SENATE

TUESDAY, MARCH 29, 1949

(Legislative day of Friday, March 18, 1949)

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

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of grace and glory, we thank Thee for the radiance of Thy truth which no denial can ever put out. Across our shadowed earth send out Thy light and Thy truth; let them lead us; let them bring us to Thy holy hill.

Bewildered by the world's confusion, we are tempted to lose certitude and stability and self-control. Too often our own distraught spirits but mirror the angry emotions of a violent time. Of ourselves insufficient for these terrific days send us forth strengthened with Thy might to front tasks that tax our utmost with the glad assurance "He restoreth my soul."

In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 28, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 203) to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Aiken	Gillette	Lodge
Anderson	Green	Long
Baldwin	Gurney	Lucas
Brewster	Hayden	McCarran
Bricker	Hendrickson	McCarthy
Bridges	Hickenlooper	McClellan
Byrd	Hill	McFarland
Cain	Hoey	McGrath
Capehart	Holland	McKellar
Chapman	Humphrey	McMahon
Chavez	Hunt	Magnuson
Connally	Ives	Malone
Cordon	Jenner	Martin
Donnell	Johnson, Colo.	Maybank
Douglas	Johnson, Tex.	Miller
Downey	Johnston, S. C.	Millikin
Ecton	Kefauver	Morse
Ellender	Kem	Mundt
Ferguson	Kerr	Murray
Frear	Kilgore	Myers
Fulbright	Knowland	Neely
George	Langer	O'Conor
O'Mahoney	Sparkman	Vandenberg
Pepper	Stennis	Watkins
Reed	Taft	Wherry
Robertson	Thomas, Okla.	Wiley
Russell	Thomas, Utah	Williams
Saltonstall	Thye	Withers
Schoeppel	Tobey	Young
Smith, Maine	Tydings	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate.

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

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Jersey [Mr. SMITH] are absent because of illness.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

SENATOR FROM NORTH CAROLINA

Mr. HOEY. Mr. President, Hon. W. Kerr Scott, Governor of the State of North Carolina, has appointed Dr. FRANK PORTER GRAHAM, president of the University of North Carolina, to succeed the late J. Melville Broughton as a Senator of the United States. I send forward his certificate of appointment, and ask that it be read.

The VICE PRESIDENT. The certificate of appointment will be read.

The Chief Clerk read as follows:

STATE OF NORTH CAROLINA,
GOVERNOR'S OFFICE,
Raleigh.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of North Carolina, I, W. Kerr Scott, the Governor of said State, do hereby appoint FRANK PORTER GRAHAM a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of J. Melville Broughton, is filled by election, as provided by law.

Witness his excellency our Governor, W. Kerr Scott, and our seal hereto affixed at Raleigh, this 23d day of March, in the year of our Lord 1949.

W. KERR SCOTT,
Governor.

By the Governor:
[SEAL]

THAD EURE,
Secretary of State.

The VICE PRESIDENT. The certificate of appointment will be placed on file. Is the Senator-designate ready to take the oath?

Mr. HOEY. Mr. President, the Senator-designate is present in the Chamber, and is ready to take the oath.

The VICE PRESIDENT. If the Senator will advance to the desk the oath will be administered to him.

Mr. GRAHAM, escorted by Mr. HOEY, advanced to the desk, and the oath prescribed by law was administered to him by the Vice President.

TRANSACTION OF ROUTINE BUSINESS

Mr. BRICKER rose.

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators desiring to incorporate matters in the RECORD or transact routine business be permitted to do so without prejudicing the parliamentary situation.

The VICE PRESIDENT. And without debate?

Mr. LUCAS. Without debate.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. WATKINS. Mr. President, I rise for the purpose of making some rather extended remarks.

The VICE PRESIDENT. The Senator cannot be recognized for that purpose at this time.

ANNOUNCEMENT AS TO PROGRAM

Mr. LUCAS. Mr. President, I desire to make an announcement with respect to the program today.

