing funds being condoned. Coal, in one instance, was purchased for the development after it had been converted to using oil. After pressure from the House staff, a director of the project was removed, but no action was taken to obtain an accounting of the funds. Questions put to Irving Goodman, Director of the Public Housing Auditing Division in Washington, were "unsatisfactorily answered," according to the investigators, who charged that "either the Federal auditors ignored the large number of irregularities and fraudulent transactions by the regional office in New York or the investigators lack the capabilities necessary in this field." No estimate of the amount of the loss to the taxpayer is given in the report.

At Harrison the investigators found evidence of—

1. Collusion in the awarding of contracts.
2. Kick-backs on contracts.
3. Exorbitant cost of work.
4. Nonperformance of work under contracts.
5. Failure to require posting of performance bonds for work under contracts.
6. Failure to make claim for settlement of property damage and guaranties.

Near Camden, where 500 dwellings were erected on a FWA contract by authority of the Seventy-sixth Congress, the investigators found many strange manipulations under way, none of which will be beneficial to the Treasury, the report indicates. The development on 100 acres of ground cost Uncle Sam \$2,316,943 at the time it was constructed.

CASE OF AUDUBON MUTUAL

During the investigation the House staff encountered Henry J. Andreas, who, as president of the housing board of a group known as the Audubon Mutual Housing Corp., is seeking to purchase the property. It now holds a lease on the development. The agents were happy about their encounter with Andreas and charge that he is on the CIO pay roll at a salary of \$6,500 annually. He has also been accused of having Communist sentiments.

Andreas is quoted as telling the investigators that the Audubon Mutual Housing

Corp. would buy the property from the Government or no one else would. He is charged with having offered \$5 each for the homes and with threatening that the 499 tenants would refuse to move and refuse to pay rent if the Government sought to sell the project to anyone else for a fair return on the taxpayers' investment.

Among the other irregularities found at Audubon, according to the report, are the following:

1. Delinquent deposits to the United States Treasury.
2. Cashing tenants' checks contrary to regulations.
3. Excessive travel expenses. (Members of the Audubon Board of Trustees were paid travel expenses out of public funds for trips to Washington in connection with their efforts to secure purchase rights, according to the report. In addition, they were paid their prevailing hourly wage rates while absent, and in some instances double time if their travels kept them moving longer than the regular 8-hour day.)

MULTIPLICITY OF AGENCIES

In all the United States taxpayer is financing, under the title National Housing Agency, the following bureaus which are in one way or another set up to handle Federal housing problems:

Federal Public Housing Authority, Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, United States Housing Corporation, the Federal Home Loan Bank Administration, Defense Homes Corporation, Federal Housing Administration, National Housing Agency, and various offshoots connected with veterans' housing and the conversion of barracks and other war developments for housing uses.

On top of this Congress is being asked to establish another housing agency under the Wagner-Elender-Taft bill, which will be the granddaddy of them all, according to the report.

Billions are being expended for salaries, travel, office equipment, propaganda, and the maintenance of facilities for the duplicating housing agencies. In one instance an FPHA office has five chauffeur-driven cars at its disposal, plus a Cadillac for the administrator in the area. Such expenditures are unnecessary, the House staff maintains, although they make no estimate of the total cost to the taxpayer in the lengthy report that attempts to untangle the skein of overlapping and duplication that exists in this field today.

In summation the House report seeks to disprove President Truman's statement that he cut the budget to the bone, and offers as proof that considerable paring can be undertaken on the report of its investigators who found countless small examples of waste which add up to a sneak attack on the taxpayers' pocketbook that must be stopped.

Mr. MALONE. Mr. President, I also offer for the RECORD at this point an excerpt from the Washington Post of Sunday, April 18, 1948. The article is entitled "Hearing Sifts Conduct of PHA Employees in San Diego Area."

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

IN SAN DIEGO AREA—HEARING SIFTS CONDUCT OF PHA EMPLOYEES

"You mean to say," queried Representative FOREST HARNES (Republican, Indiana), "that this man rents two homes and pays only \$39 monthly for both?"

"That's right," answered House Expenditures Committee Investigator J. Robert Brown. "He used to have six kids living with him, but now he has only four, but he keeps both houses. His salary is \$8,179 yearly."

The Congressman shook his head in amazement.

The surprise was duplicated several times at a congressional subcommittee hearing Thursday which heard testimony by Brown concerning the latter's investigation into alleged misconduct and corruption by Public Housing Administration employees in San Diego, Calif.

Other west coast revelations included:

A PHA employee had used a PHA dwelling as a "week end" house since 1942, although he owned another house in a different section of town. Over 3,000 veterans were waiting for housing in the Government projects at the time.

San Diego PHA employees were overstaffed by 25 percent.

San Diego PHA employees sometimes took too long lunch periods.

Leave records were incomplete.

No restrictions on use of telephones. Brown said anyone could make long-distance calls as long as they told the operator it was on official business.

The personnel officer's background didn't qualify him to handle personnel problems. His background consisted mainly of taxi driving in Denver, recruiting for Alcan Highway workers, unskilled laborer for Army Chemical Warfare Service, and drafting work at Consolidated Aircraft.

One PHA employee was transferred because she wouldn't sign a farewell plaque to a PHA area supervisor who had resigned.

PHA maintenance supervisor had borrowed Government bulldozers, scrapers, and other heavy equipment to grade his new trailer camp. He was later billed \$350 but still holds same job.

A PHA employee used a Government car for transportation to and from work in violation of regulations.

Another employee "borrowed" household furnishings from PHA warehouse for use in her own home.

PHA didn't know how much furniture it owned or where it was.

PHA COULDN'T SAY "NO"

Anyone could make application for housing in the Government's housing projects in the San Diego area. An application from two teen-agers, unmarried, was accepted without question.

Scores of public-housing residences were used as business addresses for hauling, painting, beauty parlors, and other enterprises, all in violation of PHA regulations and San Diego zoning laws. To make it worse, said Brown, businesses openly advertised in the telephone book.

A top aircraft company official leased a PHA home and used it from December 1946 to February 1948 to store furniture while he was building a home.

Although PHA had thousands of desperate citizens on application rolls, several San Diego businessmen were given homes in a matter of days after making application.

PHA officials used Government cars and received per diem pay while traveling to and from conventions of the National Association of Housing Officials, all in violation of a criminal code. Brown said NAHO tried to influence housing legislation so its members wouldn't be out of jobs.

Top PHA area officials asked NAHO members to support certain politicians in a San Diego election. Contributions were also solicited.

John Arvin, San Diego area supervisor, now resigned, used a Government car for transportation to and from his fishing camp on the Colorado. Cots, blankets, and tent at the camp were all identified as belonging to Uncle Sam.

PHA Administrator John Taylor Egan, only recently confirmed to that post by President Truman, listened to the testimony with a sad and pained expression. He was scheduled to give PHA's side of the story later. Al-

though Egan was not PHA head during the time the San Diego fiasco occurred, he has fallen heir to all PHA's troubles.

Mr. MALONE. Mr. President, it is now time to review the entire set-up and to determine, first, what provisions the Congress has already made, through legislation, in the housing field; second, what are the definite policies and principles adopted through such legislation; and, third, what has so far been the effect on the taxpayers of the Nation. In that connection, I have already submitted a list of public-housing legislation and excerpts from discussions in various newspapers.

Mr. President, we have the means at hand to continue using the driving force of private enterprise to meet our housing needs. In the National Housing Act, the Congress wisely provided, through the FHA, the means to aid private builders to do the housing job. To do it that way costs the Government—your constituents and mine—exactly nothing. In fact, FHA actually makes a profit for the Government through its insurance fund.

FHA assistance, in the form of insuring mortgages, provides a long-term financing device that enables builders to go ahead with all types of housing. If we can build enough houses, we can rest assured that the slum housing we all want done away with will disappear. It will no longer be able to compete with better housing that will be available at competitive prices. With enough houses available, the very force of competition will drive bad housing out of the market. That, coupled with real enforcement of our health, sanitation, and safety laws, will bring about an entirely different housing situation—and without taking billions of dollars of public money and threatening our cities with bankruptcy in the process through promoting non-taxable property construction.

We have the means to bring this about with the FHA—an already existing agency that is doing a splendid job. To quote a Detroit builder—a man who is actually providing houses in his city at reasonable prices:

FHA mortgage insurance is the finest tool the home-building industry has ever had with which to serve the American public. It gets houses built, and it costs the Government nothing.

Before we go sailing off into this proposed dollar-strewn stratosphere, let us look at what FHA has already accomplished.

Something like nine and a half million families in the United States and its possessions are living in homes built, bought, or improved with loans insured by FHA under the National Housing Act.

Of this total, close to a million and a quarter are living in new homes planned and built as well as purchased under the FHA program. Close to 130,000 are living in over 1,900 rental housing projects planned, financed, and built under the FHA program, or will soon move into projects now under construction. Over a million and three-quarters families are living in older homes bought under the FHA program. The remainder are living in homes improved with loans insured by

FHA. These homes were financed by private lending institutions with funds totaling well over eleven and a half billion dollars, insured by FHA.

The first rental housing project under the FHA program was built in 1935. During the war, 494 rental housing projects, with 37,889 units, were planned, financed, and built under the FHA program by private enterprise. Since the war, through last January, a total of 1,123 projects, with 51,819 dwelling units, have been planned and financed under the FHA program, chiefly for World War II veterans. Many of them are completed, and practically all of the others are under construction.

The volume of rental housing projects for veterans has been increasing through the past year and seems to be at the flood now. For instance, in the Washington metropolitan area alone 40 new projects, with 2,347 units, were approved in the past 2 weeks and soon will be under construction. In the past year and a quarter 221 projects, with 17,492 units, have been approved in the Washington area. Some are completed and occupied and most of the others are under construction. When the raw materials are available, such building programs will become common in every community needing additional homes.

Mr. President, time moves on. It is admitted that the Federal Housing Act needs some amendments. I shall briefly outline some of the amendments which, in my opinion, will be helpful. It is my current conviction that it will be best for the Congress to work on legislation which it can enact, and which will result in the construction of the needed housing in a businesslike way instead of creating overlapping agencies because of new legislation in addition to the existing public housing acts already on the books, a list of which I have already submitted for the RECORD. It is a long list, culminating in the Lanham Act, which provided for national defense housing.

The National Housing Act which created the Federal Housing Administration, commonly known as FHA, was approved June 27, 1934. In brief, this legislation authorized the Federal Government to insure financial institutions against losses which they might sustain as a result of loans and advances of credit for the purpose of financing alterations, repairs, improvements of existing structures, and the building of new structures. It fixed interest rates and gave the Administrator the discretion of fixing those interest rates up to a ceiling established by the law.

I briefly review that legislation because it is my humble opinion that the Congress passes so much legislation over a period of years that very few persons have any idea of how much legislation and what kind of legislation is already on the books relative to any particular subject.

There are three sections, or better known as titles, of the National Housing Act in which we have an interest. They are title I, which provides for modernization of existing housing and the construction of minimum shelter not to exceed \$3,000 in cost. Title II—in order to

encourage home ownership of low-cost homes FHA's title II program includes special provisions such as 90-percent 25-year loans for the financing of such homes. In line with the lower cost levels prevailing in 1938 when this section was last considered these provisions were in effect limited to homes appraised at \$6,000 or less. A special subsection of title II provided that a home for owner occupancy appraised at between \$6,000 and \$10,000 could be made the basis of authorization for insurance of a loan of 90 percent of the first \$6,000 of appraised value, 80 percent of such value above \$6,000.

The other title in which we are interested is title VI of the National Housing Act, which was added to the National Housing Act March 28, 1941, and has been amended from year to year to provide additional authorization of insurance funds. While this section was primarily designed for defense and war-housing insurance, it has been felt that it is necessary to extend this title for at least another year to provide the much-needed rental housing. Under this title a builder can obtain funds with which to build, insured by FHA up to 90 percent of the project cost.

For the purpose of discussing these three titles, I would suggest that the only legislation we need at the present time to cope with a housing shortage is that designed to stimulate and help FHA to do the job through private enterprise. I would recommend:

First. That title I of the National Housing Act be amended to provide for insurance of modernization loans up to \$10,000 or a reasonable amount, as compared to the \$2,500 maximum now permitted. This will permit owners of existing housing to renovate their properties and make available additional housing units.

Second. That title II of the National Housing Act be amended to recognize changes in construction cost levels and that the 90 percent 25-year-loan limits be increased from \$6,000 to \$7,000 of the appraised value, and that the \$10,000 limit for 80 percent of such value above \$7,000 be increased to \$11,000. This merely means that you will increase by \$1,000 the amount permitted to be insured under FHA's title II.

Third. The House already passed H. R. 5854, which increases the authorization and extends the life of title VI of the National Housing Act to March 31, 1949. This emergency legislation should be passed by the Senate.

Fourth. Many people in my State of Nevada advise me that a secondary market for GI home loans and FHA insured mortgage is necessary. We already have in the Reconstruction Finance Corporation an association known as the Federal National Mortgage Association, commonly known as the Fannie May. This association was created for the purpose of a source of secondary credit for residential mortgage loans which have been insured or guaranteed under the National Housing Act. I propose that we also include the Servicemen's Readjustment Act of 1944, better known as the GI bill. I would not favor setting up a new agency within the Housing and

Home Finance Agency for the purpose of creating a secondary market. The Fannie May has been in existence for a number of years within the RFC. They know how to do the job. Their personnel is trained. It would be in the best interest of efficiency and economy to provide the necessary authorization to bring Fannie May back to life, unless evidence, not presently available to me, justifies the creation of another agency.

With these four recommendations we can overcome the existing housing shortage. We do not need to appropriate great sums for a long-range Government housing program in addition to the existing legislation. It will be a lot easier to make our existing laws work and utilize the legislation which we have already created to do this job than to set up new agencies, new bureaus, and additional road blocks in the path of private enterprise builders who have made great strides since the end of the war in solving the housing shortage.

If we would review some of the basic problems and maintain our high-wage living standard instead of adopting policies such as the Selective Free Trade Reciprocal Trade Act, which puts our workers in direct competition with the low-wage European and Asiatic workers, so they would have the means to build, our efforts would offer greater rewards.

The PRESIDING OFFICER (Mr. BRICKER in the chair). The question is on agreeing to the amendment proposed by the Senator from Washington, to strike title VI, as amended, from the amendment offered by the Senator from Ohio, as amended.

Mr. TAFT. Mr. President, the question raised by the amendment offered by the Senator from Washington is the most controversial feature of the whole housing program. He has moved to strike out the section providing for Federal loans and Federal grants for the construction of public housing, in which the rentals are to be subsidized. A considerable quantity of public housing of this type was built before the war. Since the war there have been other types of straight construction of public housing for war purposes and for war workers.

The general housing program has been very much led astray into other fields from what was intended, because of the war necessity. It was necessary that some of the public housing for low-income tenants should be used for war workers, and consequently many of the units were filled with war workers. It has been possible to get rid of those workers only very slowly. The original purpose in providing rent-subsidized housing for a certain number of the lower income groups, in order that they might not be forced into slum dwellings, which was about all they could pay for, has been diverted.

This is a long-term program. It has no relation to the immediate emergency. It is part of a general program which was worked out by our committees during the war. In 1944 we conducted extensive hearings. The Federal Government of course is up to its neck in the housing program. Under the Federal Home Loan Bank System, begun under President Hoover, Federal money is pro-

vided for private enterprise, through building-and-loan associations, to construct a large number of houses, probably as many as any other single group. Then, through FHA, established under President Roosevelt, the Federal Government has undertaken to finance private builders in other categories, and its program has been successful in reducing the cost of the carrying charges on houses. We have gone pretty far in that direction, and the pending bill goes the rest of the way. That is, this bill gives Federal assistance to almost any kind of construction for which people who can live in the houses can pay. I do not think there is any possible field we have neglected, in the effort to stimulate private housing.

The question we have to meet, in addition to private housing, arises from the tremendous number of slum dwellings, of indecent dwellings, in many cities in the United States, and to some extent in the rural districts, which have gradually developed. We have a system of private enterprise which has built millions of houses for us over the years, and yet, regardless of the fact that that system has been free, the houses at the bottom have steadily deteriorated, and there are approximately five or six million homes the rentals of which are about \$15, because the homes have deteriorated. Many of them are gradually being replaced, and will be replaced through private enterprise. But I, myself, became convinced that there was nothing to show that private building in the future, any more than private building in the past, would ever eliminate the slums; and the result of simply tearing them down is to develop slums in other areas exactly as the previous slums were developed.

The difficulty arises from the fact that housing is still more expensive than it ought to be for the income of the people. Today the fact still is that the people's income is such that families that are perfectly able to pay for their food and their clothing and their other activities are unable to pay a rent sufficient to obtain a decent house.

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

Mr. TAFT. No. I am sorry. I prefer not to yield.

At the present moment, Mr. President, certainly not more than half of all the families in the United States and not more than half the veterans—probably less than half the veterans—can afford to buy new houses of the cheapest type of construction. The cost of housing is high. Income is high also, but, relatively, the problem is no different today from what it was in the 1920's and 1930's. In the 1920's we built more, and more houses were built, until in 1926 there were constructed approximately 900,000 houses, which was more than had ever been built in a single year prior to that time. Then the market collapsed because there was no longer any sale. Only approximately half the people of the country were able to buy new houses.

The answer made by some persons to that question is that there is a "hand-me-down" process. People can live in second-hand and third-hand houses. Of course that is true. That process

works to a certain extent. If a second-hand house is in good condition, if the neighborhood has not deteriorated, it should rent for almost the same amount as would a new house. In fact, it depends largely on whether a new house can be built and whether the rent conforms to the cost of the new house. That theory works, but by the time it gets down to the bottom of the scale there are not enough people who can pay sufficient rent to keep such houses in condition. There are not enough people to pay sufficient rent to maintain the neighborhood in which the houses are located. So the "hand-me-down" theory will go on as it has been in the past, and will always at the bottom of the scale produce a slum problem until we can cut down the cost of housing. If we can reduce the cost of housing I should say we might eliminate the problem of public housing, but otherwise there is a very considerable group of persons who are unable to pay for decent houses, but who are able to pay for everything else.

The question is, What can the Government do about it? It cannot be said that the Government has no interest in the problem. The Government has gone into it through FHA and through private housing. The Government has an interest in seeing that the lower-income groups have decent homes. It has long been recognized in this country and in England and elsewhere that there is an obligation of government to see that every family shall have a minimum amount of food in the form of relief. We have long recognized the principle that persons who cannot pay for medical care should be given a minimum of medical care. We have recognized the principle that persons who cannot pay for education should be given a free education. We have gone further in education than we have in the other fields. We have not, until within the past 10 years, recognized a similar obligation with regard to shelter. I very strongly believe we have that obligation. I believe that if we desire to have reasonable equality of opportunity for the children of this country they must be allowed to grow up in a situation in which there is at least decent shelter in which families can live as human beings and can receive a start in life free from crime and free from the demoralization of character resulting from living in a slum area.