As Senators know, the pending measure is the conference report upon the rent-control bill. It is the hope of those who are interested in this measure that we can conclude its consideration early this afternoon. Then it may be that we shall move to lay the ECA bill aside and take up the District of Columbia rent-control bill. That is not a certainty as yet.

At any rate, the Senate will remain in session late tonight. I am notifying all Senators now to be prepared for that, because of the pressure of business before the Senate, primarily with respect to the deadlines which are involved in several pieces of pending legislation.

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

Mr. LUCAS. I yield to the able Senator from Nebraska.

Mr. WHERRY. I am in total sympathy with the observations just made by the majority leader. I trust that Senators on this side of the aisle will withhold speeches on ECA or any other subject, if possible, so that we may dispose of the conference report on the rent-control bill, and, if necessary, the District of Columbia rent-control bill if it is made the unfinished business.

I should like to ask the distinguished Senator from Utah [Mr. WATKINS] if he contemplates making a speech on rent control, ECA, the Atlantic Pact, or some other subject.

Mr. WATKINS. Mr. President, in answer to that question, I may say that I intend to speak on ECA and the North Atlantic Pact. I do not want to retard the work of the Senate. It will be satisfactory to me if I may have it understood that there will be no objection to my obtaining the floor a little later, at the conclusion of the consideration of the conference report, and before a motion is made to take up something else as the pending business, or to lay aside the ECA bill. I should like to deliver my address today.

The VICE PRESIDENT. The Chair suggests that the recognition of Senators is in the control of the Chair. At the time the Senator from Illinois [Mr. LUCAS] requested permission for the transaction of routine business, the Senator from Ohio [Mr. BRICKER] was on his feet, and the Chair feels under obligation to recognize him.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. LUCAS. Mr. President, I assure the Senator from Utah that I appreciate very much his attitude with respect to the postponement of his speech on ECA. There will be no difficulty about recognition. At the proper time he will be recognized by the Chair, and he will be able to deliver the address which he has prepared on that subject.

Mr. WATKINS. Mr. President, what I had in mind was this: I understood that the majority leader intended to move to lay aside ECA as the pending business. Before that motion is made, I desire to seek recognition to make my speech.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. HUMPHREY:

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Finance:

"Concurrent Resolution 7

"Concurrent resolution memorializing the Congress of the United States to amend the Federal Social Security Act to permit the Federal Security Agency to participate in the payment of public-assistance grants to persons residing in public hospitals or other public institutions

"Whereas many needy, blind, aged, and deserving persons, particularly the senile aged, require medical, nursing, rest-home, and hospital care; and

"Whereas in many localities such services are available only in public hospitals and other public institution; and

"Whereas the present Federal Social Security Act prevents the Federal Security Agency from participating financially in the payment of public-assistance grants to these persons; and

"Whereas there is no just reason for denying these persons the right to participate in the public-assistance programs: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Congress of the United States shall take immediate steps to remove from the present Federal Social Security Act, those provisions which restrict and prevent the Federal Security Agency from participating in the payment of public assistance to needy, blind, and aged persons residing in public hospitals or public institutions; and be it further

"Resolved, That a copy of this resolution be forwarded to the President of the United States, the Vice President, the Speaker of the House of Representatives, and to each Congressman and Senator from the State of Minnesota.

"JOHN A. HARTH,
"Speaker of the House of Representatives.
"C. ELMER ANDERSON,
"President of the Senate.

"Approved March 4, 1949.

"LUTHER W. YOUNGDAHL,
"Governor of the State of Minnesota."

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Foreign Relations:

"Concurrent Resolution 8

"Concurrent resolution memorializing the Minnesota Members of the United States Congress to present to the Executive Department of the United States Government an official protest regarding the unjust prosecution of Josef Cardinal Mindszenty and other clergymen

"Whereas the recent trial and sentence of Josef Cardinal Mindszenty by the Hungarian Court constitutes a wanton violation of the fundamental rights of man; and

"Whereas the entire proceedings surrounding the arrest, trial, and sentence constituted a mask for a premeditated action against an innocent man; and

"Whereas the case of Josef Cardinal Mindszenty and Bishop Lajos Ordass has now become a dramatic example of the persecutions the Hungarian Government has imposed upon courageous and God-fearing people of many religious faiths; and

"Whereas the United States Government has played a leading role among the United Nations in establishing universal standards of human rights, which include fair and impartial trials and all the other basic guaranties to the accused; and

"Whereas the action of the Hungarian Government in the Josef Cardinal Mindszenty case presents a challenge and a test as to the utility, purpose, and survival of the United Nations as an international instrument for world peace and human rights: Now, therefore, be it

"Resolved by the Senate of the State of Minnesota (the house of representatives concurring), That the Minnesota Representatives in the Congress of the United States be hereby urged to formally present our official protest of the Josef Cardinal Mindszenty case to the President of the United States, to the Secretary of State, and to the American representatives on the United Nations Council, so that the United States Government may continue her traditional role as the champion of human rights and take a position of leadership toward effecting a liberation of Josef Cardinal Mindszenty and the other hundreds of human beings who are victims of the same injustices.

"C. ELMER ANDERSON,
"President of the Senate.
"JOHN A. HARTH,
"Speaker of the House of Representatives.

"Approved March 8, 1949.

"LUTHER W. YOUNGDAHL,
"Governor of the State of Minnesota."

GENERAL PULASKI'S MEMORIAL DAY—CONCURRENT RESOLUTION OF GENERAL ASSEMBLY OF DELAWARE

Mr. WILLIAMS. Mr. President, I present for appropriate reference Senate Concurrent Resolution 17, adopted by the One Hundred and Fifteenth General Assembly of the State of Delaware, and approved by the Governor, memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day, and ask unanimous consent that the resolution be incorporated at this point in the RECORD.

The concurrent resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 17

Concurrent resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the "General Pulaski's Memorial Day"

Whereas a resolution providing for the proclamation by the President of the United States of America of October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative action designated October 11 of the years 1929 to 1946 as General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Senate of the State of Delaware (the house of representatives concurring therein):

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and the Representatives in Congress from the State of Delaware.

Approved March 22, 1949.

ELBERT N. CARVEL,
Governor.

SUPPORT OF RECOMMENDATIONS OF HOOVER COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT—PETITION

Mr. REED. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, without all the signatures attached, a petition signed by 64 citizens of Independence, Kans., in which they request that I support the recommendations of the Hoover Commission on Organization of the Executive Branch of the Government.

There being no objection, the petition was referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, without all the signatures attached, as follows:

INDEPENDENCE, KANS., *March 18, 1949.*

Hon. CLYDE M. REED,
United States Senate,
Washington, D. C.

DEAR SENATOR REED: We, the undersigned, are very much interested in the report of the Hoover Commission for reorganization of Federal Government. We understand that complete findings will not be released until later this month, but have kept up with what has been released so far and heartily endorse this study. Our Federal Government has not had a thorough overhauling for a long time and needs one badly. Now, it appears that some administration advisors are not taking very kindly to the ideas presented in this report and may try to shelve the whole thing. We don't want this to happen. Blast the whole business out into the open and keep it alive until everyone realizes the importance of action!

President Truman wants more taxes. We don't want any more taxes because, for one thing, we can hardly afford to pay those now levied. Perhaps you know what percent of national income is now going into taxes of all kinds. We don't exactly, but guess it must be over 30 percent. Whatever it is, it's too much. Let's not even mention any more taxes until we can be assured that the money we are now paying is being properly used and not wasted.

Every individual has to watch expenses continually if he wants to keep going—why can't our Government do the same? It takes

a lot of figuring for the average citizen to pay his taxes. Is it asking too much of Government to do some figuring when it comes to spending?

We are counting on you to keep hammering on this subject and know you won't let us down.