Today housing is a more difficult problem than is relief or medical care. We have tried different methods. Can it be solved through the giving of relief? Can we solve the problem simply by paying tenants a sufficient amount to enable them to pay their rent, if they receive a very low income or no income at all? The general answer is that that will not solve the problem. There are still slum areas, and in all probability we shall not improve them. The persons who own them will simply receive larger rents. They may put the housing in better condition, but no one will build a new home on the chance that 10 years from today someone may not be receiving relief. We do not know whether it will work. We do not know how well relief tenants will be aided. We do not

know whether the State will give them relief.

An effort was made to devise some plan of building homes to take the place of those in slum areas. There must be a more direct cash subsidy. There cannot be any tax exemption. Money is not sold as municipal bonds are sold. The full rate of interest must be paid. Approximately twice the cash subsidy will have to be given to subsidize private owners. In the first place, no private owner wants to do that sort of thing. He does not want to build a home on a subsidy basis, because the Government will tell him in detail the rent that must be paid, what kind of tenants he must take in, and what kind of tenants he must exclude. It simply is not worth the trouble for a man to invest his own money and try to run his own affairs in connection with that kind of a subsidized private home. We will not succeed if we want to get housing in conformity with the average income of many million families. For instance, a man who is receiving \$100 a month might pay \$25 a month for rent. In a city we would have to supply an apartment for him costing approximately \$3,000 or \$4,000. The universal testimony is that an apartment of any decent character cannot be constructed for less than \$6,000 or \$7,000 or \$8,000. Such a person cannot live in a new apartment unless we are prepared to subsidize it. Without that there does not seem to be any way in which we can get private houses down to the lower level required. I think we should do it.

There has been much criticism of the bill by real estate boards and private contractors. As the bill is written, there is not the slightest competition with private industry. We provide in the bill that no one shall be allowed to occupy a house in one of these areas if he is paying within 20 percent of the rental which must be paid for housing of a reasonably decent character in the particular community. As we have limited the terms of the bill, no private industry is justified in making the claim that there is any competition with industry in the type of public housing proposed in title VI. So far as I can judge, no way can be discovered to eliminate slums, unless while we are reducing the cost, we are helping private industry.

I do not see any way we can eliminate the depreciated housing at the bottom unless we begin at the bottom also and build up with decent subsidized housing. The cost will run from \$150,000,000 to \$160,000,000 a year, more or less continuously, provided full subsidy is given. Of course, full subsidy has not been given during the war, and if full subsidy is not given there may be very little cost. In recent years it has cost the Federal Government almost nothing, but that is because housing has not been used for the purpose for which it was intended. It has been used for war workers instead of for low-rent tenants, and there has been very little cost to the Government. I think we should contemplate contracts which may cost the Federal Government \$160,000,000 a year for 500,000 units. If we can once set the example, if we can establish a 5-year program, I have reasonable hope that by

that time we shall find methods of reducing costs, and possibly we may find methods of combining that housing with the elimination of slums. We may ultimately find a solution that may require no further public housing. I certainly do not think it is necessary to house all the people who receive low incomes. A large number of them find perfectly decent housing in the outskirts of cities where plumbing facilities are not so necessary. Certainly a family living in a city without indoor water facilities or toilet facilities is living in a slum, under modern conditions, which no city should tolerate.

Under the plan proposed, the Federal Government will pay most of the cost of the subsidy. I have told the real estate people that if they have any other plan, if they are willing to say, "This should be changed in this way, you ought to think of the limit of the income of the people who live in this area"—if they are willing to require that the States contribute a larger percentage—I am perfectly willing to consider changes in the system. But they have insisted upon complete opposition to public housing, and simply because public housing is included in the bill, they did not even want to have the bill considered. They have objected to the entire bill, although the truth is that 90 percent of it relates to private housing, and 90 percent of it meets with their approval.

As I have said, I think the title we are discussing is an essential part of the bill. A complete housing program cannot be carried on unless we are prepared to provide some public housing at the bottom of the scale, and set an example, help eliminate slums, and take the edge off the problem at the bottom.

The bill is not intended necessarily to take care of so-called perpetual relief clients. Most of them are transient. They go from one town to another. They have jobs, and then lose them. It is intended to take care of the lowest income group, people who have steady employment, or who have some steady income at a low level.

We do not want to turn the project into an institution. Many relief clients should be in institutions and not in public housing. Many relief clients should be taken care of, if they have no families, for the time being, and then let go their own way. The proposal is intended for solid citizens who have jobs, but whose pay is so low that they are not able to provide decent homes for themselves and families.

I now yield to the Senator from Wisconsin if he wishes to ask me a question.

Mr. McCARTHY. Mr. President, I had hoped we might be able to attain some unanimity of opinion on the question of public housing, and still hope that we may. As the Senator knows, I have been discussing this subject with him for some time, and going into it in great detail. I have not had an opportunity to talk with him about it in the past few days, unfortunately.

I have been discussing an amendment which was prepared either by the Senator or his staff, and I think it is a substantial improvement amendment which

the Senator originally suggested. However, I note that he still completely bars relief recipients from public housing. I agree with the Senator that public housing should not be for itinerant relievers, but there are a great many good, substantial people on relief, through no choice of their own, many of them through no fault of their own.

I have in mind, for example, a gentleman in my home town who has one crippled leg, and who has seven children. All he can do is run an elevator. He receives \$80 a month, and is getting relief on the side. That man and his children are inadequately housed. With public housing as it is presently administered, he is to all intents and purposes barred from public housing.

Mr. TAFT. Mr. President, let me interrupt the Senator to say that man to whom he refers is not barred from public housing. Many public housing projects today have 25 or 30 percent relief clients, and particularly in this man's case, he having a definite income of his own, earning an income as an elevator operator, he is not even considered a relief client, even if he gets relief. He is a regularly employed man. He gets relief probably because of having seven children, but he would not be classified as on relief, under most public housing administrations.

Mr. McCARTHY. Let me correct the Senator. In our studies of the housing situation we did not find a single public housing project in which there were anywhere near 25-percent relief clients. Dillon Myer testified—and I think he stretched the point very much—that of the 50,000 families in public housing a short time ago, roughly 11 percent were receiving some type of public assistance.

Mr. TAFT. If the Senator will yield, the 50,000 families would include all the families in temporary Government housing and veterans' housing, and many housing projects not included in the proposed program at all.

Mr. McCARTHY. Let me finish my thought. I am inclined to believe that if we are to have public housing as a permanent activity, then we must recognize that we should take care of those at the very lowest income level. If we do, I believe we can get the Senate almost unanimously to go along in our public-housing program. But, as the Senator knows, with the presently employed selective process of obtaining tenants for public housing, there is a definite discrimination against the very low-income group.

If the reasoning behind public housing is sound—and I think it is, though I believe it better to call it "welfare housing"—then we should start where the need is greatest, at the very bottom, and if the Senator would join with me in offering an amendment, not to give priority to relief cases, but rather to prevent any discrimination against families because they were receiving some type of public assistance, if he would join with me in that type of an amendment, so that no longer could there be discrimination against families because they were so unfortunate that they had to obtain

some type of public assistance, I for one would be glad to support the public housing bill wholeheartedly.

Mr. TAFT. There is an amendment, which I thought had been submitted to the Senator, which, as I read it, provides substantially that—

Every contract made * * * shall require that, as between families of equally low income otherwise eligible for admission to such housing, the public housing agency shall not discriminate against any such families because their incomes are derived, in whole or in part, from public assistance.

Mr. McCARTHY. I have not seen that amendment.

Mr. TAFT. I should be perfectly willing to accept such an amendment. That seems to carry out the Senator's suggestion, so perhaps we can agree on it.

Mr. McCARTHY. I thank the Senator. I should like to ask him one other question. In what I say by way of preface I intend no criticism of the present public housing officials.

In our studies we have gotten the definite impression that the present administration of public housing is in rather a bad situation. I do not think we can blame that on any one in particular. As the Senator knows, during the war and subsequent to the war we threw into public housing a great number of different corporations, each with different assets, each with different bookkeeping systems. The final result was, as the Senator knows, that the General Accounting Office and Price & Waterhouse were called in to conduct an audit. They reported to the Senate that they could not conduct an intelligent audit of the books of public housing, since no record was kept of accounts receivable and accounts payable. There was, for example, in the San Francisco area, one item of \$97,000, representing the value of building material which apparently had disappeared; no one knew where it went to.

Since that time, under the able supervision of Mr. Foley, I think the situation in respect to public housing has been improved a great deal. I understand that of the 66 accounting deficiencies reported by the General Accounting Office, all except 10 have been substantially cured.

Our study would indicate that one of the reasons why the administration of public housing has been so very bad is the vast number of jobs the Public Housing Administrator has to handle. I wonder if the Senator would be inclined to join with me in an amendment to his public-housing section taking away from the public houser everything but the administration of the public housing; for example, take away from him the responsibility of handling and disposing of the Greenbelt towns, take away from him the handling of war housing, and narrow his job down to the sole work of handling public housing.

Mr. TAFT. The Senator asks me a question, and I would answer in the affirmative. I had not thought of that, but I am very anxious to separate this particular operation from all the excrescences which have grown up during the war. I have not considered the question nor consulted with other proponents

of the bill, but I should think something of that kind certainly might be worked out.

Of course, the Senator from Wisconsin understands that the public houser, whoever he is, does not operate the housing. The housing is operated locally. At present the public houser operates the Ohio agency in Cincinnati, but everything else is operated by a local metropolitan housing authority, an agency of the State, or an agency of the city. The public houser does not actually administer the housing. All he does is to approve the loans and the contracts, and to see that provisions respecting them are carried out.

Mr. McCARTHY. I should like to ask the Senator from Ohio one further question. It is not that I need enlightenment and rather to make a record, in view of the fact that laws such as this are interpreted in the light of what the sponsors say on the floor while the bill is under discussion. I should like to ask this question: As the Senator from Ohio knows, the cost limitation per unit of public-housing units up until this time has been \$4,000 per unit in the cities of less than one-half million population, and \$5,000 in cities of over one-half million population. Prior to the war there had been approved roughly some 100 public-housing projects. With increasing costs, however, as the result of the war, all those projects were, in effect, frozen, because the buildings could not be constructed within the limit provided by the act.

At the last session of Congress there was introduced a bill, which was passed by both Houses and signed by the President, known as the McCarthy bill, which gave the cities permission to raise the money to make up the difference between the cost limitation in the public-housing bill and the current costs. For example, in Milwaukee, Wis., it was discovered that the current cost per unit runs about \$7,680. That meant the city has gone about the task of raising the difference between \$5,000 and the \$7,680; \$2,680 for each of 222 units. Am I to understand that the Senator's amendment—I understand it will, but I want to have the statement in the Record—and my amendment also, will allow the city of Milwaukee, the city of New York, and any of the other cities that took advantage of the bill, in effect to recoup what they themselves have invested because of these costs?

Mr. TAFT. I have not studied the legal connection between the bill passed at the last session and the pending bill. I understand that this measure does not change the power of the Administrator to delegate that authority to the Public Housing Administrator, so that the same process may continue, in my opinion, as could go on before the passage of this bill. That is, the cities may make up the difference as the Senator desires.

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

Mr. TAFT. I yield.

Mr. FLANDERS. I should like to say that the amendment does specifically

provide for the continuance of that which was provided for in the so-called McCarthy bill. It will make the increased cost limitation applicable to any projects which have proceeded, prior to enactment of the pending bill, under the provisions of Public Law 301, Eightieth Congress, permitting the development of projects which cost in excess of the statutory cost limit, provided excess costs are contributed by the locality.

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

Mr. TAFT. I yield.

Mr. McCARTHY. So that the RECORD will be clear, let me ask the Senator from Ohio a question. As the sponsor of the pending measure I believe it is the Senator's understanding that cities such as Milwaukee and New York which took advantage of the McCarthy bill will not be penalized, but they will be able to recoup and recapture the amount they contributed in order to have their public housing projects unfrozen. Is that correct?

Mr. TAFT. The Senator states another question a little different from the first question.

Mr. FLANDERS. Yes, it is not the same question.

Mr. TAFT. As to the recouping, I shall have to study the bill somewhat further, I think.

Mr. McCARTHY. Let me ask the Senator this question then: If upon studying his amendment the Senator from Ohio is of the opinion that it does not do that—incidentally my amendment does—if the Senator is of the opinion that his amendment would in effect penalize cities that have gone forward and contributed their own money, would the Senator then be willing to accept my amendment, which does protect cities that took upon themselves the task of making the necessary advances in order to get construction started pending action on this bill?

Mr. TAFT. This bill increases the cost limit, or permits the increase. What the Senator asks is if the city of Milwaukee constructed buildings within the total cost now permitted and paid out some of its own money, could the city get back the difference. Is that it?

Mr. McCARTHY. Yes.

Mr. TAFT. Of course, if the construction cost in Milwaukee exceeded even the new limit I do not suppose the Senator would expect the city to get back the excess over the new limit.

Mr. McCARTHY. No. I may say, Mr. President, that I have checked with the chief counsel of the HHFA and he tells me that the Flanders amendment, the one the Senator is sponsoring, does provide for the recoupment; but I wanted that definitely clear in the RECORD so that the question cannot be raised at a later time.

Mr. TAFT. If it is not clear, I shall be glad to have it made clear, because it seems to me that all public housing constructed since the war—and those are about the only cases of public housing built under this general plan—should have the same cost limits.

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

Mr. TAFT. I yield to the Senator from Missouri.

Mr. DONNELL. On April 15th I introduced into the RECORD, in connection with the discussion of the bill, a telegraphic message from the mayor of the city of St. Louis. I should like to ask the Senator from Ohio if he would have any objection at this moment to my presenting a telegraphic message to me from the mayor of Kansas City, Mo., which bears upon the bill?

Mr. TAFT. I should be delighted to have the Senator do so.

Mr. DONNELL. The telegram was received in Washington on April 15, 1948, and is as follows:

Am advised Taft-Ellender-Wagner bill scheduled for debate in Senate this week. Its provisions will greatly aid one phase of our housing program which is in desperate need of encouragement. City council solidly favor public money aid in slum clearance which problem can never be solved solely by private enterprise because no profit motive there. Public subsidies would be largely offset by decreased costs in crime and disease. Slum areas produce five times more tuberculosis cases and six times more juvenile delinquency than the over-all city average. Sincerely hope you will support Taft-Ellender-Wagner bill which so vitally concerns welfare of large cities particularly.

Mayor WILLIAM E. KEMP.

I thank the Senator from Ohio for permitting the interruption.

Mr. TAFT. Mr. President, does the Senator from Wisconsin wish to suggest amendments to title VI? Does the amendment I submitted meet with his views as to the nondiscrimination against relief clients?

Mr. McCARTHY. I should like to have a few minutes to look it over, if I may.

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

The PRESIDING OFFICER (Mr. BRICKER in the chair). The Senator will state it.

Mr. TAFT. I assume that if these amendments are to be submitted they should be submitted before the motion to strike out the entire title is put, and I assume that they are in order. Amendments to title VI which may be proposed by the Senator from Wisconsin or myself, or upon which we might agree, are amendments to my amendment. The only parliamentary inquiry is whether those are in order before the motion to strike out part of my amendment is put. That is the only thing on which I wish assurance. I feel confident that they are in order. They are amendments in the second degree. They are amendments to my amendment. They certainly would be in order if we did not have the Cain amendment. As I understand the rule, an amendment to matter which is sought to be stricken out is in order, and is put before the motion to strike out.

Mr. BARKLEY. Of course, the motion to strike out is itself an amendment.

Mr. TAFT. Yes.

Mr. BARKLEY. The Senator's amendment is an amendment in the first degree; and the amendment to strike out a part of it is an amendment in the

second degree. Then comes the question whether it is in order to offer another amendment to any part of the text of the Senator's amendment, which would be an amendment in the third degree.

Mr. TAFT. No; it would be an amendment to my amendment. It would not be an amendment to the Cain amendment.

Mr. BARKLEY. It would be an amendment to the Senator's amendment; but it would be an amendment proposed to take the place of another amendment which is pending, which is also an amendment to the Senator's amendment. The Cain amendment is an amendment to the Senator's amendment, because it is a motion to strike out a part of it.

Mr. TAFT. That is correct. When a motion is made to strike something out, the matter to be stricken out may be perfected first, as I understand.

The PRESIDING OFFICER. The ruling of the Chair is that the amendment of the Senator from Ohio, under rule XVIII, is subject to amendment before the motion to strike is put.

Mr. BARKLEY. Mr. President, what did the Chair rule?

The PRESIDING OFFICER. Under rule XVIII the amendment of the Senator from Ohio is subject to amendment prior to putting the motion to strike.

Mr. BARKLEY. That ruling would apply only to that part of the amendment which is sought to be stricken out. It could not apply to some other part of the amendment of the Senator from Ohio. Some other part of his amendment could not be amended while this question is pending.

The PRESIDING OFFICER. The Senator is correct. It applies only to title VI.

Mr. BARKLEY. Mr. President, I should like to know what is proposed to be done.

Mr. TAFT. The amendment has not yet been offered.

Mr. McCARTHY. Mr. President, I believe that this amendment is infinitely better than the amendment previously suggested. In fairness to many public-housing administrators, I will say that no such provision would be necessary at all in some areas. I know that many administrators now do what I would like to force them all to do. However, I believe that some administrators disregard the question of need. I wonder if the Senator from Ohio would have any serious objection to adding to his amendment the following language:

In selecting tenants the question of the greatest need shall be given paramount consideration.

The purpose is to avoid a selection of tenants by taking the cream of the crop. As I say, that practice is not characteristic of many housing administrators. The administration in some part of the country is excellent. I have cited Dallas, Tex., and Little Rock, Ark., as examples of those well run. There is an excellent project in Ohio also. On the other hand, there are some projects which are very foully administered, of which I think the Detroit, Mich., project is an example.

There the attempt is made to make selections not on the basis of greatest need, but on the basis of ease of administration. If the Senator would consent to this addition to his amendment, I could feel perfectly free to support his public-housing section.

Mr. TAFT. Mr. President, I do not think I could agree to that amendment, because it seems to me to take out the very heart of my amendment. Under the terms of the suggested amendment, it seems to me that people who have no income, and who must live entirely on relief, would be given priority in housing. I do not think they should be. If they receive cash every day from relief agencies for food and clothing, I do not believe that they ought to live in public housing, too. Such people ought to be in institutions. Or perhaps they are transients who do not need to be taken care of. It seems to me that public housing is intended for people who have a steady income, and who are therefore people of reliability, but whose income is so low, because of the job they are doing, because of their physical condition, or for some other reason, that it is impossible for them to pay the rent for proper private housing.