Respectfully,

J. X. WERNETT,
C. J. KINDT,
ROLAND V. BREDEHOFT,
Mrs. H. P. HARRISON,
LEAH N. SANBORN.

(And 59 other citizens of Independence, Kans.).

REPEAL OF TAFT-HARTLEY LABOR ACT—RESOLUTION OF CITY COUNCIL OF CHISHOLM, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of Chisholm, Minn., on March 22, 1949, favoring the repeal of the Taft-Hartley Labor Act.

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

Resolution favoring the repeal of the Taft-Hartley Act

Whereas the Taft-Hartley Act is, in effect, the most vicious antilabor legislation ever enacted and is aimed at the ultimate defeat of labor organizations in their pursuit of bargaining freedom; and

Whereas under the Wagner Act millions of workers did organize into strong unions, thereby providing the instrument necessary to protect their interest; and

Whereas the workers in America, through their unions were able to hold up their heads in the knowledge that for the first time in history they were free men, proving this by their great production record during the terrible years of the past global war; and

Whereas President Truman, in his preelection tour of the United States, brought the issue of Taft-Hartley to the people, making it the major issue of the day and the result was that the people voted, supporting his stand on this matter: Therefore be it

Resolved by the City Council of the City of Chisholm at a regular meeting duly held this 22d day of March 1949, That the Taft-Hartley Act be immediately repealed and the Thomas-Lesinski bill (S. 249; H. R. 2032), which has the approval of the Senate Labor and Public Welfare Committee be enacted as law, and that copies of said resolution be mailed to our two United States Senators and to the Congressman of our district.

ALFRED MATURI, *Mayor*.

GENERAL PULASKI'S MEMORIAL DAY—RESOLUTION OF CITY COUNCIL OF MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of Minneapolis, Minn., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day.

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

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the "General Pulaski's Memorial Day" resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as "General Pulaski's Memorial Day" for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, to October 11, 1946, to be "General Pulaski's Memorial Day," in the United States of America: Now, therefore, be it

Resolved by the Common Council of the City of Minneapolis, in the State of Minnesota, in session assembled—

SECTION 1. That we hereby memorialize and petition the Congress of the United States, to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Minnesota.

Passed January 14, 1949.

C. L. SWANSON,
Vice President of the Council and President pro tempore.

Approved January 17, 1949:

ERIC G. HOYER,
Acting Mayor.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. 734. A bill to provide for the appointment and compensation of counsel for impoverished defendants in certain criminal cases in the United States district courts; with an amendment (Rept. No. 197).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. CAIN:

S. 1437. A bill for the relief of Mrs. Rebecca Levy; to the Committee on the Judiciary.

(Mr. WILEY introduced Senate bill 143^, to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at or in the vicinity of Madison, Wis., which was referred to the Committee on Armed Services, and appears under a separate heading.)

(Mr. JOHNSTON of South Carolina (for himself, Mr. PEPPER, Mr. CHAPMAN, and Mr. MORSE) introduced Senate bill 1439, to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places and practices in industry thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

(Mr. JOHNSTON of South Carolina also introduced Senate bill 1440, to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in the annuities of such employees, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

By Mr. IVES:

S. 1441. A bill for the relief of Victor Caruso; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1442. A bill directing the Secretary of Agriculture to continue to operate and maintain an experiment station at or near Akron, Colo.; to the Committee on Agriculture and Forestry.

S. 1443. A bill to extend the benefits of section 2 of the act entitled "An act to increase the efficiency of the Air Corps," approved June 16, 1936, as amended, to certain former officers in the Army Air Forces who were erroneously commissioned in the Army of the United States rather than in the Air Corps Reserve; to the Committee on Armed Services.

S. 1444. A bill to provide for the temporary free importation of fir plywood; to the Committee on Finance.

By Mr. HAYDEN (for himself and Mr. MCFARLAND):

S. 1445. A bill to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the Desert Laboratory Experimental Area of the Southwestern Forest and Range Experiment Station, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MCCARRAN:

S. 1446. A bill for the relief of James Hung Loo; to the Committee on the Judiciary.

By Mr. CHAPMAN:

S. 1447. A bill for the relief of John M. Hart; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (for himself, Mr. MILLIKIN, Mr. REED, and Mr. SCHOEPPEL):

S. 1448. A bill to grant the consent of the United States to the Arkansas River Compact; to the Committee on Interior and Insular Affairs.

By Mr. BREWSTER:

S. 1449. A bill for the relief of Robert B. Workman; to the Committee on the Judiciary.

S. 1450 (by request). A bill to amend section 304 of the World War Veterans' Act, 1924, to abolish interest rates on premiums for reinstated United States Government life insurance; to the Committee on Finance.

By Mr. TOBEY:

S. 1451. A bill to amend section 506 of the Servicemen's Readjustment Act of 1944, as amended, to provide a procedure under which veterans who are in default in meeting payments on home or farm mortgages guaranteed under such act may be assisted in retaining possession of such homes or farms in those cases in which the default is not due to their own faults; to the Committee on Labor and Public Welfare.

By Mr. PEPPER:

S. 1452. A bill for the relief of Dr. Juan A. Queralt Balleste; to the Committee on the Judiciary.

(Mr. PEPPER (for himself, Mr. MURRAY, Mr. HUMPHREY, and Mr. NEELY) introduced Senate bill 1453, to amend the Public Health Service Act to provide grants and scholarships for education in the medical, dental,

dental hygiene, public health, nursing, and sanitary engineering professions, and for other purposes, which was referred to the Committee on Labor and Public Welfare and appears under a separate heading.)

By Mr. BRIDGES:

S. J. Res. 71. Joint resolution to provide for reciprocity between the United States and Soviet Russia in the matter of the issuance of visas, and for other purposes; to the Committee on Foreign Relations.

ARMY QUARTERMASTER CORPS RESEARCH LABORATORY AT MADISON, WIS.

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill providing for the establishment of an Army Quartermaster Corps Research Laboratory at Madison, Wis., and I ask unanimous consent that there be printed in the RECORD a statement which I have prepared on the need for this legislation.

The VICE PRESIDENT. The bill will be received and appropriately referred, and without objection, the statement presented by the Senator from Wisconsin will be printed in the RECORD.

The bill (S. 1438) to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at or in the vicinity of Madison, Wis., introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Armed Services.

The statement presented by Mr. WILEY and ordered to be printed in the RECORD is as follows:

STATEMENT OF SENATOR WILEY

INTRODUCTION OF BILL FOR ESTABLISHMENT OF THE QUARTERMASTER CORPS RESEARCH LABORATORY AT MADISON, WIS.

Mr. President, I am introducing today a bill for the establishment of a $10,000,000 research laboratory for the Army Quartermaster Corps at Madison, capital of Wisconsin. I believe that an objective survey of the facts in the matter will more than justify the location of such a laboratory in the heart of Dane County in the Badger State.

It is not a mere act of pride in the capital city of my State, nor the natural interest that I would have in seeing my State capital advance with this institution, but rather it is the fact that I sincerely and strongly believe that the sites which have heretofore been proposed for this laboratory (namely, Boston, in bill, H. R. 1577, and Centre County, Pa., in H. R. 3218) cannot "hold a candle" to Madison in the advantages which they offer.

Need for decentralization

Ever since my entry into the Senate 10 years ago, I have been pointing out with all the power at my command that there has been far too much centralization of Government facilities on the Atlantic coast—in the New York, New Jersey, Philadelphia area, in Washington, D. C., and in similar over-congested centers. On the other hand, the great Middle West, the heart of the Nation, offers ideal possibilities for decentralization and dispersement of vital Government units. It would seem ridiculous for the Federal Government, on the one hand, through its National Security Research Board to be recommending decentralization of industry, and, on the other hand, for it to establish a Quartermaster Corps Research Laboratory in some bloated, congested metropolis already choking from centralization.