The Senator's amendment seems to give complete priority to relief clients, which is just what we do not want. I do not see why the Senator insists upon that point. It seems to me that we have gone far enough when we say that there shall be no discrimination against a man of equal income because he is a relief client. It would even be perfectly satisfactory to me to eliminate the words "equal income" if the Senator desires to do so.

Mr. McCARTHY. Mr. President, I do not desire to give priority to relief recipients. I think that would be entirely wrong. What I have in mind is that in selecting tenants—and, take my word for it, this procedure is not being followed in a great number of the projects—the Administrator takes into consideration the size of the family, the amount of income, and the type of dwelling in which the family is presently housed. In other words, the need is based not only upon income, but upon the number of children and the quarters presently available, and so forth. I may have gone too far in drafting this amendment; but if we could do something to accomplish the purpose which I have in mind, I do not wish to go a step further than that. I should be glad to have the suggestion of the Senator.

Mr. FLANDERS. Mr. President, I suggest that in the amendment offered by the junior Senator from Wisconsin the word "paramount" goes much further than the description of his purpose which he has just given. There is nothing higher than "paramount." That is at the top, and there is no way of getting around it. I wonder if the Senator cannot reword his amendment so as to express the purpose which he has just described.

Mr. McCARTHY. How about "due consideration"?

Mr. FLANDERS. It seems to me that "due consideration" would be perfectly

satisfactory, if it is agreeable to the Senator from Ohio.

Mr. TAFT. I think that would be all right.

Mr. McCARTHY. This amendment would then make clear the intent of Congress to accommodate families in the greatest need. Before the Senator accepts the amendment, let me say that with that amendment I will go along 100 percent with his public housing provision. However, I still believe that it would be well to separate public housing from the remainder of the bill. I do not feel as strongly on the subject with this amendment as I otherwise would; but I want the Senator to know why I shall be voting with the Senator from Washington [Mr. CAIN] in seeking the separation. However, if the separation is not made, I wish to make it clear that I will go along and support the public housing measure with that amendment.

Mr. TAFT. Mr. President, I suggest that the Senator himself offer the amendment.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 79 of the committee amendments, after line 18, it is proposed to insert the following:

(10) Every contract made pursuant to this act for annual contributions for urban low-rent housing projects initiated after July 1, 1948, shall require that, as between families of equally low income otherwise eligible for admission to such housing, the Public Housing Agency shall not discriminate against any such families because their incomes are derived, in whole or in part, from public assistance. In selecting tenants the question of greatest need shall be given due consideration.

Mr. TAFT. Mr. President, that amendment is acceptable to me, if it is agreeable to the Senator from Vermont.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] to the substitute amendment of the Senator from Ohio [Mr. TAFT] as amended.

The amendment to the amendment was agreed to.

Mr. BARKLEY. Mr. President, I wish very briefly, and without delaying the Senate, to register my opposition to the amendment offered by the Senator from Washington [Mr. CAIN] to strike the public housing provisions of the pending bill.

When I was a member of the Committee on Banking and Currency for many years the question of housing arose; and this legislation is a sort of extension of the question as it was developed by the Committee on Banking and Currency in years past. I suppose all of us regret the necessity for public housing, the necessity for spending public money to provide housing for individuals, just as all of us regret the necessity for expending money to maintain an Army and a Navy or for any other purpose, however worthy, that calls for an expenditure from the Treasury of the United States.

But now, according to the testimony developed by the Banking and Currency Committee, more than 6,000,000 families in the United States live in substandard housing, housing in which they ought not to be required to raise their children, if there is any feasible remedy for such housing.

I do not contend, Mr. President, that poverty necessarily produces crime or disease, although certainly it militates in their favor. Unwholesome, undesirable domestic conditions and neighborhood conditions undoubtedly do break down the resistance against crime and against disease and against the propagation of invidious and insidious doctrines in the minds of people who live or are reared under such conditions. Therefore it is in the public interest, it is in the interest of a high standard of life, it is in the interest of a more wholesome outlook upon the institutions of our country and our civilization, that men and women and their children be permitted, if possible, to live under wholesome conditions which create respect for our institutions and for themselves. Therefore it is in the interest of the public and it is in the interest of the permanency of our institutions that our housing conditions be as wholesome as it is possible to make them, considering the various conditions which attach to every individual living in this or in any other nation.

There is no way by which what we call slum conditions may be alleviated to any great extent through private industry. The amount of money that it is within the means of people of low incomes to pay as rents really is not sufficient to justify a profitable investment in such houses by private industry or private enterprise, and does not justify any very great expenditure for the repair of such housing, after it has reached a certain age and a certain stage of disintegration. So, as I view the situation now, we are either confronted with the necessity of providing better homes under a public-housing system; or we are required to completely destroy those houses, so that they will no longer be able to create a slum condition; or we are required to close them against human habitation, in which event we would intensify the shortage of houses elsewhere in any such community.

All of us know that so long as the supply of houses is short and inadequate, private investors will invest in the types of housing which bring in the greatest amount of income. I do not say that in criticism. That is merely in confirmation of human nature—in other words, to invest in the types of housing that bring the greatest amount of return. Therefore, in many communities the small types of houses which are within the reach of families in the low-income brackets are practically eliminated from construction and are almost eliminated from repair.

Thus we are confronted with the problem of doing something about that situation, so as to elevate the standard of living in such communities and to elevate the degree of satisfaction among persons in the lowest income brackets. Either better houses must become avail-

able, or in the interest of the health of the community we shall have to embark on a public program of tearing down such houses and not rebuilding them at all, thus creating a greater housing shortage and greater hardship in the communities in which such conditions exist.

So, Mr. President, it seems to me that from every standpoint, including the standpoint of the public good and the standpoint of the health of our people and their attitude toward our institutions and toward their own self-respect—and they must maintain their own self-respect if they are to be good American citizens and are to have respect for the institutions under which they live—we can afford to invest this amount of public money in the public-housing features of this proposed legislation.

Therefore, Mr. President, I shall vote against its elimination; and I hope the Senate will reject the amendment offered by the Senator from Washington.

Mr. WHERRY. Mr. President, I should like to inquire of the Senator from Vermont how much money is involved in this authorization. I cannot find where there is any provision for the termination of such expenditures, as proposed to be authorized under the pending legislation.

Mr. FLANDERS. Five hundred thousand units altogether are provided for. When they have been built, the authorization ceases.

The estimated subsidy commitments for this low-rent housing program, excluding everything else in the bill, will be approximately \$32,000,000 for 1949, \$64,000,000 for 1950, \$96,000,000 for 1951, \$128,000,000 for 1952, and \$160,000,000 for 1953.

The bill provides for a 40-year amortization; and the program disappears at the end of 40 years.

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

Mr. WHERRY. I yield.

Mr. TAFT. Let me state it in this way: In the first place, the total subsidies, which run for 40 years from the time of construction, could aggregate at the maximum \$160,000,000 a year.

Mr. WHERRY. One hundred and sixty million dollars a year for the 40 years?

Mr. TAFT. Yes.

Mr. WHERRY. What would that amount to, if that were the maximum? Has the Senator from Ohio figured that?

Mr. TAFT. No; and I do not see what difference it makes.

Mr. WHERRY. It would make a little difference.

Mr. TAFT. What is the cost of subsidizing such housing? It is \$160,000,000 a year. We do not add the cost for the next 40 years, any more than we arrive at the total cost of maintaining the Army over a period of 10 years. If we estimate that the cost for the Army will be \$10,000,000,000 a year, we do not then say that for a 10-year period it will be \$100,000,000,000.

In the case of the program we are here considering, the maximum cost is \$160,000,000 a year. Plans for the buildings

must be made, contracts let, the property bought, and the money for the housing borrowed. It takes considerable time. I should say that there would be no cost during the fiscal year ending July 1, 1949.

Mr. WHERRY. Is there a limitation of 500,000 units?

Mr. TAFT. Yes. There is a limitation of 500,000 units.

Mr. WHERRY. That is, over the 40 years, is it not?

Mr. TAFT. Yes.

Mr. WHERRY. So there cannot be more than 500,000 units built within the 40-year period.

Mr. CAIN and Mr. FLANDERS addressed the Chair.

Mr. WHERRY. I understood it was 5 years. Is it 40 years, or 5 years?

Mr. TAFT. No; it is 40 years. Not more than a fifth of these units can be built each year, so they cannot all be built until after 5 years. That is the 5-year amount.

Mr. WHERRY. I see.

Mr. FLANDERS. I should also like to say that the \$160,000,000 a year is the maximum possible, and that is to be, and will be, reduced from the rentals obtained. There was approximately a 60-percent reduction in the case of the housing built during the war, but that is not to be expected under peacetime conditions, considering the type of tenant for whom the housing is provided. Still \$160,000,000 a year is the maximum, and there will be some reduction.

Mr. WHERRY. Mr. President, there is, then, a limitation of one-fifth. That is to say, one-fifth of the entire number of units can be built within any one year. Is that correct?

Mr. FLANDERS. The limit is one hundred thousand a year.

Mr. WHERRY. One hundred thousand?

Mr. FLANDERS. For 5 years.

Mr. WHERRY. Mr. President, I do not quite understand.

Mr. FLANDERS. Five times 100,000 is 500,000.

Mr. WHERRY. Yes; but that is over 40 years.

Mr. FLANDERS. No. There is an amortization over 40 years.

Mr. WHERRY. Oh, I understand; payment will take 40 years.

Mr. FLANDERS. Yes.

Mr. WHERRY. Mr. President, let me ask another question. I will ask the question of the Senator from Vermont or the Senator from Ohio. On page 77 of the committee amendments we start with section 7, reading as follows:

In recognition that there should be local determination of the need for public low-rent housing, the Authority shall not make any contract for financial assistance pursuant to this act with respect to any urban low-rent housing initiated after July 1, 1948;

Then this clause follows:

(a) unless the public housing agency has submitted an analysis of the local housing market demonstrating to the satisfaction of the Authority—

Now, first, who is that authority?

Mr. TAFT. The authority is in effect the Public Housing Administrator him-

self, and the public housing agency is the local metropolitan housing authority, which is the creature of the city or the State.

Mr. WHERRY. It might be the mayor or anybody else set up by the city or the State?

Mr. TAFT. As a rule, it is a separate local subdivision, more or less under the control of the city government.

Mr. WHERRY. Who makes the determination under the following clause:

(1) that there is a need for such low-rent housing which cannot be met by private enterprise;

Is that determination made jointly by the Housing Authority and the local body, or is it made solely by the local body which makes the decision that there is a need for this housing?

Mr. TAFT. It is made by the Administrator himself. Of course, he will have to act in conjunction with the local body, because the local body must present the facts to show such a situation exists, and then the Administrator must also find that it exists. It is correct that he must make a finding that it cannot be done by private enterprise.

Mr. WHERRY. Certainly. But the final authority is in the Authority at Washington?

Mr. ELLENDER. No; not altogether as to the finding that it cannot be done by private enterprise.

Mr. TAFT. Yes.

Mr. WHERRY. One author of the bill says "No"; another one says "Yes."

Mr. TAFT. Yes. The final determination as to whether there is to be a local metropolitan authority.

Mr. ELLENDER. The local public housing agency makes the survey to determine the need for low-rent housing and must conclude that private industry cannot and will not build homes to meet that need. In addition, the governing body of the locality involved must approve such findings, that is, of need, and that private enterprise will not undertake to do the job to fill the need. After the determination is thus made, as the Senator from Ohio has just intimated, the authority in Washington is in position to enter into a contract for financial assistance by way of contributions to build a project.

Mr. WHERRY. Yes. I understand, and I thank the Senator. But after that has been done, and after the papers are sent to Washington, whatever the findings may be, it is still subject to review by the authority here in Washington, and it is for him to determine whether or not the housing will be built. The authority in Washington will have the final say.

Mr. ELLENDER. The Washington authority holds the purse strings, and technically he may have the last say, since there may be more applications than there is money authorized to cover Federal contributions.

Mr. WHERRY. Certainly, and it will finally make the determination. That is the question I asked.

Mr. TAFT. Let me say there may be 100 projects, with money sufficient for only 20. Somebody in Washington will have to pass on it.

Mr. WHERRY. There is no assurance that the authority in Washington would approve the recommendations made by the local board, is there?

Mr. TAFT. No.

Mr. WHERRY. The next question I should like to ask is this: How is the money to be distributed? Let us say there were 10 times as many houses needed as could be provided for under the provisions of the act which we are considering. In that event, who would get the money?

Mr. TAFT. That will be determined by the authority.

Mr. WHERRY. By the authority?

Mr. TAFT. The authority in Washington; yes.

Mr. WHERRY. Is there any geographical allocation?

Mr. FERGUSON. Mr. President—

Mr. WHERRY. I still have the floor. I shall yield in a moment.

Mr. TAFT. I may say I agree it might be abused, but it has not been abused, I think, in general. It has been distributed pretty much among the large commodities, in accordance with the need of housing. At least it was in the prewar period, and I see no reason why it should not be so after the war.

Mr. FERGUSON. Mr. President—

Mr. TAFT. I yield to the Senator from Michigan.

Mr. FERGUSON. It is possible, though, is it not, that one or two cities could exhaust the entire quota of 500,000 units? There is nothing in the bill to prevent that happening, is there?

Mr. TAFT. Nothing. New York, for instance, might, I suppose, exhaust the quota, although that would hardly be possible.

Mr. FERGUSON. I mean the bill itself neither restricts the use of the money nor allots it to any State?

Mr. TAFT. No. That is correct.

Mr. WHERRY. The point has been covered, but it is still left to the final authority, and the final authority, because there are no restrictions or conditions in the bill, could award this construction to one city or to two cities, within his discretion; am I correct? It could be done, could it not?

Mr. TAFT. I think it could be done, but I do not think there would be any possibility of its being done.

Mr. HOLLAND and Mr. FLANDERS addressed the Chair.

Mr. WHERRY. I agreed first to yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I wanted to ask the distinguished Senator from Nebraska who has, I think, presented a very constructive set of questions, whether or not his fear as to the improper distribution of these units which would be built resulted from the fact that the committee's findings show that there are 6,000,000 such units needed in order to house families presently without standard housing, whereas this program, set up for a minimum of 5 years, purports to deal with 500,000 units only.

Mr. WHERRY. That is the point.

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

Mr. WHERRY. I am glad to yield.

Mr. TAFT. I only want to correct the Senator from Florida. The findings did not show that there were 6,000,000 dwellings of this kind needed.

Mr. WHERRY. I thought they did.

Mr. TAFT. The findings showed that there were 6,000,000 homes below proper standards, but we are rapidly rebuilding a larger number of them through private enterprise or replacing them through private enterprise, and the figure of 6,000,000 has no direct relation to this question. This question relates more to the income of the families of the United States than to the character of the housing.

Mr. HOLLAND. Mr. President, if the Senator will yield for a question, I would appreciate hearing from some sponsor of the bill—presumably its sponsors would know more about the need for this work than would the other Members of the Senate—what, in the opinion of the sponsors of the bill, is the number of families requiring the construction of these public housing units?

Mr. WHERRY. Mr. President, I trust that the proponent of the amendment or somebody else may answer the question.

Mr. TAFT and Mr. CAIN addressed the Chair.

Mr. WHERRY. As I have the floor, I am glad to yield, if the Senator from Ohio desires to answer the Senator from Florida.

Mr. TAFT. I suppose we might reasonably say there may be 3,000,000 families, but I should very much hope that long before it would be possible to provide for such a number, the cost of housing would go down and present houses would be replaced and others built. I think the important thing is, so to speak, to take the edge off the bottom, at the worst places. I spent Sunday in Cleveland, in the colored district of Cleveland, where two of the prewar projects have been built. They have completely changed the entire character of that colored district in Cleveland. Around that locality have grown up better stores, better general standards of living, and better morale. Many of the buildings in the neighborhood, not included in the project, have been repaired. If we can once get at the heart of the problem and make a good start, I think there is a reasonable chance of having normal processes operate. We have conducted this free-enterprise system for many years, and the problem with regard to slums has risen. We are possibly edging into it a little bit, but unless we do something more we can never solve the problem. By taking the worst places and establishing dwellings of the character provided for in the bill, I believe very strongly that it may be sufficient to tip the balance so that private-enterprise plans will work and we can get away from the spiral from second-hand to fourth-hand houses which have no possibility of redemption.

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

Mr. WHERRY. I yield.

Mr. BARKLEY. Mr. President, I wish to confirm what the Senator from Ohio has said in regard to the city of Cleveland. The same thing which he has described has happened throughout the

country in places in which public-housing enterprises have been constructed. In my own city, which has a population of 40,000, two housing projects have been constructed, one for white and one for colored persons. In the neighborhood of both projects the character of the houses has been improved. There has been a sort of local pride injected into the owners of houses in the vicinity of the public-housing projects, so that they have been ashamed, in a sense, to allow their own houses to remain in disrepair, and have improved them because of the public-housing projects in the city. I know that what the Senator from Ohio has said regarding the city of Cleveland is true.

Mr. WHERRY. Mr. President, that confirms the importance of getting answers to the questions which I have been propounding. No one knows where the housing will be located. It is a question of who makes the best guess. What assurance have I that any housing will come to Nebraska?

Mr. TAFT. I think the Senator has risen to a position of influence in the Government which entitles him to be absolutely certain that he will get a fair share of housing in Nebraska.

Mr. WHERRY. I shall not be the final authority, Mr. President. There might be some question about it.

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

Mr. WHERRY. I shall be glad to yield to the Senator from New Hampshire.

Mr. TOBEY. I merely want to advert to the remarks made by the distinguished Senator from Kentucky [Mr. BARKLEY] and to say that I agree 100 percent with him. I also want to pay tribute to my good friend from Ohio [Mr. TAFT], who has demonstrated the qualities of his heart as well as his intellect.

The Senator from Nebraska raises the question, "How do I know that Nebraska will get any housing?" I reply, I hope none will be needed there. But that is beside the point. The time has come in this country to pass fundamental social legislation. Our small individual States are not all important after all. The whole is greater than any part. We are here as Senators of the United States. This is a national problem. It is a cancer spot on the economic body of the country. The social implications of public housing and the eradication of slum conditions are subjects which should appeal to everyone in connection with the elimination of juvenile delinquency and marital infelicity. Good housing is fundamentally needed in America. We must improve conditions over a period of years. So let us not quibble over small details. Let us start on the great need of adequate housing, so that the little people in the country, in the hinterlands, and everywhere else, can say, "Thank God. It is good to be alive in America." And let us always keep in mind that our prime objective is to create a human society in these United States, which purpose should have precedence even over an economic system. We should consider the proposed legislation in the light of its repercussions on America's life.

So, as I conclude I offer this information from page 10 of the report of a sub-

committee of the Joint Committee on Housing.