Reservoir of facilities available at Madison

That is the negative side of the picture insofar as other sites are concerned. On the positive side, however, there is a more than ample case for location of the laboratory at Madison, Wis. Its proximity to a vast number of ideal resources point up the case.

(a) Its nearness to the Wisconsin State capital, Wisconsin State agencies and institutions, and, in particular, to the University of Wisconsin offering a vast reservoir of expert personnel and facilities.

(b) Its proximity to the magnificent United States Forest Products Laboratory whose great contribution to the Quartermaster Research in packaging and related processes are so well known as not to require repetition.

(c) Its nearness to industries with which the Quartermaster Corps is mostly concerned—the vast variety of food industries of Wisconsin, the tremendous facilities for research in nutrition at the State university, its nearness to the diverse textile, leather, and rubber industries in the Badger State, as well as other types of enterprises involved in Quartermaster Corps work.

(d) There should also be mentioned, of course, the nearness of the Madison location to the Badger ordnance works, 28 miles away, with their vast facilities which could be utilized, the nearness of Camp McCoy in northern Wisconsin which has been utilized for extensive winter training, the availability of frozen areas through use of Madison's and Wisconsin's tremendous number of lakes, the availability of the Truax Field Airport—these and other facilities more than justify the location of the proposed laboratory at the site I have mentioned.

In view of all these and other sound reasons, I am requesting the Senate and House Armed Services Committee to give the most thorough consideration to the legislation which I am introducing today.

CONTROL OF HAZARDOUS WORKING CONDITIONS IN INDUSTRIAL PLANTS

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Senator from Florida [Mr. PEPPER], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Oregon [Mr. MORSE], and myself, I introduce for appropriate reference a bill to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places, and practices in industry, and so forth, and I ask unanimous consent that the bill, together with a statement prepared by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill together with the statement by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 1439) to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places and practices in industry thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower, introduced by Mr. JOHNSTON of South Carolina (for himself, Mr. PEPPER, Mr. CHAPMAN, and Mr. MORSE), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Industrial Safety Act."

SEC. 2. (a) The Congress hereby finds and declares that the establishment and maintenance of safe work places and practices in industry reduce human suffering and financial loss and increase production through safeguarding available manpower. The purpose of this act is to assist the several States in their efforts (1) to develop standards for establishing and maintaining safe work places and practices in industry; (2) to promote the acceptance of such standards in industry through the voluntary cooperation of management and labor; (3) where authorized by State law, to prepare and promulgate regulations for the purpose of requiring safe work places and practices in industry; and (4) to secure the observance of State laws or regulations respecting safe work places and practices in industry.

(b) There are hereby authorized to be appropriated (a) for the fiscal year ending June 30, 1950, and for each fiscal year thereafter, sums sufficient for making payments to States which have submitted and had approved by the Secretary of Labor, State plans under section 3 of this act, and (b) such sums as may be necessary for administrative and other expenses of the Department of Labor in administering this act.

SEC. 3. (a) To be approved, a State plan for carrying out the purposes of section 2 (a) must—

(1) designate a single State agency, which must be the State agency administering labor laws for the establishment and maintenance of safe work places and practices in industry, to administer such plan;

(2) provide such methods of administration as are found by the Secretary of Labor necessary for the proper and efficient operation of the plan, including after June 30, 1951 (a) methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary of Labor shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods; and (b) a training program for the personnel necessary for the administration of the plan;

(3) include a program for the promotion of observance of safety precautions by employers and employees in industry, which program may include cooperation with any nongovernment safety organizations active in the State;

(4) provide for financial participation by the State in all parts of the State plan and such distribution of funds for enforcement and promotional functions as to assure the application throughout the State of standards necessary to the establishment, promotion, and maintenance of safe work places and practices in industry; and

(5) provide that the State agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time reasonably require, and give the Secretary of Labor, upon demand, access to the records on which such reports are based.