In answer to the question, "If it is your opinion that private enterprise will not be able to provide decent housing for all such families, do you favor the provision of publicly assisted low-rent housing as a means of supplying decent housing for such families?"

Twenty governors said "Yes," 4 said "No"; 68 mayors of the large cities said "Yes," and 5 said "No."

I have here a large volume of their testimony. I do not want to fill up the Record with it because of the cost. But the feeling of the country is for this type of legislation. I believe in the broad basis of it, which is that people in distress will realize that there is a fair deal and a chance to have a decent home in America.

With reference to the cost, go back 3 years ago when we were fighting World War II. At the peak of the war effort we spent \$12,000,000,000 each month, for what? To kill men—to destroy property forever. Here we are considering a program involving \$156,000,000 a year over a 5-year period. What comes first in America—war or peace? Domestic life, a fair deal for little people, or taking care of the great business interests of the country?

I submit to my friend from Nebraska let us omit the petty things and see the great objective. The United States is greater than any particular State—Nebraska or New Hampshire.

[Manifestations of applause in the galleries.]

The PRESIDING OFFICER. Quiet must be preserved in the galleries.

Mr. WHERRY. I thank the Senator from New Hampshire for his observations. No one is more interested in homes than I am. I was not quibbling; I was simply asking for information. I have had a great deal of experience with Government bureaus and how they operate. Sixty-eight mayors are asking for housing. Who will give it to them? I can subscribe to everything the Senator said. My questions are not quibbling questions.

Mr. TOBEY. Where will the Senator place the responsibility?

Mr. WHERRY. I am asking for information. That is why I asked the Senator where the responsibility would be in the Federal Government. Local people will not have very much determination.

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

Mr. WHERRY. The Senator has made his speech.

Mr. TOBEY. Only half of it.

Mr. WHERRY. I cannot see why there should be any objection to asking questions when an appropriation comes up, or the Senate is acting on this, that, or the other bill. I do not want war; I want peace, just as does the Senator from New Hampshire. We shall have war if we do not settle the question properly. If we leave it to the bureaus, that is where war will come. Who will receive the housing involving \$160,000,000 a year? Sixty-eight mayors want it at this time. All I am inquiring is as to who will have the final determination.

The Authority in Washington will have it.

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

Mr. WHERRY. I yield.

Mr. BARKLEY. The Senator knows that it cannot be left to the 68 mayors. There must be some central authority acting as the agency of the Government which is appropriating the money. The Senator speaks about bureaucrats. Congress creates a bureau and then there are bureaucrats.

Mr. WHERRY. I do not want to create a bureau.

Mr. BARKLEY. What would the Senator call him? If he is the head of the bureau, he is a bureaucrat.

Mr. FLANDERS. Mr. President, will the Senator yield so that I may supply some information?

Mr. WHERRY. I should like to make an observation first.

Mr. FLANDERS. I understood the Senator from Nebraska was seeking information.

Mr. WHERRY. I shall be glad to yield in a moment, but I should like first to make an observation.

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

Mr. WHERRY. I yield.

Mr. LANGER. Are these houses to be built for people who are already married or who are to be married?

Mr. WHERRY. That is another question I was about to ask. But before I do that, I should like to make this observation. The minority leader seems a little irritated at my remarks—

Mr. BARKLEY. No; I am not irritated; I am merely earnest.

Mr. WHERRY. The Senator is very forceful in his earnest plea. It seems to me that when we appropriate \$160,000,000 for this type of housing there will be a regular parade of persons coming forward to get it. The point I was trying to make was simply that even if the need is justified, the final authority is in Washington, and there will be much difficulty in deciding where the housing shall be located.

Mr. FLANDERS. Will the Senator yield for a ray of light?

Mr. WHERRY. I yield to the Senator from Vermont. I should like to finish what I wish to say, but I yield to him.

Mr. FLANDERS. I desire to read paragraph (d) of section 2 of the Housing Act of 1937, which reads as follows:

Not more than 10 percent of the funds provided in this act, either in the form of a loan, grant, or annual contribution, shall be expended within any one State.

That sheds a little ray of light.

Mr. WHERRY. I asked for that information about half an hour ago, and my understanding was that there was no limitation. That adds to the strength of the bill, and I think that is a good thing. Has the Senator any more light he can throw on any of these questions?

Mr. FLANDERS. I may say there is one other item, that is, that the Senator himself, as a Member of the Senate, will have a chance to vote on the appropriation.

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

Mr. WHERRY. I yield to the Senator from Ohio.

Mr. TAFT. There is one other matter to be considered. We had exactly the same situation in the thirties, and so far as I know, there was no criticism of the authority for the manner in which it distributed and adjudged the relative merits of the different projects. So we have a certain history of impartial treatment.

Mr. ELLENDER. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. ELLENDER. That was the point I desired to emphasize to the Senator from Nebraska. The Public Housing Act has been on the statute books since 1937, and I have not heard of one criticism as to the distribution of the funds.

Will the Senator yield further?

Mr. WHERRY. Certainly.

Mr. ELLENDER. Last Thursday I spoke in favor of the bill, with particular reference to title VI. I felt at that time, as I feel now, that that was the title that would give rise to the most opposition. Apropos of the good that flows from public-housing projects now in operation, I read into my speech a few statements made by mayors, school teachers, policemen, and others of their findings on the question. For instance, the chief of police of Savannah, Ga., wrote as follows:

Before Yamacraw Village (a public-housing project) was built, 19 percent of all crimes originated in that area. Now only 1 percent. I hope we can build more like them for our other slum districts. This department is short of 25 men now, and it sure helps to have Yamacraw the way it is.

Listen to this concerning a project in Ohio:

Cincinnati, Ohio: Pneumonia deaths in Laurel Homes, a public-housing project, 2 per 1,000 population as against 14 in an adjacent slum district, and 6 per 1,000 in the city as a whole.

I cited many other instances of the same character in my speech of last Thursday, and I am very hopeful the Senator will take note of all those statements cited by me.

Mr. FERGUSON. Mr. President, will the Senator from Nebraska yield so that I may ask a question of the Senator from Louisiana.

Mr. WHERRY. I yield to the Senator from Michigan.

Mr. FERGUSON. Under the pending bill, what percentage of the 500,000 are to be slum-clearance houses, or can the houses be built outside of the slums?

Mr. ELLENDER. It is for slum-clearance projects and for low rent housing.

Mr. FERGUSON. How many?

Mr. ELLENDER. All of them.

Mr. FERGUSON. Only for slum clearance?

Mr. ELLENDER. Yes; and for low-rent housing as I have just indicated.

Mr. FERGUSON. Are they to clear slums and erect houses where the slums had been?

Mr. ELLENDER. The act is not specific on the subject.

Mr. FERGUSON. That is what I am getting at.

Mr. ELLENDER. The projects that have been built were originally intended to supply decent housing for families having low incomes. Some slums were of course cleared in the process. By providing low-rent housing many slum dwellers were provided for.

Mr. FERGUSON. The claim before the Senate was that the slums were to be cleared and by the clearing of the slums crime and disease and all that went with them would be reduced. What is there in the pending bill that provides that these houses shall be built where the slums are, or can the slums be left with the same ill health, the same crime, and public housing erected somewhere else?

Mr. ELLENDER. It was originally intended, under the 1937 act, to clear slums. However, in order to clear slums it was necessary to provide for those displaced from the slums, and therefore the problem became difficult of solution. Aside from that, in 1938 and 1939, when World War II broke out an acute housing shortage began to develop and as the war progressed more housing was needed. It became more or less necessary to abandon the idea of clearing slums altogether and replace them with decent housing. Notwithstanding the fact that the Public Housing Act of 1937 was originally passed in order to provide housing for low-income groups, Congress voted to permit low-rent housing projects to be used for war workers with high incomes. Such a measure was necessary to relieve the then exceedingly acute housing shortage. It is anticipated that by increasing the number of public housing units to 500,000, under the pending bill, we would be able to revert to the original intent of the 1937 act; that is, to level slums and replace them with decent housing for low-income groups. We have provided, in the pending bill, an additional method of slum clearance. Title V sets out a program for Federal aid to localities for the clearance of slums and blighted areas. Two-thirds of the cost of leveling slums will be borne by the Federal Government with the locality paying one-third. The purpose is to make it possible to write down the cost of land where slums are located, where its reuse in accord with sound planning principles will be possible.

Mr. FERGUSON. Along that line, so that the RECORD may be clear, how much money is provided in the pending bill just to clear the slums, to level the slums?

Mr. ELLENDER. The Federal Government would put up—

Mr. FERGUSON. Two-thirds?

Mr. ELLENDER. Two-thirds, up to \$100,000,000 a year, for 5 years. That is the actual slum-clearance program provided for in the bill.

Mr. FERGUSON. That is over and above the \$160,000,000 a year which could be used for the erection of houses?

Mr. ELLENDER. Not for the erection of houses but for the Federal contributions for the 500,000 low-rent housing provided for in the bill.

Mr. FERGUSON. And the houses need not be erected in the places where the slums were cleared?

Mr. ELLENDER. In several cases it was not done in the past.

Mr. FERGUSON. I am talking about the pending bill.

Mr. ELLENDER. This bill contains a specific provision for clearing slums. The land thus cleared will be available for redevelopment with the active participation of private enterprise. It is not anticipated that the cleared slums will be used for the building of public housing unless Public Housing is willing to pay the reuse value of the land.

Mr. FERGUSON. Is it the idea that private enterprise or factories or some thing else will go in on the slum-cleared land?

Mr. ELLENDER. Yes; in accordance with such plans as may be agreed upon before the slums are cleared. The idea is to level the slums and fix the price of the land at such a figure for reuse purposes as will attract private investors. As I have just indicated the local public housing agency may purchase such property at its reuse value for public housing.

Mr. FERGUSON. Suppose the land is sold for more money than it cost to buy the slums and clear them; will the Federal Government get back its two-thirds?

Mr. ELLENDER. The Senator is optimistic. Such a matter is determined before the slums are cleared. In other words, a plan is submitted which will show how the land will be used. Some may be set aside for parks, others for business establishments, and so on. Values are fixed and plans are made for disposing of the land before the slums are cleared.

Mr. FERGUSON. It will have to be cleared by condemnation?

Mr. ELLENDER. Yes.

Mr. FERGUSON. Is there any provision that if it is sold for the amount it cost to purchase it and clear it the Federal Government will receive back its two-thirds?

Mr. ELLENDER. All that the Federal Government puts up is two-thirds of the cost, writing down the land to its reuse value. In other words, from the entire cost of the acquisition and the preparation of the land for reuse there is deducted the reuse value. On the remainder, the Federal Government makes a lump-sum contribution of two-thirds and the local agency of one-third.

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

Mr. WHERRY. I yield to the Senator from Ohio.

Mr. TAFT. The Senator from Michigan is now talking about the separate section, which has nothing at all to do with section 6, which has to do with the clearing of the land. As to that, the amount is not finally determined until the whole project is completed and all the profits are gotten back. All the Government pays is two-thirds of the net loss after the project is completed, apart from the question of the cost of the new construction, which has nothing to do with it. So that if it is sold for other purposes for as much as was put into it, it costs the Federal Government nothing.

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

Mr. WHERRY. I yield.

Mr. FERGUSON. But it may take a considerable period of years from the date of purchase, when the Federal Government has to put up its money, until it is actually sold for other purposes?

Mr. TAFT. In the first place, the money, is in the form of a loan for which the municipality is responsible. The Federal Government does not actually make a final grant until the whole thing is worked out and the net cost determined, and then it puts up two-thirds of the net cost. In the meantime there is a provision for loans which the city may make from the Federal Government, or it may borrow from outside on its own credit. Most municipalities have plenty of credit, so far as that is concerned. What I am concerned about is who is going to stand the loss when the municipalities get through?

Mr. FERGUSON. Was there any reason why the Senator from Ohio did not tie in together slum clearance and the building of low-rental homes?

Mr. TAFT. They are tied together in title VI. The idea of the other title was to say to a city, "You may not want public housing. Perhaps you do not believe in public housing. Nevertheless, we will help you clear your slums and try your own method of dealing with the problem." It seems to me that the two problems, the matter of getting rid of slums and providing for low-rental housing, are tied together.

A city may proceed to tear down its slums, but unless low-rental housing is provided in their place nothing is really accomplished. Those who occupy the slums will move to other sections and the property to which they move will deteriorate and slums will again appear. If slums are to be abolished it is necessary that some low-rent subsidy housing be constructed in connection with the elimination of slums. That is the theory of title VI. The other title simply says that if a community decides to proceed with slum clearance and take a chance on what happens, we will help it do that also.

Mr. MCCARTHY. Mr. President, I merely want to make the record correct. The Senator from Nebraska asked what the cost of the slum-clearance program would be, and the Senator from Louisiana said \$200,000,000 a year for 5 years. The Senator from Louisiana was confusing the loan with the cost of a project. There will be a total of loans of \$200,000,000 a year for 5 years. The cost, the capital grants, will be \$100,000,000 a year for 5 years. So the cost to the Government is one-half billion dollars, with so-called construction loans of \$1,000,000,000. I want to have the record straight on that point.

Mr. WHERRY. I ask the Senator from Wisconsin how much is the program going to cost in full? What will be the total cost annually under all titles, and what are the possibilities? Who will receive the benefits?

Mr. MCCARTHY. I shall be glad to answer the question. To begin with there are one-half billion dollars in

grants connected with the slum-clearance program over a period of 5 years. Second, the public housing section provides for a maximum—

Mr. WHERRY. A maximum of one-half billion dollars a year, or over a period of 5 years.

Mr. McCARTHY. No, that is the total over a period of 5 years. The public housing section provides a minimum of \$160,000,000 a year for 5 years. That does not mean that the maximum will of necessity be used, though I am inclined to think, in view of the amendment submitted today giving a greater priority to the low-income group, that there will be more than \$160,000,000 used normally. The increase will not amount to too much. There is a provision in the bill creating, not a research agency, but a division which will coordinate the research of the various Government departments and private industry.

Mr. WHERRY. What is the purpose of that?

Mr. McCARTHY. That is to work primarily toward two objectives, which we cannot accomplish merely by passing a law. No. 1 is to get a standard of codes. If that job is to be done well it will mean the use of a considerable number of competent men, which will cost a great deal of money. How much, I do not know. No. 2 is to get the standardization of measurement. I am talking about the entire bill all the way from top to bottom. I understood the Senator wanted to know the entire cost.

Mr. WHERRY. Yes.

Mr. McCARTHY. It will require men to bring about the standardization of measurements.

In that connection, I might say that we have been delving into what is known as modular coordination. That merely means a standardization of measurements. As Senators know, we have standardization in practically every industry except the housing industry, and those engaged in the industry tell us that if we can secure standardization of measurements and standardization of codes those two things alone can result in the ultimate reduction of housing costs by 25, 30, or 35 percent. I think the cost will be low in view of the accomplishments to which we may look forward.

No. 3 is that we are providing technical help for the veterans in setting up co-ops. That again will require a sizable number of competent men. It is impossible, however, to know what the cost will be. It will depend on the number of veterans' co-ops which may be started.

Mr. WHERRY. Does the Senator think that that will be any appreciable amount? What is his opinion about it?

Mr. McCARTHY. Frankly, I will say to the Senator I do not have any idea. We certainly will not begin with any great number, and that item will be controlled, of course, in the appropriations which is provided.

Mr. WHERRY. Is that the largest benefit the veterans will receive under the bill?

Mr. McCARTHY. We are setting up a veterans' cooperative which may obtain a 40-year loan with a 95-percent guaranty. Then, as I said, we go a step fur-

ther. We provide for technical assistance on the theory that if we merely say to a group of young men, "Here is some money; go ahead and try to build some houses", we will do more harm than good. We feel that if they desire to set up a veterans' cooperative they can call on the housing agency to send to them some competent men to give the veterans the benefit of their advice.

That, Mr. President, covers substantially, I believe, all the cost under the bill. There are a great number of contingent costs, it will be understood. The section setting up the secondary markets might result in an ultimate loss. The extension of title VI, of course, commits us to \$160,000,000 by way of loan guarantees.

Mr. WHERRY. That is what was provided in legislation passed previously by Congress, and that will be a part of the pending legislation, as amended, if it is passed.

Mr. McCARTHY. This measure merely extends the old provision and adds more money.

Mr. WHERRY. Such provision has already been made by previous legislation.

Mr. McCARTHY. Yes. We add another \$10,000,000 in possible liability under title I, section 3, loans; but the only actual cost is one-half billion dollars for slum clearance, and \$160,000,000, and then there is the public housing, and the salaries of the additional men required because of the technical assistance furnished.

Mr. WHERRY. Generally speaking it may run as high as \$300,000,000 a year. If we take \$100,000,000 a year for slum clearance, that would be one-half billion dollars in 5 years, and the \$160,000,000 for housing in title VI, and all the remaining items might make the total run as high as \$300,000,000 a year. Is that correct?

Mr. McCARTHY. I believe it would be somewhat less than that. When we speak of a slum-clearance program costing \$100,000,000 a year, the Senator will understand we are merely scratching the surface.

Mr. WHERRY. Yes, I understand.

Mr. McCARTHY. If the city of New York wanted to clear its slums it could use the entire sum.

Mr. WHERRY. The city of New York alone could use the entire sum. That is the reason why I made the inquiry as to whether there would be proper distribution. I agree with the Senator from New Hampshire [Mr. TOBEY] that the problem is a national one. There is no doubt about that. But in view of the fact that \$100,000,000 of expenditure is contained in one title, and \$150,000,000 in another, it was my thought that some city could use the total amount annually and still not do a complete job in that city. Does the Housing Act of 1937 provide that only 10 percent of the money expended may be used on one project within a State?

Mr. McCARTHY. No, that is not in the slum clearance provision.

Mr. WHERRY. Where is it?

Mr. McCARTHY. It is in the public housing provision. So far as the slum clearance section is concerned, the entire amount could be used in any one city or in any one State.

Mr. WHERRY. Is not that true in the case of public housing? Could not the entire amount be used by one city?

Mr. McCARTHY. I think there is a provision in the Flanders amendment that not more than 10 percent may be used in any one State.

Mr. WHERRY. That is provided in the original bill of 1937.

Mr. McCARTHY. That provision is still in operation.

Mr. WHERRY. But so far as slum clearance is concerned, the entire amount could be spent in one city.

Mr. McCARTHY. That is correct.

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

Mr. WHERRY. I yield.

Mr. ELLENDER. No doubt the Senator has voted on many occasions for title VI of the National Housing Act, whereby we provided up to \$5,350,000,000 to guarantee loans. There is no prescribed method by which such guarantees are to be distributed. It is all handled from Washington.

Mr. WHERRY. The point is—and I think it is a point which should be given further consideration—that this housing bill is complicated.

Mr. ELLENDER. No doubt about that. I am somewhat confused at times, although I have been wrestling with the problem for over 10 years.