(b) The Secretary of Labor shall approve any State plan which complies with the provisions of subsection (a) of this section.

SEC. 4. (a) The funds appropriated under section 2 (b) shall be allotted by the Secretary of Labor among the several States annually on the basis of (1) the population, (2) the number of wage earners, (3) the special hazards in industry, (4) the number of workers afforded protection in their work places by the State law and the cost of effective administration of such law, and (5) the financial needs of the respective States. The allotment to any State for any year shall not exceed three-fourths of the expenditures under the State plan for such year: *Provided*, That the annual allotment for each State under this subsection shall not be less than $15,000.

(b) The Secretary of Labor shall, prior to the beginning of each fiscal year, estimate the amount to be paid to each State under the provisions of subsection (a) of this section, such estimates to be based on (1) a report filed by the State containing its estimate of the total sum to be expended in

such year in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State for such expenditures in such year; (2) such other data as to such estimated expenditures and such investigation as the Secretary may find necessary. The Secretary of Labor shall then certify the amount so estimated to the Secretary of the Treasury. The Secretary of the Treasury shall thereupon prior to audit or settlement by the General Accounting Office pay to the State the amount so certified.

(c) Amounts paid to a State under this section shall be expended solely for carrying out the purposes set forth in section 2 (a), in accordance with the State plan. When any part of the amount so paid to any State for any fiscal year is not so expended for carrying out such purposes within such fiscal year, the Secretary of Labor shall reduce by a corresponding amount the next allotment certified to the Secretary of the Treasury under this section for such State.

SEC. 5. In the case of any State plan which has been approved under this act, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering such plan, finds that in the administration of the plan there is a failure to comply substantially with any requirement of this act or any provision required by this act to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

SEC. 6. (a) The Secretary of Labor shall appoint an Industrial Safety Advisory Committee, consisting of such numbers of public, employer, and employee representatives as he deems appropriate. Members of the committee shall serve without pay, but shall be reimbursed for actual expenditures incurred in attending meetings and performing the work of the committee in accordance with section 5 of the act of August 2, 1946 (60 Stat. 808). The Secretary of Labor shall provide such clerical assistance and other services and facilities as may be necessary for the committee.

(b) It shall be the duty of the committee to review existing industrial safety laws, regulations, and practices and make recommendations to the Secretary of Labor with a view to encouraging more effective control of hazardous conditions and lowering the industrial injur rate.

SEC. 7. The Secretary of Labor is authorized to delegate the functions, powers, and duties granted to him by this act to such officers and employees of the Department of Labor as he may designate.

SEC. 8. The Secretary of Labor is authorized to appoint, subject to the civil-service laws, such employees as he deems necessary to carry out his functions and duties under this act, and shall fix their compensation in accordance with the provisions of the Classification Act of 1923, as amended.

SEC. 9. As used in this act "State" means any State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

SEC. 10. The Secretary of Labor shall include in his annual report to Congress a full account of the administration of this act.

The statement presented by Mr. JOHNSTON of South Carolina and ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

Mr. JOHNSTON of South Carolina. The bill which I have introduced on behalf of myself, the distinguished Senator from Florida, Mr. PEPPER, the distinguished Senator from Kentucky, Mr. CHAPMAN and the distinguished Senator from Oregon, Mr. MORSE, will go a long way in decreasing and, I hope, eventually eliminating to a very large extent, the unnecessary and tragic loss of life and human suffering caused by unsafe and hazardous working conditions in our industrial plants and workshops throughout the Nation.

The legislation is not original with me but is one that has long been advocated, and the need for which I can personally testify. It has recently been recommended by the President, the President's Conference on Industrial Safety and more than half of the States through their labor commissioners have gone on record in favor of this legislation. This list includes the largest and smallest industrial States, the mining States, the agricultural States, and those with the largest and smallest amount of industrialization. The legislation has bipartisan support.