Mr. WHERRY. Many amendments are being offered on the floor of the Senate. I think we should try to understand them. If some of the questions seem elementary to those who are working with the problem, let me say that my questions have been asked for constructive reasons, to try to bring out what is involved in the amendment before us. What does it do? What would be the situation if the amendment were agreed to? What would be the situation if the language sought to be stricken were left in the bill?

Mr. ELLENDER. I can tell the Senator in a few words what would happen if title VI is stricken. It will mean that what will be left in the bill will provide ways and means by which housing can be provided for those who can pay rentals of from \$45 and up per month. The bill then would not take care of that segment of society which needs help the most, namely, the low-income group, that cannot afford to pay an economic rent.

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

Mr. MAYBANK. Mr. President, will the Senator yield to me to ask a question, in connection with the question which was propounded and the statement which was made? The statement was made that the money could all be spent in one community for slum clearance. That was not my understanding.

Mr. TOBEY. I was about to speak on that subject.

Mr. President, answering the inquiry of the Senator from South Carolina and the collateral inquiry of the distinguished Senator from Nebraska [Mr. WHERRY] we all know—and we have never tried to cover it up—that it is not possible under this bill to take care of the entire national slum clearance needs. What we are doing is making a start on a very fundamental and worth-while project.

Under the terms of the bill we localize responsibility for administration in the National Housing Agency in Washington. As one who has been a member of the Committee on Banking and Currency since the inception of the housing legislation, I wish to pay tribute to the Housing Administration in Washington, headed by Mr. Foley. I have great confidence in him and his staff. In my judgment they have done an admirable job. Therefore it is important and necessary to localize the responsibility for administration. So the program is placed in their charge. They will look the situation over, just as the Senator or I would, to see where the sorest spots are, to see where the human needs are greatest, and then they will allocate money for projects in various parts of the country, to give a demonstration of what America can do to ease the situation. We cannot encompass the whole problem, but we shall do the best we can within these limitations.

Mr. President, I wish to quote very briefly and tersely from the report of the subcommittee of the Joint Committee on Housing. This has reference to the remarks which I previously made about the response of mayors and governors. Certain questions were propounded to the mayors of 60 of the largest cities in the country. The first question was:

If there is low-rent housing in your city developed under the United States Housing Act of 1937, has it served low-income families?

There were 51 affirmative answers to that question and 4 in the negative.

The next question was:

Has it been built and operated efficiently?

There were 50 affirmative responses and no negative responses.

The next question was:

Has it increased neighboring real-estate values?

There were 35 affirmative answers and 7 in the negative.

The next question was:

Has it reduced the cost of city services?

Thirty-four mayors answered "Yes" and five answered "No."

The next question was:

Have delinquency and health conditions in the neighborhood improved?

There were 42 affirmative responses and no negative responses.

The sixth and last question was:

Has it competed with standard private housing?

There was 1 affirmative response, and there were 46 negative responses.

I submit that information for the record as a very effective and convincing compilation of the opinions of a considerable number of the mayors of our great cities in America.

Mr. CAIN. Mr. President, I should like to ask one question of the Senator from New Hampshire. On the basis of the answers to the questions asked the mayors, does the Senator believe that the mayors and governors are talking about 500,000 units of public housing?

A few minutes ago the junior Senator from Florida [Mr. HOLLAND] asked how many ultimate units were contemplated.

I should like to say to him, as one member of the Committee on Banking and Currency, that I wish I could tell him the answer to his question. I cannot. Unfortunately—but truthfully—it cannot be answered by anyone.

A little while ago the very distinguished Senator from Kentucky [Mr. BARKLEY], if I correctly remember the figures he stated, was speaking in terms of 6,000,000 as being the number of substandard units throughout the country. Yet I hold in my hand a book covering the hearings held before the Committee on Banking and Currency, and I find that the Senator from Virginia [Mr. ROBERTSON], a member of that committee, has concluded, on the basis of what he assumed to be the facts, that there are 10,000,000.

I have just concluded a conversation in the anteroom with one of the sponsors of the legislation. I refer to the distinguished Senator from Ohio [Mr. TAFT]. His conclusion is that if a comprehensive study were made—and it has not been made—it would show a figure nearer 2,000,000.

To revert to my original question of the Senator from New Hampshire, mayors and governors throughout the country maintain that private enterprise cannot build houses in which people of limited and low incomes can live. We are not talking about 500,000 units of housing costing ultimately \$5,000,000,000 or \$6,000,000,000. We are speaking of a figure between 2,000,000 and 10,000,000. I think the question originally posed by the Senator from Florida is extraordinarily important. With the prevailing confusion, uncertainty, and doubt on this question, we ought to divorce the question of welfare housing from a housing bill which is primarily designed to relieve our housing shortage, in order that we may, at the proper time, settle down and determine the welfare and social aspects of housing in this country.

There was no reason for discussing the national aid-to-education bill as a part of another program. When we get around to debating the need for Federal aid to medicine, we shall not confuse it with any other subject. We ought to make up our minds whether we are here to try to relieve and minimize and get rid of our housing shortage, or whether we are here to legislate in terms of social legislation.

Mr. KEM. Mr. President—

Mr. TOBEY. Mr. President, I thought the Senator from Washington propounded a question to me.

Mr. CAIN. I did.

Mr. TOBEY. May I answer it?

Mr. KEM. Mr. President—

Mr. WHERRY. Mr. President, if the Senator from Missouri will wait a moment, I should like to yield to the Senator from New Hampshire, because a question was propounded to him.

Mr. TOBEY. I think the question was, Upon what were the answers of the mayors to which I referred premised?

Mr. CAIN. Yes.

Mr. TOBEY. Those answers were premised on the operations of the act of 1937 in the respective communities. Those answers constitute a lesson in experience. They are the voice of experience, speaking through the mayors of 60

cities, in answer to five or six subdivisions of one main question. I believe that the answers are a very impressive lesson.

Coming down to the objections of the Senator from Washington, and his desire to divorce public housing from the pending bill, I am opposed to his amendment. I have lived with this problem for 4 years. The entire housing problem is made up of many factors.

The first factor is the general housing shortage. The second is the question of public housing. In my judgment, the Housing Administration in Washington has done a wonderful job.

A collateral question is the question of slum clearance.

So America, looking upon the great problem of housing, sees it as a three-fold problem. We should not separate one part from the other. I presume that in the back of the mind of the Senator from Washington and that of the distinguished Senator from Wisconsin there is the thought that if we now divorce public housing from the pending bill, sometime later we shall consider the problem of public housing. In the language of the old flour manufacturer out in the West, I say, "Eventually; why not now?" The need exists.

Mr. CAIN. Mr. President, I should like to respond to the Senator in a few words. If the conclusion of the Senator that we should consider all the component parts of the problem at the same time were agreed to by everyone, those of us who are looking for facts still believe that we are entitled to know what it is that we are discussing, in terms of our final objective. We do not know where the figure of 500,000 units came from. We have not yet been told how much the program is actually to cost, and who is to pay the bill. If it is so desirable to have 500,000 units—and it may be—it must be equally desirable to have as many more units as there are families in need of the same treatment.

Mr. KEM. Mr. President, I should like to address an inquiry to the Senator from Washington. I was very much interested in the estimate he made of the total cost of this proposed legislation. I believe he quoted the Senator from Ohio [Mr. TAFT], one of the sponsors of the bill, as saying that in his judgment probably approximately 2,000,000 units would have to be constructed, in order to accomplish what we have in mind. I should like to ask the Senator from Washington the approximate cost of each of those units.

Mr. CAIN. Mr. President, the only answer I can give the Senator from Missouri is that I have been told that the 500,000 units of public housing contemplated to be constructed under this bill over a 5-year period, and to be amortized over a 40-year period, will cost approximately \$6,000,000,000. If that be true, inasmuch as the estimate was that there would be an ultimate need for 2,000,000 units, I suppose that in arriving at the cost of the 2,000,000 units we would use exactly the same ratio. Therefore, instead of having a cost of \$6,000,000,000 for 500,000 units, the total

cost for the 2,000,000 units would be four times the \$6,000,000,000 figure, or \$24,000,000,000—to use the most conservative, long-range prediction that I, at least, have been able to obtain.

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

Mr. WHERRY. I yield.

Mr. TAFT. In the first place, I did not say that 2,000,000 units should be built. I said that probably about 2,000,000 new housing units are needed at the present moment, if we are going to do the job all at once. But I said that in my opinion if we can take the edge off that need by providing for the construction of 500,000 units, the rest might well take care of themselves, through reduced building costs and greater private building operations and the operation of other sections of the program which would result in tearing down unsatisfactory housing. I said I would be very hopeful that we might never have to provide more than 500,000 units.

Mr. CAIN. I certainly share the hope of the Senator from Ohio, without having any reason to believe that it represents a reasonable or an attainable goal.

Mr. TAFT. So far as private industry is concerned, the private contractors say they can do the job without any Government aid. My position is that, although they can do something, I do not think they can solve the entire problem by themselves. They say they do not need any of the proposed governmental assistance, and they say that the 2,000,000 units needed will be provided as a result of the use of other construction methods by private enterprise. I agree that there is something to that argument, but I do not believe private industry alone will ever be able to solve the problem. I hope private industry will solve enough of it so that the Government will not have to provide for more than 500,000 units.

Mr. FERGUSON. Mr. President, what does the record show as to the number of families now living in slums in the United States?

Mr. TAFT. My estimate, a very rough one, is approximately 2,000,000. That is a very rough estimate, and I do not guarantee it in any way.

Mr. CAIN. Mr. President, inasmuch as the Senator from Ohio has said that his very rough estimate is 2,000,000, let me point out that there have been two other guesses, one set forth in the hearings and one given by the Senator from Kentucky. The estimate given at the hearings was 10,000,000. I judge that the rough guess by the Senator from Kentucky is 6,000,000.

Mr. BARKLEY. Mr. President, I took the figure of 6,000,000 from the report of the Banking and Currency Committee, which states that there are at least, if not more, 6,000,000 substandard houses. But that does not mean that all of them are slums or that all of them have to be cleared away. That means that there are in the United States that many units which are below the standard of houses in which children should be raised, and that there are that many houses which are below normal health standards.

Mr. CAIN. Mr. President, if the Senator will permit me I should like to quote

from the remarks of the Senator from Virginia [Mr. ROBERTSON] in his testimony before the Banking and Currency Committee. He is a member of the committee. At page 158 of the hearings we find that he said:

And that 500,000 public housing units in your bill is just one step toward the 10,000,000 that are in the slums and elsewhere that have as much right to get this housing below its cost as the 500,000?

That is competent testimony—although I do not know the extent of the validity of its background—coming from the Senator from Virginia.

Mr. FERGUSON. Mr. President, why was the figure of 500,000 used if there are 10,000,000 families living in slums.

Mr. CAIN. That question is quite a natural one, but the Senator is addressing to me a question about a matter for which I had no responsibility. I have raised that question, and I do not know the answer.

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

Mr. WHERRY. I yield to the Senator from Vermont, to permit him to answer the question.

Mr. FLANDERS. Apparently some dependence is being placed on the figure 10,000,000. I should like to know where the figure 10,000,000 housing units came from.

Mr. TAFT. Mr. President, all I suggest is that in our report we state that we found that approximately 6,000,000 homes should be replaced in the course of the next 10 years.

The other question which was asked was how many of them are in city slums. I said that 2,000,000 is the estimate for those in city slums. Many of the others are scattered in the outskirts of cities, and many of them are perfectly good houses that could be rehabilitated without any Government assistance, but for one reason or another have been allowed to deteriorate.

Mr. FERGUSON. Mr. President, if the committee figure is 2,000,000, why was the figure 500,000 taken, instead of 2,000,000? Is there any reason for doing that? Is there any reason to believe that by improving the situation so far as 500,000—one-quarter—of the total number is concerned, the situation of the other three-quarters will be cured?

Mr. TAFT. One reason is that I, myself, should be very loath to have more than 10 percent of the total amount of new construction required in any year provided as public housing. It seems to me that at least 90 percent of the total should be provided as private housing. So the 10 percent figure sets a limit. We hope the total construction may amount to 1,250,000 units. However, it has not yet reached 800,000 units. One of the amendments I have in mind would provide that public housing should never exceed 10 percent of the total of other types of construction.

This problem is one to be solved by bringing to bear all the different elements and different methods which are proposed or are available. I certainly would be opposed to having the Government attempt to build 2,000,000 new housing units overnight. The process is a long and slow one.

As a matter of fact, the program here contemplated is proposed to be set up for a period of 5 years, but I, myself, would be very much surprised if the program were completed within 10 years. It takes a long time to buy land and decide where houses are to be built and to get together all the parties concerned, both local and Federal. I should guess that it would take nearly 10 years to complete this program.

Mr. BARKLEY. Mr. President, I wish to read just one paragraph from the committee report accompanying the bill. On page 11 of the report, under the heading "VIII. Low rent public housing," I find the second paragraph reads as follows:

Evidence has been submitted to this committee and its predecessors—

Of course, Mr. President, this matter has been before that committee for nearly 12 years, and it has been holding hearings on this entire subject. So the report refers to the evidence submitted to previous committees, in addition to the present one—

showing that in urban and in other non-farm areas there still exist at least 6,000,000 slum dwellings—

In other words, the committee characterizes 6,000,000 of them as slum dwellings, and then it says—

6,000,000 houses in which children ought not to be brought up. The reason for the persistence of the slums is clear. Families of low income who live in substandard housing can afford to pay so little rent that it will not suffice to meet the bare costs of providing and maintaining decent housing and paying taxes on it, let alone providing profit on the investment.

That is the language used by the committee in its report. I assume it has taken a fair average as between the 2,000,000 estimate of the Senator from Ohio and the 10,000,000 estimate of the Senator from Virginia [Mr. ROBERTSON], based on the hearings that have been going on over a period of 10 or 12 years, and also the estimate of 6,000,000 substandard houses—or, as it is said, slum houses. But I myself doubt very much whether all 6,000,000 of them could be characterized as slum dwellings.

Mr. TAFT. Mr. President, so far as I know, there are no exact figures to show where those houses are located. These figures come from the 1940 census, which lists both urban and rural houses in bad repair, and also lists houses without running water and houses without inside toilets. From that information it is somewhat difficult to conclude exactly how many are in what places or exactly how many are really so-called slum houses. A house without running water would in some places not be considered a slum house at all; in another place, in the middle of the city, it probably would be.

Mr. BARKLEY. I agree with the Senator from Ohio that even with the 10,000,000, or 6,000,000, or 2,000,000 houses that can be characterized as slum dwellings, I should doubt the wisdom of undertaking in one bill, or in one appropriation following the enactment of this bill, to take care of that entire number. Private enterprise insists it can take care of the entire problem of slum clearance and proper housing. I doubt it can. In

my opinion they are making a sales argument against a bill of this kind in any form. I imagine, however, they can go a considerable distance in trying to solve it, if they will. There is no way to make them do it. There is no way to compel a private builder or contractor or real-estate owner to build a house or an apartment from which he does not expect to receive a reasonable profit. It seems to me that 500,000 units is a reasonable amount with which to start the ball rolling, and if private enterprise supplements that by building a million and a half or two million more, we can say we are on our way toward solution of the problem in its worst aspects.

Mr. HOLLAND. Mr. President, if the Senator will yield to me, I should like to make it plain that my question a few moments ago, addressed to the senior Senator from Ohio, was predicated upon what has just been read by the senior Senator from Kentucky. As I read that statement, it is confined exclusively to the low-rent public-housing features of the bill, because it is under chapter 8, dealing with low-rent public housing, and it certainly states, in the exact words read by the Senator from Kentucky, "There still exist at least 6,000,000 slum dwellings." This excludes farm areas, because the report says that "in urban and other nonfarm areas there still exist at least 6,000,000 slum dwellings."

The purpose of my question was simply to endeavor to bring out the facts as to how big an objective we have in mind when we are considering this title of the bill. It would appear from the report that a possible objective would be 6,000,000 family units. I assume from what the Senator from Ohio has said—and I think he is correct in it—that we would by no means have to meet all that need, because there is in the bill another provision guaranteeing the income on investments of insurance companies in the building of low-cost housing, and there are other attractive features, by which it is sought to promote private building at public expense, as I read the bill.

But as I assume now, as I understand now, from what the Senator has said, he feels that about 2,000,000 family units would be comprised in the permanent objective of this particular part of the bill dealing with low-rent public housing financed by the Federal Government.

Mr. TAFT. Not 2,000,000. Mr. President—

Mr. HOLLAND. If the Senator will allow me to finish, then I shall gladly yield. In all the experience of our Nation with public low-rent housing, we have built only 155,000 low-cost public housing units, at a cost, largely prewar, of \$800,000,000, which is around \$5,000 per unit; whereas I understand now the costs are doubled, or a little more than doubled. It would appear that the 500,000 units which would be authorized to be constructed in not less than 5 years under the pending bill would represent an investment, even if we do not see costs further increase, of around \$5,000,000,000.

Mr. WHERRY. That is correct.

Mr. HOLLAND. And to that must be added the costs of the slum projects

under the slum-clearance provision of the bill which has been mentioned by the distinguished Senator, and other costs under the bill.

So far as the Senator from Florida is concerned, the only thing he is trying to bring out is that we are entering into a terribly expensive field, with an objective the size of which can hardly be properly guessed, at this stage, because it seems to me that in addition to the fact that we are talking about an immediate objective of \$5,000,000,000 or more in the way of building cost investment, we must recognize the fact that the whole set-up which we are adopting here will make building costs higher instead of making them lower, because it will bring greater demand for the lumber and other building materials now available in the Nation. So it seems to me, Mr. President, there is a decided question, and it is a grave question, as to whether or not this Nation, with all the critical problems confronting her, should enter into this particular project, meritorious as it is admitted to be, with its tremendous implications from the standpoint of the investment required, and with much more tremendous implications when we remember that even when this project is completed as now authorized, and even if the number of families living in substandard or slum dwellings should not increase, we should still have accomplished only a small fraction of the long-time objective.

I do not think I have to call the attention of Senators to the fact that we are going to make those who are not served by this program resentful and more ambitious to become served, more anxious to have more public low-cost units built to house them. It seems we may well consider what may be the ultimate cost of this very far-reaching objective, as it is broached in this bill.

That was the sole purpose of my question. I gladly yield now to the Senator from Ohio, because I realize he has worked long and ably on this measure. I am in sympathy with many of the provisions of the bill, and I hope we can get a bill that will pass. I cannot refrain from making one additional comment, however, and that is, I think we are always on unsafe footing when we attempt to pass a bill of this magnitude, which has been largely written on the floor of the Senate. That is what is happening here as we go through this debate. I gladly yield to the Senator from Ohio.

Mr. TAFT. Mr. President, in the first place, we are not writing this bill on the floor of the Senate. The bill has been written over a period of the last 6 months. It has been considered by the committee. We are making no change of substance, so far as I know. The Senator from Wisconsin has made one important change, but that certainly is not rewriting the bill, or writing the bill on the floor of the Senate. We recommended the bill last year. The committee carefully studied the bill, rewrote it, and presented a substitute bill. As the substitute bill has undergone but about four amendments, I do not think it fair to say the bill was written on the floor of the Senate.

In the second place, I do not quite understand the Senator's figures, but if we built 500,000 units, I suppose the cost might be around \$3,000,000,000 before we got through.

Mr. HOLLAND. Oh, no. If I read Mr. Foley's report correctly, it is this—that we have built 155,000 such units, largely built in prewar times and at prewar costs, that the total cost of construction of those units was right at \$800,000,000—between \$775,000,000 and \$800,000,000—and that the cost would average about \$5,000 per family unit.

Mr. ELLENDER. But that was not in the form of a donation or gift made by the Government. Under the original Public Housing Act of 1937, \$800,000,000 was authorized to be appropriated, with the proviso that the money was to be loaned for the purpose of building dwellings for low-income groups. Such funds are to be paid back over a period of 60 years. I fear the Senator is confusing the costs. The way that public housing was financed in the past was that the local housing agency borrowed up to 90 percent of the cost of a project, from the Government or from private sources, all of which must be paid back with interest to the Federal Authority, or such private sources as may have made the loan. The local municipality where the project was built put up 10 percent of the entire cost. The only funds the Federal Government put up, and on which there was no return, are the annual contributions which are made to assist low-income groups in obtaining decent housing at monthly rentals commensurate with their annual earnings. Under title VI of the bill that is before us, the Government would be obligated to put up each year, if 100,000 units were built the first year, \$32,000,000. That is as far as the Government would be obligated. It is a sum that would not be repaid, if all utilized. But the building costs are borrowed from banks and other sources and repaid by the local housing agency from rents collected. The cost for the second year, if an additional 100,000 units were built, would be \$64,000,000. The third year, if an additional 100,000 units were built, would cost \$96,000,000, and so on, until the fifth year is reached, when the entire cost to the Government would be \$160,000,000 annually, for a period of 40 years, provided that as many as 500,000 units are built and completed.

Although contributions of as much as \$28,000,000 are provided for to assist low-income groups under the Public Housing Act of 1937, only 64 percent of it was actually necessary.

Mr. TAFT. The Senator from Florida is concerned about the capital cost involved in the construction of the buildings. I would estimate that figure to be approximately \$800,000,000. That is for 100,000 units. We are spending today \$8,000,000,000 in new residential construction every year. On the same basis, approximately \$800,000,000 will be required. That money is to be borrowed from the savings of various people to build private houses. One result of this plan is that \$800,000,000 is to be borrowed from private savings to build public housing. There is nothing peculiar about it.

As to the question of adding to the total amount of construction and thereby putting a greater strain on the supply of materials, I doubt very much that this bill, if it is passed by the 1st of July, would have any effect in actually getting construction started before 1950. I see no reason to think there will be any shortage of material. I think there will be far more difficulty in finding a market for privately built homes than in finding materials with which to build them.

I agree that it was a good thing to postpone action for the immediate postwar period, but today the shortage of materials is not a very serious matter in connection with the construction of homes. I have received much more complaint from builders regarding their inability to get money to build homes than I have received regarding the difficulty of getting materials with which to build them. At this moment builders are more concerned about getting the money to build them. So I do not think there should be any fear about imposing a strain on the national economy. Surely after this time we should be able to produce enough materials to build all the homes needed by the people of the United States.

Mr. WHERRY. Mr. President, I deeply appreciate the colloquy in which Senators have been engaged. I do not think we have lost any time, because I think pertinent questions were involved. I hold the floor for one more question. Assuming there is need for low-cost housing that cannot be met by private enterprise, we find the evidence is given by local authorities, but it has to be finally approved by the Federal authorities in Washington.

Referring to page 77, line 16, I should like to ask some Senator to explain the formula there referred to. I should like to ask, also, how it can be enforced after it is explained. A gap of at least 20 percent has been left between the upper limits for admission to the proposed low-rent housing and the lowest rents at which housing by private enterprise is provided.

How do we arrive at what the gap is, the point at which the tenant has to show that there is a difference between what he can rent under private enterprise and under Government housing? Furthermore, how shall we determine his earning power today and what it may be tomorrow?

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

Mr. WHERRY. I yield.

Mr. TAFT. It is a question of admission in the first instance.

Mr. WHERRY. Admission into the new housing?

Mr. TAFT. Yes. Let us assume that a finding is made, and the Authority approves the finding, that \$30 a month is the lowest amount at which a person can rent a decent apartment in old housing. No one can go into the public housing if he can afford to pay more than \$25 a month.

Mr. WHERRY. Does the Senator mean that no one is entitled to enter public housing if he can afford to pay more than \$25 a month?

Mr. TAFT. The usual rule is that he can afford to pay 20 percent of his in-

come for rent. In some cases I think the figure should be 25 percent, but, roughly speaking, it is 20 percent. I have tried from time to time to work out a formula providing that no one having an income over \$1,000 can be admitted to public housing. But the difficulty is that it seems to vary greatly in different places. No one seems to be able to develop a formula. There would have to be a much higher limit in New York, and it would have to go down in some cities to reach persons of the same grade of income in those cities. I have not been able to find a formula which would give any definite figures. So it is based on the actual rental available in each city. A person earning \$125 a month would receive \$1,500 a year. He could afford to pay a rental of \$25 a month, and could just get into public housing, but if he earned more than \$125 a month he could not enter public housing.

Mr. WHERRY. Will the Senator explain how the determination is made as to the earning power of the different families? If it should change, who keeps informed of the change? If a person earns more, so that he can afford to pay more than \$25 a month rent, does he have to leave the apartment?

Mr. TAFT. Yes.

Mr. WHERRY. He has to move out?

Mr. TAFT. Yes.

Mr. WHERRY. Who makes that determination?

Mr. TAFT. It is made by the public housing agency.

Mr. WHERRY. In Washington?

Mr. TAFT. No. I am referring to the local agency. It is enforced here. A contract is made, and if the contract is not kept the money does not have to be paid.

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

Mr. WHERRY. I yield.

Mr. CAIN. I should like to ask the Senator from Ohio, in furtherance of the question asked by the Senator from Nebraska, to explain the last four lines of subparagraph (9), on page 79 of the bill. It compromises, it seems to me, a determination to get tenants out of a public-housing accommodation if their income has increased above an agreed-upon figure.

Mr. TAFT. I think that is a compromise. I think that on the whole I would fix a more definite rule, but of course the moment an attempt is made to actually get people out, and there is no other housing, there is an immediate public outcry.

Mr. WHERRY. How is it to be accomplished?

Mr. TAFT. Presumably we are rapidly reaching the point where there will be housing into which they can go.

Mr. WHERRY. In the period in which we go from five hundred thousand to a million and then three million, let us say, there is a family who, through thrift and energy, earn so much that they were not entitled to live in one of the units. They have to move out, even though there are no rentals available, do they not?

Mr. TAFT. This provision says they do not have to move out if there are not rentals available. There is a diffi-

cult problem, and I think the language used here is a reasonable compromise; but it is a compromise. I agree with the Senator from Washington as to that.

Mr. CAIN. I have raised the question because presently there appear to be entirely too many instances of people having high incomes living in public housing accommodations throughout the country who are not being removed from the accommodations because the statement is made—and perhaps it is true—that there are no other places where they can go. Yet some of us are very much concerned with the thought that public housing is built for people of low incomes. They should be coming in from the bottom and going out at the top, and if a decision has to be made between letting a really "low-incomer" moving into a unit, and moving out when his income has increased to a higher level, I should think that with reference to this particular clause there would be a period inserted at the proper place, so as to provide that when their income reaches a fair figure the tenants shall move out and thereby make available their accommodations for other people for whom the structures were originally built.

Mr. WHERRY. That is the point I made a moment ago when I asked the question. The compromise, as has been suggested to me by the secretary of the committee, provides that they do not have to move out if they can show there is not a decent, safe, and sanitary dwelling available.

Mr. CAIN. The interpretation of that varies all over the country.

Mr. WHERRY. It can be varied and a different interpretation made in every community in the United States.

Mr. FLANDERS. Mr. President, I should like to say that it is an act of Congress which prevents the administration from moving them out, so it is not due to any arbitrary action on the part of the administrators.

I was about to suggest that I should be perfectly willing, although I have not yet taken the matter up with the Senator from Ohio, to offer an unfreezing amendment. I can read it and ascertain whether it is acceptable to those who are concerned with the freezing of the high-income families into low-income housing.

On page 77, line 4, I propose to strike out "Sec. 601," and in lieu thereof insert "Sec. 101 (a)" and on page 79, after line 18, insert a new subsection, as follows:

(b) Notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, the Public Housing Administration, and any State or local public agency administering a low-rent housing project assisted pursuant to the United States Housing Act of 1937 or title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, shall continue to have the right to maintain an action or proceeding to recover possession of any housing accommodations operated by it under said Acts where such action is authorized by the statute or regulations under which such housing accommodations are administered.

Mr. CAIN. Will the Senator permit a question?

Mr. FLANDERS. Certainly.

Mr. CAIN. Why would not the Senator's purpose and that of those of us who oppose the freezing be best served by placing a period after the word "project" in line 16, page 79?

Mr. McCARTHY. Mr. President, that would not apply, in view of the provision of the Rent Control Act which Congress has passed.

Mr. CAIN. I am speaking of the desirability of placing a period in the place indicated in the bill which is presently before the Senate. Would that put in jeopardy the rent legislation which has recently been passed?

Mr. McCARTHY. I think we would have to go a step beyond that and perfect the amendment I have offered.

Mr. CAIN. Does the Senator think it has been made certain, in the amendment to which he refers, that when annual incomes have risen above the agreed figure the beneficiaries of those incomes must of necessity find other quarters in which to live?

Mr. McCARTHY. Yes. The Senator from Vermont [Mr. FLANDERS] and I have gone over this proposed amendment, and it is the same as the one the Senate accepted a few days ago, and we are both convinced that it will accomplish the desired result.

Mr. CAIN. I think we are seeking the same objective, and if the Senator from Wisconsin and the Senator from Vermont feel that it has been properly accomplished in their amendment, that is what we are desirous of achieving.

Mr. LUCAS. Mr. President, for a great number of years housing bills of one kind or another have been before the Congress of the United States. I am again glad to be able to vote upon a housing measure, and vote upon the amendment which is now pending before the Senate, which seeks to eliminate section 6 of the bill. In my judgment, section 6 is the heart of the entire housing program, and I shall align myself with those who seek to defeat that amendment.

I am not a member of the Committee on Banking and Currency, which reported the bill, I am not altogether familiar with the details and the testimony submitted at the hearings, but a decent home for every American family should be the goal and the objective of every individual in the Congress of the United States, and every other thinking civic-minded American who lives in this country today.

Mr. President, I undertake to say that there are deep-rooted social problems in every one of the slum districts throughout America. Coming from the State of Illinois, where we have Chicago and other large cities, we are familiar with these problems, and know something about the crime that breeds in slum areas, the terrible and intolerable conditions which invariably exists in most of them. The State of Illinois and the cities in that State have done practically all that is possible to be done, from the standpoint of their own financial and bonding power, to come to the aid or rescue of people in such conditions.

We are told in this debate that private enterprise can do the job. Mr. President, I wish I could believe that, because no one has more interest in the free enterprise system of American than has the Senator from Illinois. But the truth of the matter is that the continued persistence of the slums throughout America in the larger cities, it seems to me, is a complete answer—that private enterprise is not able to and cannot do the job. Federal assistance, in my humble opinion, is indispensable in some of the special area problems, and we have some of those problems in Illinois.

Mr. President, when the public housing legislation was first introduced in the Senate of the United States, I remember that there were those who then charged that it was a communistic or a socialistic bill. We hear no charge of that kind made at the present time, and in my judgment no such charge can rightfully be made. I am firmly of the opinion that it is just the opposite; that this kind of a bill is a challenge to the menace of communism which breeds easily in some of the slum-blighted areas throughout the country.

The fact that the testimony shows that where these public housing projects have been completed, such as were described by the Senator from Ohio [Mr. TAFT] and other Senators, there has been a decrease in crime, seems to me to be a complete answer to any question that may be raised, and a logical reason why the Federal Government should assist society where society cannot help itself.

Mr. President, we all know what communism feeds upon in America and throughout the world. Communism feeds upon poverty, misery, and distress such as we find in the slum areas in some of our larger cities in America today. Wherever the Federal Government can consistently move in and give aid to a community of that kind, in my opinion we will be doing the kind of thing that is necessary to meet the creeping menace of communism, a menace which is growing not only in the Old World but in our own America as well.

Make no mistake about it. The communist groups are working 24 hours a day in attempting to carry on and achieve their ultimate objective, not only in Italy and France and other countries, but here in America as well. Money spent on public housing, to remove what seems to be the cancer upon the body politic of the Nation today, is money well spent if that money is appropriately and properly applied.

I am not one to debate the rules and regulations and the details. The Congress cannot lay down consistently rules and regulations. We must have faith and confidence and trust in the judgment of someone to do the kind of job that ought to be done with the limited amount of money we are appropriating at the present time.

I am tremendously interested, however, Mr. President, in the pending amendment because, as I said before, it seems to me to be the heart and the core of the entire program, and unless it remains in the measure I may be compelled to vote against the entire bill.

Mr. HOLLAND. Mr. President, I am not going to take long to state my position on the pending matter. My feeling is that we are asked here to pass upon a bill of tremendous concern to our Nation, a bill which has largely been written upon the floor of the Senate. Regardless of what might or might not be said. We were presented with an original bill—we were shown a substitute bill—we were shown 16 amendments, and there are further amendments pending. I think the conclusion is inescapable that the bill will be in large part written upon the floor, and by the full membership of the Senate, rather than by the members of the committee. But good as that reason is for refusing to pass a bill of this magnitude, I would prefer to predicate my position upon other reasons.

In the first place I am in accord with the statement of the Senator from Illinois that the question of public housing is of tremendous importance, and in my view it is the most important matter which appears in the bill. If there is anything in the bill which I would want to support it would be the subject of public housing on a basis that would tend to bring better housing conditions where they are most needed.

Mr. President, not only have the inescapable facts here shown that by the adoption of the bill we commit ourselves at once to the construction of 500,000 public housing units as compared with only 155,000 built up to now—in all of the course of the public housing program—but that we also commit ourselves inescapably to a building program which will cost from \$5,000,000,000 to \$6,000,000,000 in the field of public housing alone, and which, from any layman's viewpoint, we must know would increase terribly the inflationary tendencies already present in the Nation.

Mr. President, we do not have to base our position upon any layman's viewpoint. I want to read, if I may, for the attention of Senators, because I think it is entitled to have their attention, a letter addressed to the distinguished chairman of the Committee on Banking and Currency of the Senate, under date of April 5, by Mr. Marriner S. Eccles, once the Chairman of the Federal Reserve System, and serving as Chairman pro tempore at the time he wrote the letter. I read this letter simply because I think it strikes at the very heart of the problem which so clearly concerns itself with making inflation greater, and with contributing confusion and chaos to a situation which is already bad enough from the standpoint of inflation and all the things that go with it. The letter is as follows:

DEAR MR. CHAIRMAN: The Board has been advised that your committee is considering general housing legislation, particularly S. 2317, introduced by Senator McCARTHY, and amendments to S. 866 proposed by Senator FLANDERS—

The very matters now pending.

The Board is in sympathy, of course, with the major objectives of such legislation, and is in accord with some of the provisions of these bills. We feel, however, that in view of the broad responsibilities of the Federal Reserve System in the field of credit, we should call attention to several undesirable

features of the proposed legislation, some of which we have had occasion to comment on previously. In this connection I am enclosing a copy of our statement of November 24, 1947, on housing finance to the Joint Committee on the Economic Report.

The prospect for inflation is even greater now—

The letter was written on April 5 of this year—

than it was last November. There is still a shortage of many goods in relation to the level of income, and because of the imminent reduction in taxes, coupled with our commitments under the European recovery program and the recent program calling for a large increase in military expenditures, the Government must anticipate a deficit rather than a surplus. There is thus additional reason for the Government to take all steps possible to reduce inflationary pressures, particularly those generated by an excess of credit.

For these reasons the Board is opposed to some of the provisions of the bills before your committee which would intensify inflationary pressures by making additional credit available and thus increasing the demand for building labor and materials. In addition, some of their provisions would reduce the capacity of the fiscal and credit agencies of the Government to cope with either further inflation or future deflation.

The Board is particularly concerned about three proposals contained in these bills: First, creation of a Government-financed secondary market for mortgages already underwritten by the Government; second, continuation of the undesirable mortgage-insurance program under title VI of the National Housing Act; and, third, addition to title II of the National Housing Act of a permanent program of excessively easy mortgage credit.

Creation of a Government financed secondary market would be directly inflationary at this time, because, by making available \$500,000,000 for the purchase of mortgages, it would represent added Government spending and increased demand for new housing, which is already excessive, considering the available supply of labor and materials. Furthermore, one of the objectives at the time the Government mortgage-insurance and guaranty programs were instituted was to eliminate the need for direct mortgage lending by the Government, partly by removing some of the risks to lenders and increasing the negotiability of mortgages. If private lenders are unwilling to hold or buy guaranteed and insured mortgages, perhaps the solution is to improve the quality of the mortgages or increase the return to levels which make mortgages attractive compared with other investments.

Title VI of the National Housing Act—

Title VI is the one to which the pending motion is addressed, and which it seeks to strike—

Title VI of the National Housing Act, by making credit available on excessively easy terms, has contributed to the large rise in house prices and building costs, and has encouraged buyers to go too deeply into debt. We believe that both builders and buyers should have larger equities in their properties in an inflationary period like the present, and that it is both feasible and desirable to return to the terms offered under title II as far as mortgages on houses for owner-occupancy are concerned. The Board has no objection to the continuation of title VI for rental housing, provided safeguards are maintained against excessive loans in relation to value.

Several of the proposed changes in title II of the National Housing Act are subject to the same criticism as the present title VI program. Mortgages on small houses for 95 percent of value and running for 30 years are excessive and so also are 40-year mortgages

of 90 and 95 percent of value for rental housing.

Basically, these three proposals—

And I recognize the fact that one or two of them have been somewhat changed since this letter was written—

Basically, these three proposals are of a type which would be appropriate for combating a serious deflation, and are the opposite of those appropriate in an inflationary situation such as we face today. Measures such as these should be reserved to cushion deflation should it later develop. Otherwise, the only measures available would be direct Government lending or subsidies, on a large enough scale to protect the real estate and housing market from a serious collapse such as developed in the early thirties.

Sincerely yours,

M. S. ECCLES,
Chairman pro tempore.

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

Mr. HOLLAND. I shall be glad to yield in a moment, if I may be permitted to conclude.

In conclusion, I ask to have printed in the RECORD at this point as a part of my remarks, without reading, the statement by Chairman Eccles on housing finance before the Joint Committee on the Economic Report, on November 25, 1947.

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

STATEMENT BY CHAIRMAN ECCLES ON HOUSING FINANCE BEFORE THE JOINT COMMITTEE ON THE ECONOMIC REPORT, NOVEMBER 25, 1947.

One of the most inflationary factors—perhaps the most inflationary single factor—in the present situation is excessively easy mortgage credit for housing. During the past 2 years the amount of such mortgage debt has increased by more than \$9,000,000,000 and the rate of current mortgage lending has risen from about \$550,000,000 per month to about \$1,000,000,000 per month. Terms of lending have eased substantially as compared with prewar. A large proportion of recent loans has been made on an installment basis at 4 percent interest on the unpaid balance for a period of between 20 and 25 years. Most of these loans have been made for a very high percentage of current sale price which is greatly inflated.

More than half of the current unprecedented volume of mortgage lending is sponsored by the Federal Government under legislation enacted by Congress. The Government must, therefore, assume much of the responsibility for any adverse effects of this type of lending. Prices of houses have advanced from 25 to 35 percent during the past 2 years. A large number of families of moderate and low income have been encouraged to assume mortgage debt which will be beyond their means when the present inflationary period is over, and is becoming increasingly burdensome as the cost of living goes up. Sellers and builders of houses have been enabled to make exorbitant profits. The Government has assumed, and continues to assume, contingent liabilities of great proportions.

It is entirely inconsistent to restrict credit terms on automobiles and other consumer durable goods, partly to reduce the inflationary pressures, and partly to protect the buying public, and at the same time to make housing credit terms so easy as to stimulate inflation and encourage people to go too deeply in debt. Any anti-inflationary program of the Government will lose much of its effectiveness so long as the Government sponsors the present inflationary housing credit program.

Easy credit has greatly increased the effective demand for both old and new housing far beyond the supply and this has greatly inflated prices. In an effort to meet the demand and take advantage of this profitable market, builders have undertaken to construct a larger volume of housing than there are resources readily available to finish. As a result, published prices of materials have advanced and, in addition, a gray or premium market has developed for many building materials. In this competitive market the services of labor are also being actively bid for and bonuses and other extras have become common.

The predominant feeling in the building industry is that only by building at current rates or even higher can the housing shortage be met and only by keeping demand high can the current levels of production be maintained. The prices that are being established now, however, are too high for long-sustained building. At inflated prices of materials and labor and inflated profits for builders a few more houses may be produced than would be the case if prices and profits were lower, but that condition makes it less likely that the market next year, and the year after that, will be able to pay the prices necessary to keep building going at the rate needed to overcome the housing shortage and stabilize the segment of the economy. An increasing number of families are being priced out of the market now, in spite of the extremely easy financing terms, even though their need for housing is very great.

If the credit situation were producing a substantial additional volume of housing at supportable values in the long run, it would be justified, but because of the limitations of labor and materials it produces, instead, a dangerously inflated market which cannot be sustained for both new and old houses. I believe that by curtailment of credit for housing in closer relationship to the supply of labor and materials, the price trend would be reversed and a market for houses assured over a long period of years. Good low-cost housing cannot be built with high-cost materials and high-cost labor. Neither Government nor private industry can produce this miracle.

For the reasons which I have stated, Congress should reconsider in the longer-term interest of the country the present policy and program of the Federal Government in the field of housing credit. I shall be glad to be of any assistance I can in making suggestions for changes in the present housing credit programs. At this time I am merely indicating the nature of some of the changes that seem desirable.

Operations under the National Housing Act and the GI bill of rights are closely related in practice but not in law or in administration. These two programs sponsored by the Federal Government should be brought together so that appraisals are made by only one agency.

The "100-percent loans" under the program of the Veterans' Administration for both old and new houses and the nominal 90-percent loans on new houses under title VI of the National Housing Act should be revised so as to reduce the demand for housing and thus bring prices down. This means that both buyers and builders should have more equity in their properties than under the prevailing lending policies so long as present inflationary prices continue for housing.

Lending by members of the Federal Home Loan Bank System should be subject to greater restraints by the use of a conservative, uniform, appraisal system, and by selective restriction on the terms of their loans.

Finally, from the long-range standpoint it is vitally important to prevent inflation in the housing field from getting any worse than it is. The greater the inflation, the more severe will be the aftermath of defaults, foreclosures, liquidations, and bankruptcy.

Over the years the construction industry, which is a major outlet for investment and supports a wide variety of related manufacturing, transportation, and distributing activity has been characterized by violent upswings and downturns. If greater stability could be introduced into this field, it would go far toward achieving the national objective of stabilizing production and employment at high levels. The more the backlog of demand for housing is filled at exorbitant prices now, the smaller will be the cushion under the entire industry when prices come down and, therefore, the more intense the deflation in the industry will be. Manifestly, this is not in the best interest of the general economy, and what is not good for the country as a whole is not good for any group—veterans, or otherwise. As has been well said, there is no such thing as easy credit—true, it is easy to get into debt but the easier it is to get in, the harder it is to get out. That applies to all of us, including war veterans.

Mr. HOLLAND. Mr. President, in the face of advice of this kind, coming from such a source, there is offered here a program vastly exceeding anything that was even contemplated in the field of public housing from the year 1933 until this time. It seems to me that the Senate would want to hesitate and take note of the fact that we are asked to embark upon a program vastly larger than anything in this field that we have ever dreamed of before. The testimony in the hearing offered by Chairman Foley was to the effect that only 155,000 public housing units of this type, family units, the type involved in this huge title VI public housing program, have been constructed to this time, at a total investment of approximately \$800,000,000, and largely at prewar construction costs, whereas now it is proposed at one fell swoop to authorize the construction of 500,000 units of this type within the next 5 years, and to do so at a time when construction costs are vastly greater than they were then—more than twice as much—and at a time when we are advised, by the responsible head of the Federal Reserve Board, that this step would be hopelessly inflationary in character.

I shall not make myself a party to voting either for title VI, which I like much better than the rest of the bill, because there is more need for it, or for the other provisions, which in large measure provide for extended private construction at public cost, or through public financing.

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

Mr. HOLLAND. I yield.

Mr. TYDINGS. This may be elementary, but the Senator from Maryland has not been able to follow all the debate, for reasons well known to the Senator from Florida. I should like to ask him, with title VI in the bill, what proportion of the people who are in the class which it is sought to benefit would be aided by the bill?

Mr. HOLLAND. I am sorry that I am unable to answer that question. Perhaps the distinguished Senator from Ohio [Mr. TAFT] or the Senator from Vermont [Mr. FLANDERS] may be able to answer it.

Mr. FLANDERS. Mr. President, I should like to suggest that the title VI to which Marriner Eccles addressed him-

self in his letter is not the title VI which we are considering. The title VI to which Mr. Eccles was objecting is the FHA title VI, and not title VI of this bill, which deals with public housing. So Mr. Eccles did not at all offer objection to public housing in that letter. He was addressing himself to FHA.

Mr. TYDINGS. Can the Senator answer my question? What percentage of the people who would be in the class to be aided would have new homes under title VI?

Mr. FLANDERS. The Senator from Maryland is speaking now about the public housing title VI, not the title VI to which Marriner Eccles was referring. Will the Senator repeat his question? I lost one word.

Mr. TYDINGS. What proportion of the people who fall within the general classification which might be aided, the people who deserve to be helped under title VI, would be aided by title VI?

Mr. FLANDERS. As I remember, the estimate made by the senior Senator from Ohio [Mr. TAFT] was that there might be a total of 2,000,000 families involved. This bill would take care of 500,000 in the course of 5 years.

Mr. TYDINGS. What would become of the other 1,500,000 families in the same classification as the 500,000 families who would be aided?

Mr. FLANDERS. I wish I could repeat verbatim the words of the senior Senator from Ohio, because he stated a number of factors which might help to mitigate the situation. If the Senator from Ohio would like to answer that question again, I am glad to yield to him.

Mr. TAFT. My only statement was that we hope that by a reduction in costs and by better methods of building many substandard homes will be replaced by private builders. In my opinion, unless we are willing to swing the scales, we shall always have slum conditions. Private building alone has not eliminated slums in the past. I do not think it will ever do so in the future. We hope that if we can take the edge off the problem at the bottom we can gradually replace all the substandard homes in the United States through a combination of private and public activity.

Mr. TYDINGS. I thank the Senator. I understand his reasoning. However, as one who is new in this debate—

Mr. TAFT. I may say that I discussed this question at some length this afternoon.

Mr. TYDINGS. What is worrying me is this: If the proposal is good, it ought to apply to all those who are in the same class. If it is not going to apply to all those in the same class, it strikes me as being very undemocratic to single out one from every four families in that class and aid it and let the other three take the chance that perhaps someone will help them.

Mr. TAFT. Mr. President, in the first place, I may say it is impossible to move any faster. I personally would never want the Government to build, in the form of public housing, more than one-tenth of the total amount of houses. If ultimately there is no other solution, if ultimately private enterprise is unable to provide homes, even by means of utiliz-

ing improved modern methods, then I think the Government might later be called upon to expand this program and to make it of a larger size. But I hope we may never have to go beyond the 500,000 here provided. It must take 5 years, and I think it will take longer, to provide even that number.

Mr. TYDINGS. I should like to have the viewpoint of the author of the amendment, so that when I take my seat I may have in mind the point of view of both sides.

Mr. CAIN. Mr. President, I was interested in the answer the Senator from Maryland received to his question.

On the basis of what has been said in the debate this afternoon, I think his question could have been answered in any one of three ways. The Senator from Vermont [Mr. FLANDERS] said that on the basis of an estimate of a need for 2,000,000 new housing units, the proposed legislation would take care of one out of every four families having such a need. That is one estimate.

Another estimate, as made by several Senators, is that a total of 6,000,000 units is involved. That figure would give a different answer to the Senator's question.

Then we have the estimate, to be found in the hearings of the Banking and Currency Committee, that the total of ultimate housing units to be replaced is 10,000,000.

So I say the Senator from Maryland can take his choice from among those three best guesses.

Mr. FLANDERS. Mr. President, I find it extremely interesting that the proponents of this amendment to strike from the bill the public housing section seem to fluctuate, in their position, between wishing to have 2,000,000 housing units constructed or none. That reminds me of the song from the operetta Oklahoma, "For me, it is all or nothing." Mr. President, if it were within the means of the Official Reporters to record music, I could sing that. But under the circumstances I simply say, "For me, it is all or nothing."

Mr. CAIN. Mr. President, I should like to state the position of the proponents of the amendment. What we have been chiefly concerned with this afternoon has been a determination of the total objective and goal in regard to what the number of public housing units constructed should be, and whether the proper figure is 500,000 or 2,000,000, as stated on the basis of the need which has clearly been demonstrated this afternoon by various Senators, or whether it is 10,000,000, and what percentage of the total number is to be constructed by the Federal Government.

Mr. ROBERTSON of Virginia. Mr. President, was it not the testimony before the committee that over a period of years 500,000 units would cost \$7,500,000,000?

Mr. CAIN. I cannot say whether that figure is accurate, but I know the last figure I had, which would seem to be accurate, was \$6,000,000,000 for 500,000 units.

Mr. ROBERTSON of Virginia. I do not recall that in the course of the testimony before the committee there was

any challenge to the statement that 500,000 units ultimately would cost \$7,500,000,000.

Mr. TAFT. Mr. President, I certainly challenge the statement, because it assumes that the annual cost, as presently estimated, will continue to be the same every year for 40 years. It seems to me that is not a proper means of arriving at the total cost. Furthermore, in the matter of appropriations it is not customary to present the cost on the basis of the total cost over a long period of years. For instance, it may be said that the appropriations for the armed services will be \$11,000,000,000; and on that basis it might be said that the cost over a period of 40 years would be \$440,000,000,000. But obviously it is not proper simply to multiply the present annual cost for any particular agency by a large number, such as 40, and then say that gives a fairly accurate picture of the total cost over such a long period of years. Obviously, it is impossible for us to tell at this time whether the present annual cost will increase or decrease over a considerable number of years in the future. If the method I have just mentioned were pursued in regard to other items of the budget, the result would be astronomical figures for all such activities.

Mr. McMAHON. Mr. President, I shall oppose the amendment of the Senator from Washington.

The American people are more disturbed, more alarmed, and more aroused about the Nation-wide lack of adequate housing than they are about any other single domestic question. Adequate housing is the Nation's No. 1 social problem.

I believe that passage of a satisfactory housing bill at this session would prove a tremendous incentive to national morale. But if Congress fails to act, if this bill fails of passage because of postponement or too-long delay, then it is my firm belief that we shall have failed to perform a primary obligation to the American public.

This is not a question of choice; it is a question of the most urgent necessity. Even if this pending measure is enacted, the problem of providing decent homes for decent citizens will not be solved in 1 year, 2 years, or 3 years. Today we are a decade behind in home building. Further delay will simply aggravate an existing situation which already approaches the proportions of a national scandal.

In making that statement, I have no wish to disparage the excellent work performed by those Members of the Senate and House who have worked so hard and so faithfully in drafting this pending legislation. They have done a magnificent piece of work under the most trying circumstances.

But blueprints do not make homes; study and investigation do not make homes. The responsibility now devolves upon us. The American people want action and they want action now. Only the Federal Government is big enough to tackle this problem of providing decent low-cost housing, a problem which if left unsolved will threaten the social foundations of the country.

The cost of the housing aids provided in the bill now before the Senate is not excessive. In fact, measured against the benefits which will accrue to the people of the United States, the bill is an investment in good living which will pay tremendous dividends.

Counted in terms of social savings and human values, this measure represents a definite economic gain for all our people. Bad housing causes juvenile delinquency, and the cost of juvenile delinquency is a large and disturbing item in the national crime bill. Cramped and crowded home conditions lead to a serious increase in nervous and mental disorders. These are among the penalties we pay because, nearly 3 years after the close of hostilities, the physical plant of America is still badly in need of being rebuilt.

The best available figures indicate that between two and one-half and three million families are living as extra families because they have no homes of their own. That means that twice that number, or between four and five million families, are living doubled up. It is impossible to overestimate the nervous and mental strain which such enforced crowding is causing to this vast number of worthy people. Human patience is a grand virtue, but there are limits to its endurance. I hate to think what may happen if these conditions go on indefinitely.

One of the most disturbing facts is the number of war veterans who are the unfortunate victims of this continuing emergency. Upon these youthful home-builders depend the safety and security of our country for the next several decades, and possibly longer. The housing shortage first became acute when these young men and women were in service. Since their return to civilian life, there has been no apparent easement. In many parts of the country, rural as well as urban, the lack of adequate housing has grown worse instead of better. Certainly there are no prospects for immediate improvement. Even if this bill becomes law at this session, the actual construction of adequate housing will be a gradual process.

I am sure no Member of the Senate or House willingly would condemn these young veterans to another decade of living in the crowded conditions in which so many of them now find themselves. Yet, statistics from every State, including my own, disclose that the number of veterans who lack decent home accommodation is truly alarming. Please remember that the vast majority of these veterans are not among the high-salaried groups. They have not been engaged in civilian pursuits long enough to compete financially for the homes which are available.

The result is that literally thousands of veterans are living the best years of their lives, not in a normal America, but in a make-shift America. They have youthful memories of the stabilizing influences of home life; they want above anything else to provide the blessings of home for their wives and children. Yet, they find this ambition moving further and further from reality because of con-

ditions which exist and over which they have no control.

A place to exist is no substitute for a home. Millions of decent Americans are too well aware of that dismal fact today. Rebuilt garages do not make a home; trailers do not make a home; windowless basements do not make a home; make-shift hovels constructed from scraps of lumber and tin do not make a home. But they constitute home today for all too many American citizens.

I realize there is no quick and easy solution for this problem. There is no overnight remedy, no patented formula which will do the job which must be done. There are honest differences of opinion among legislators as to the best and surest methods of approach. There are differences of viewpoint as to detail, but these differences must not lead to the scuttling of this vital legislation. There is no partisanship in housing—there is no such thing as a Republican plan or a Democratic plan. This is a national emergency in its truest sense, and the problem must be solved on that plane.

The pending legislation has the endorsement of representatives of every major veterans' organization. These organizations have performed a splendid public service in bringing the urgency of this problem to the attention of Congress. They base their appeal for housing legislation upon the harsh facts of living in present-day America as they know them from their own personal observations. I believe every Member of this body can substantiate what these veterans say from the contents of their own daily mail.

The Congress has before it a great deal of legislation of compelling importance. In a time of world-wide stress and danger, the Congress has embarked on a commendable program to insure peace and to protect the Nation's security.

I believe there is one more great defense point which must be strengthened and rebuilt. That defense is the American home which, in the finest sense, is the bulwark of our liberties. I earnestly hope for the prompt passage of the Taft-Ellender-Wagner bill at this session.

Mr. WHERRY. Mr. President, it had been the intention to vote on the amendment offered by the distinguished Senator from Washington during this session. There are three or four other Senators who have requested an opportunity to be heard on it.

The Senator from Wisconsin has an amendment, on which I have been told there is an agreement with proponents of the measure. It is now quarter to 6. I believe, in view of the fact that further speeches are to be made, we should proceed now with the amendment to be proposed by the Senator from Wisconsin. I shall be glad to yield to the Senator in order that he may present the amendment; following which, unless there is a feeling that the bill could be voted on tonight, I shall move to recess until tomorrow. I yield to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, this morning I discussed with the Senator from Vermont and the Senator from

Ohio an amendment as to which I believe there is no question. I ask that instead of having the amendment read, it be printed in the RECORD at this point. The amendment merely unfreezes the freeze on over-income groups in public housing.

THE PRESIDING OFFICER. Is there objection?

There being no objection, Mr. McCARTHY's amendment was ordered to be printed in the RECORD, as follows:

On page 77, in line 4, strike out: "Sec. 601" and insert in lieu thereof "Sec. 601. (a)"; and on page 79, after line 18, insert a new subsection as follows:

"(b) Notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, the Public Housing Administration, and any State or local public agency administering a low-rent housing project assisted pursuant to the United States Housing Act of 1937 or title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, shall continue to have the right to maintain an action or proceeding to recover possession of any housing accommodations operated by it under said acts where such action is authorized by the statute or regulations under which such housing accommodations are administered."

On page 79, line 16, insert a period after the word "project" and strike the remainder of the sentence, to and including line 18 on the same page.

Mr. McCARTHY. I now ask for the adoption of the amendment.

Mr. HICKENLOOPER. Mr. President, I do not have the least idea of what the amendment is about. It has not been read.

Mr. TAFT. Mr. President, I see no reason why it should not be read. I think it ought to be read. We discussed it here at some length, and so I think the Senator from Wisconsin thought it was understood.

Mr. HICKENLOOPER. I do not know what it is about.

Mr. McCARTHY. Mr. President, I ask that the amendment be read.

THE PRESIDING OFFICER. The clerk will read the amendment.

The Chief Clerk proceeded to read the amendment.

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

THE PRESIDING OFFICER. The Senator will state the point of order.

Mr. HICKENLOOPER. If the amendment is being read for my benefit, I may say that I did not necessarily request that it be read. I merely wished that some explanation might be made of the amendment, and that I might be told what it is about.

Mr. McCARTHY. The amendment simply provides that the Public Housing Administrator may proceed—

THE PRESIDING OFFICER. The Senator will suspend for a moment. The clerk has not yet completed the reading of the amendment. An order having been made for the reading of the amendment, the clerk will proceed.

The Chief Clerk resumed and concluded the reading of the amendment.

Mr. McCARTHY. Mr. President, the amendment simply provides that the Public Housing Administrator may proceed to remove the over-income groups from the present public housing accommoda-

tions, to make room for lower-income groups. It does not mean they will be removed instantaneously. It simply means the Administrator will give 6 months' notice, so that the over-income groups may find other housing. The Administrator informs me the plan is to give notice to 5 percent of the over-income group each month. That will mean, if the amendment is agreed to, that 6 months from now 5 percent of the over-income groups will be removed; 7 months from now, another 5 percent. It will be done in an orderly fashion. I have discussed the amendment with the Senator from Vermont and the Senator from Ohio, neither of whom has any objection to it.

THE PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

The amendment was agreed to.

Mr. WHERRY. Mr. President, for the RECORD, and for those Senators who are present, I ask that the present occupant of the chair state the pending question.

THE PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Washington [Mr. CAIN] to strike out title VI, as modified, from the amendment of the Senator from Ohio [Mr. TAFT] as amended.

APOLOGY OF HON. ARTHUR W. COOLIDGE, LIEUTENANT GOVERNOR OF MASSACHUSETTS

Mr. JOHNSTON of South Carolina. Mr. President, on April 13 I referred on this floor to certain remarks which the Associated Press had attributed to the Honorable Arthur W. Coolidge, Lieutenant Governor of Massachusetts.

This afternoon I am in receipt of a telegram from Mr. Coolidge which I wish to read into the RECORD at this point:

BOSTON, MASS., April 20, 1948.

Senator OLIN D. JOHNSTON, of South Carolina,

Senate Office Building:

To you, who were the United States Senate spokesman of the South in reproving recent remarks of mine, let me say with frankness and sincerity that I regret the offense.

Bitterness is not my nature, malice was not intended. I was stirred because the program to induce northern industries to migrate threatens the jobs of New England workers and the livelihood of businessmen. Nevertheless, I should not have said what I did in the way I did.

I trust that southern chivalry will prompt, in all those affronted, an acceptance of my apology, for I do appreciate the sterling merit of Dixie. Without the war industries, agriculture, training camps, and the fighting heart of the South the struggle against the Axis could not have ended so well. That record assures the future.

We can work out our problems in good will. It is my hope that in this era of danger from abroad, all of us, as Americans, will reaffirm steadfast friendship which tactless phrases of mine might impair.

As you have so graciously invited me South as your guest, will you please convey to the South this expression of my deeper feelings?

ARTHUR W. COOLIDGE,
Lieutenant Governor,
Commonwealth of Massachusetts.

I honestly and sincerely thank the gentleman from Massachusetts for this very generous and gracious message

which is in the form of an explanation and apology.

Mr. Coolidge announced in his speech before the Greater Lawrence, Mass., Chamber of Commerce on April 12 that he was "firing the opening gun in the new industrial war between the States."

So far as I am concerned, he is entitled to cease firing and sue for peace at any time. I interpret this telegram as a cease-fire order and a suit for peace.

Mr. President, the truce is on. We have granted a full armistice to the State of Massachusetts on its terms of unconditional surrender.

I assure the Lieutenant Governor of Massachusetts that the vanquished will suffer no cruel and inhuman treatment.

In all sincerity and all candor I wish to say publicly that I have the highest regard for the integrity, the ability, and the patriotism of Mr. Coolidge. My invitation to visit South Carolina as my guest still stands. I shall welcome the opportunity to further improve the understanding and appreciation of the people of the South and the people of Massachusetts and the East for each other.

All is quiet on the southern front. Peace reigns supreme.

DR. THOMAS S. GATES

Mr. MYERS. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD an editorial from the Philadelphia Bulletin of April 9, 1948, expressing the sorrow of all Philadelphians at the passing of a great Philadelphia educator, Dr. Thomas S. Gates, who was president of the University of Pennsylvania for a period of 14 years.

As the editorial states, Dr. Gates "served this city and his alma mater well and faithfully. His fellow citizens unite in mourning his loss and honoring his memory."

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

DR. THOMAS S. GATES

An outstanding personality in the business and cultural life of Philadelphia was Dr. Thomas S. Gates, whose sudden death has deeply shocked a host of friends and the students and alumni of the University he served as president for 14 years. He was a man of great energy and activity, and was in good health to the last hours of his useful life. For this reason the gap left by his passing will be plain and painful, and the loss to this city the more keenly felt.

By mere measure of years, Dr. Gates had enjoyed a long and full life. But the famous epigram of Emerson applies well to him: "We do not count a man's years until he has nothing else to count." Among the busiest citizens of Philadelphia are many men of mature years, close friends and contemporaries of Dr. Gates. In many and varied ways they give their time, their experience and their influence to the welfare of the community and their fellowmen. They have much to count, and their least concern is the number of their years.

But death touches them on the shoulder and they are suddenly gone. Then their services are fully known and appreciated, since others are called upon to carry on. None can exactly fill the place of Dr. Thomas S. Gates. In personality and appearance, he was a distinctive figure in the life of Philadelphia. He served this city and his alma mater well and faithfully. His fellow citi-

zens unite in mourning his loss and honoring his memory.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. BRICKER 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 a committee were submitted:

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

Executive A, Eightieth Congress, second session: A protocol for the extension for 1 year from October 1, 1947, subject to certain conditions, of the inter-American coffee agreement, signed in Washington on November 28, 1940 (Ex. Rept. No. 3); and

Executive C, Eightieth Congress, second session: A protocol dated in London August 29, 1947, prolonging for 1 year after August 31, 1947, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937 (Ex. Rept. No. 4).

CONFIRMATION OF NOMINATIONS

Mr. WHERRY. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to consider sundry nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and, as in executive session, the clerk will proceed to state the nominations.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Brian S. Odem to be United States attorney for the southern district of Texas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TREASURY DEPARTMENT

The legislative clerk read the nomination of Nellie Tayloe Ross to be Director of the Mint.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Walter R. Sturr to be collector of internal revenue for the fourteenth district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of James M. Robertson to be collector of customs of customs collection district No. 14.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Julius J. Wichser to be United States marshal for the southern district of Indiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frank Golden to be United States marshal for the district of Nebraska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. I ask unanimous consent that the President be immediately notified of these confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow noon.

The motion was agreed to; and (at 6 o'clock and 1 minute p. m.) the Senate took a recess until tomorrow, Wednesday, April 21, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 20 (legislative day of March 29), 1948:

ATOMIC ENERGY COMMISSION

David E. Lillenthal, of Tennessee, to be a member of the Atomic Energy Commission for the term expiring August 1, 1953.

Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission for the term expiring August 1, 1952.

Lewis L. Strauss, of Virginia, to be a member of the Atomic Energy Commission for the term expiring August 1, 1951.

William W. Waymack, of Iowa, to be a member of the Atomic Energy Commission for the term expiring August 1, 1950.

Robert F. Bacher, of New York, to be a member of the Atomic Energy Commission for the term expiring August 1, 1949.

UNITED STATES MARSHALS

Raymond E. Thomason, of Alabama, to be United States marshal for the northern district of Alabama. (Mr. Thomason is now serving in this office under an appointment which expired March 24, 1948.)

Edwin D. Bolger, of Michigan, to be United States marshal for the western district of Michigan. (Mr. Bolger is now serving in this office under an appointment which expired March 31, 1948.)

Austin J. Mahoney, of Rochester, N. Y., to be collector of customs for customs collection district No. 8, with headquarters at Rochester, N. Y. (Reappointment.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior assistant dental surgeons (equivalent to the Army rank of captain), effective date of acceptance:

Edward J. Driscoll

Charles J. Gillooly

To be assistant dental surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance:

William J. Braye

Frank W. Nelson

Edmond G. Vanden Robert W. Anderson

Bosche

Tyler C. Folsom, Jr.

IN THE ARMY

Brig. Gen. John Stewart Bragdon, O3770, Army of the United States (colonel, U. S. Army), for appointment as Assistant to the Chief of Engineers, United States Army, for a period of 4 years, effective on date of appointment, and for appointment to the grade of brigadier general in the Regular Army of the United States under the provisions of section 11, National Defense Act, as amended, and title V, Officer Personnel Act of 1947.

Maj. Gen. Louis Aleck Craig, O3575, to be the Inspector General, United States Army, for a period of 4 years, effective on date of appointment, under the provisions of section 7, National Defense Act, as amended, and section 513, Officer Personnel Act of 1947, vice Maj. Gen. Ira Thomas Wyche.

The following-named officer for appointment in the Regular Army of the United States, under the provisions of Public Law 449, Seventy-ninth Congress, June 26, 1946, and section 520 (a) of the Officer Personnel Act of 1947:

TO BE PROFESSOR OF MATHEMATICS AT THE UNITED STATES MILITARY ACADEMY, WITH RANK FROM DATE OF APPOINTMENT

Col. Charles Parsons Nicholas, Army of the United States (major, U. S. Army).

IN THE NAVY

The following-named officers for permanent appointment in the Supply Corps of the Navy in the grades hereinafter stated:

LIEUTENANT COMMANDERS

Thompson, Wendell C.

Werner, Harold D.

LIEUTENANTS

Laird, Ian M.

Poynter, Lewis L.

LIEUTENANT (JUNIOR GRADE)

Williams, William C.

ENSIGNS

Clements, Daniel J., Jr.

Dooling, David (n)

The following-named officer for permanent appointment in the Civil Engineer Corps of the Navy in the grade hereinafter stated:

ENSIGN

Hediger, Fritz H.

IN THE MARINE CORPS

The below-named officer for appointment to the temporary grade of major general in the United States Marine Corps:

William T. Clement.

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

Robert D. O'Keefe, Rosston, Ark., in place of LeRoy May, transferred.

CALIFORNIA

Frank J. Norton, Chula Vista, Calif., in place of R. A. Higgs, resigned.

Pearl C. Kehlet, Meeks Bay, Calif., in place of F. L. Kehlet, resigned.

William J. Wasley, Nevada City, Calif., in place of B. M. West, resigned.

COLORADO

Eldora F. Gilberson, Dillon, Colo., in place of Grace Warren, resigned.

CONNECTICUT

James F. Abbott, Gales Ferry, Conn., in place of J. M. Abbott, deceased.

FLORIDA

Daniel Floyd Fager, Shallmar, Fla., in place of C. H. Meigs, resigned.

Elmer F. Mosley, Wellborn, Fla., in place of S. R. Mallory, retired.

GEORGIA

Maurice F. Smith, Hapeville, Ga., in place of E. L. Hopper, resigned.

ILLINOIS

Fred H. Popp, Jr., Dundee, Ill., in place of H. F. Kuettner, resigned.

Jerry Volny, Jr., Northfield, Ill., in place of Elizabeth Romer, resigned.

William H. Watson, Prospect Heights, Ill., in place of H. L. Galbraith, resigned.

INDIANA

John V. Pinegar, Rockville, Ind., in place of J. C. Hoopingarner, deceased.

IOWA

Donald E. Castle, Alta, Iowa, in place of N. A. Christensen, removed.

KENTUCKY

John B. Adams, Berea, Ky., in place of J. E. Moore, deceased.
 Effie M. Volers, South Shore, Ky., in place of Josephine Shepherd, removed.

LOUISIANA

Vardaman J. Maples, Mount Hermon, La., in place of E. L. Goings, resigned.
 Jean H. Clark, Rosedale, La. Office became Presidential July 1, 1945.

MARYLAND

Dorothy M. Phipps, Shady Side, Md., in place of F. E. Andrews, retired.

MICHIGAN

Reuben S. Eddy, Lake Linden, Mich., in place of H. E. Penninger, retired.
 John C. Fremlin, Milford, Mich., in place of W. S. Lovejoy, deceased.
 Glenn W. Herzog, Romulus, Mich., in place of N. J. Coash, resigned.

MINNESOTA

Joe W. Cain, Alpha, Minn., in place of K. S. Crawley, transferred.
 Harold V. Nelson, Clitherall, Minn., in place of Julius Severson, retired.
 Frank A. Heidemann, Courtland, Minn. Office became Presidential July 1, 1946.
 Bertha H. Avenson, Dorset, Minn. Office became Presidential July 1, 1947.
 Knute W. Ringstad, Lengby, Minn., in place of C. E. Albright, retired.
 George A. Schultz, Ottertail, Minn., in place of E. H. Albers, transferred.
 James Monroe Cunningham, Sturgeon Lake, Minn., in place of G. W. Phares, deceased.

MISSOURI

Mary W. Griffin, Breckenridge, Mo., in place of R. E. Chaffin, deceased.

MONTANA

Dorothy W. Carrigan, Birney, Mont., in place of Dessie Burnside, resigned.

NEW JERSEY

Nicholas M. DaPrile, Port Reading, N. J., in place of C. V. Richardson, declined.
 James Abercromby, South Branch, N. J. Office became Presidential October 1, 1947.

NEW YORK

Mary W. Hally, Sonyea, N. Y., in place of E. J. Hally, deceased.

NORTH CAROLINA

Charles L. Ray, Flat Rock, N. C., in place of A. C. King, resigned.
 Robert R. Kessinger, Nags Head, N. C., in place of M. G. Hollowell, retired.
 John L. Kearns, Seagrove, N. C. Office became Presidential July 1, 1943.

OHIO

Norman W. Elsass, Botkins, Ohio, in place of F. J. Lenhart, transferred.
 Elmer E. Caldwell, Gallipolis, Ohio, in place of A. K. Merriman, resigned.
 L. Abram Flory, Granville, Ohio, in place of N. H. Overturf, resigned.
 Erwin J. Brause, Westlake, Ohio, in place of E. J. Orvis, deceased.

OKLAHOMA

Thelma L. McKnight, Shamrock, Okla., in place of M. A. Ferren, resigned.

SOUTH DAKOTA

Joseph F. Krizan, Jr., Gregory, S. Dak., in place of W. J. Gassen, resigned.
 Robert R. Davis, White, S. Dak., in place of C. F. Barg, resigned.

TENNESSEE

Eugene William Beckman, Loretto, Tenn., in place of Monle Orth, resigned.
 Richard L. Adkins, Munford, Tenn., in place of J. F. Bryan, retired.
 Stella S. Murphy, Rockford, Tenn., in place of Wade Russell, resigned.

TEXAS

J. Edwin McKee, Fort Worth, Tex., in place of H. D. Young, deceased.

Jewel M. Latimer, Olmito, Tex., in place of Hugh Wilbanks, resigned.

Alvin O. Fields, Ozona, Tex., in place of J. R. Kersey, retired.

Earl Bennett Spinks, Raymondville, Tex., in place of J. M. Robbins, transferred.

Guy B. Karr, Spur, Tex., in place of O. C. Arthur, transferred.

VIRGINIA

George E. Mettauer, Annandale, Va. Office became Presidential July 1, 1947.

O. Ray Vanlandingham, Avalon, Va., in place of H. W. Gill, retired.

Robert C. Sanders, Warsaw, Va., in place of M. C. Sanders, resigned.

WEST VIRGINIA

Maude L. Copeland, Elk Garden, W. Va., in place of H. T. Williams, resigned.

WISCONSIN

Hugo Van Winkle, Winter, Wis., in place of A. N. Donnellan, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 20 (legislative day of March 29), 1948:

TREASURY DEPARTMENT

Nellie Tayloe Ross, to be Director of the Mint.

UNITED STATES ATTORNEY

Brian S. Odem, to be United States attorney for the southern district of Texas.

COLLECTOR OF INTERNAL REVENUE

Walter R. Sturr, to be collector of internal revenue for the fourteenth district of New York.

COLLECTOR OF CUSTOMS

James M. Robertson, to be collector of customs for customs collection district No. 14, with headquarters at Norfolk, Va.

UNITED STATES MARSHALS

Julius J. Wichser, to be United States marshal for the southern district of Indiana.

Frank Golden, to be United States marshal for the district of Nebraska.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 20 (legislative day of March 29), 1948:

POSTMASTER

Miss Anne M. Lavindar, to be postmaster at Kingston, in the State of West Virginia.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 20, 1948

The House met at 12 o'clock noon.

Rev. Russell H. Bonner, pastor, Main Street Methodist Church, West Lafayette, Ohio, offered the following prayer:

Most high and holy God, Father of us all, Ruler of all the earth, who hast assembled men by nations, and yet hast made of one blood all that dwell upon the face of the earth, grant unto us, the citizens of this great Nation, a true sense of the grandeur of our heritage. Bountifully hast Thou given to us beyond all our deserving. Thou hast made us heirs of what the untold ages have created.

"God bless our native land!

Firm may she ever stand.

For her our prayer shall rise

To God, above the skies."

Help us, O God, to understand that as we have greatly received, so in the same

measure we are responsible. Forbid that we should be unfaithful to our trust. Help us to be worthy of our fathers and our fathers' God. Give us wisdom and courage enough not to be careless or indifferent or guilty of the worst of sacrilege—the waste of past sacrifices. Move upon our minds and the minds of leaders everywhere that a nobler spirit and a clearer vision may rule our thoughts and our ways.

"Enlarge our vision to behold
 The wonders Thou hast wrought of old,
 Reveal Thyself in every law,
 And gild the towers of truth with holy awe."

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

WOMEN'S ARMY CORPS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 545, Rept. No. 1755), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1641) to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments there-to to final passage without intervening motion except one motion to recommit.

THE HONORABLE JOHN TABER, CHAIRMAN, COMMITTEE ON APPROPRIATIONS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include as a part of my remarks an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I would like to take a few minutes to remind my colleagues of the public acclaim which accompanied the election of the Republican majority to this Congress a year and a half ago. There was an unmistakable mandate from the voters for economy and efficiency in Government. The people were fed up with irresponsible New Deal spending maladministration, an overloaded pay roll, an ever-increasing public debt, and sheer waste of money, manpower, and materials.

Much credit for carrying out this mandate to cut Government spending goes to the House Appropriations Committee chairman, JOHN TABER, the distinguished Congressman from New York.