The bill provides for Federal aid to State departments of labor to assist them in establishing and maintaining safe and proper working conditions in industry, and in preparing, promulgating and enforcing regulations to control industrial hazards. The money would be allotted among the States on the basis of first, population; second, number of wage earners; third, special safety and health problems in industry; fourth, number of workers afforded protection by State laws and the cost of adequate administration of such laws; and fifth, financial needs. The bill also provides that plans for expenditure of money would be developed jointly by the States and the United States Department of Labor. Rules and regulations would be determined by the Secretary of Labor in consultation with State labor commissioners.

An Industrial Safety Commission consisting of three members representing the public, the employer, and the employees would be set up in the Department of Labor. It would be empowered to recommend State standards, methods, and procedures for the establishment of safe working conditions in industry.

As I said before, I know from personal experience how much needs to be done and what can be done in the way of eliminating industrial hazards and in safeguarding the workmen in the textile plants of the South. For 10 years I worked in the cotton-textile industry and I have seen more than one of my fellow workmen lose a limb, an eye, and on occasion their lives. Hardly a week goes by in any plant where 100 or more workers are employed where there is not someone who sustains a painful injury. Most of it is unnecessary and preventable. All this has been brought home to me time and time again throughout my administration as Governor of South Carolina and throughout the many years that I was a worker in the industries of my State.

A human life is just as valuable whether he be in the factory or on the battlefield. We have done much to prevent human suffering and loss of life of our military forces. I am proud and grateful that our military leaders have placed such high value on the life and safety of our boys.

The humanitarian aspects of this problem cannot be ignored. The other side of the problem is a financial one. A day's loss of work, the stopping of machinery, the decreased productivity of the workers, the payments of medical care, sick, death, and welfare benefits are dollar cost to the corporations, the proprietors, to the workers, the State and the Nation. The President's Conference on Industrial Safety estimates that the direct monetary cost of over 2,000,000 job accidents in the United States totals an estimated $4,500,000,000 annually.

In the light of all this it must be clear that in offering a bill requiring the expenditure of funds to assist the States in controlling industrial hazards, we are making a very timely investment which will be returned to us many times over, financially and socially.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT RELATING TO PAYMENT OF ANNUITIES TO WIDOWS OF CERTAIN RETIRED EMPLOYEES

Mr. JOHNSTON of South Carolina. Mr. President, I introduce for appropriate reference a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide payment of annuities to widows of retired employees without reduction in the annuities of such employees, and I ask unanimous consent that an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 1440) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in the annuities of such employees, was read twice by its title and referred to the Committee on Post Office and Civil Service.

The statement presented by Mr. JOHNSTON of South Carolina and ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

The bill has for its purpose the payment of annuities to widows of retired employees without reduction of the annuities of such employees, amends the Retirement Act to strike out paragraph B in section 4, which provides in effect that any officer retiring under the provisions of sections 1, 2, or 6, which sections apply to optional retirement, automatic retirement, and retirement on disability, has two options: (1) To receive a life annuity as provided in paragraph B and, (2) to have the life annuity reduced by 10 percent and after his death there will be payable to his surviving widow an annuity equal to 50 percent of his life annuity.

The section further provides that the annuity of such an employee shall further be reduced by three-fourths of 1 percent for each full year that the wife is under the age of 60. This bill would eliminate the reduction factor and make the widow's annuity automatic.

Experience has demonstrated that over 50 percent of the employees retiring since the passage of Public Law 426, have elected to take the full annuity and have not made provisions for their wives. Unfortunately, those who have elected the full annuity are generally in the lower salary grades. The pressure of the cost of living has compelled them to elect to receive the largest possible amount of money for immediate purposes. The need for widows' annuities in these cases is extremely great and this bill would correct this condition.

ASSISTANCE TO SCHOOLS OF MEDICINE, DENTISTRY, ETC.

Mr. PEPPER. Mr. President, on behalf of the Senator from Montana [Mr. MURRAY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. NEELY], and myself, I introduce for appropriate reference a bill to provide Federal assistance to schools of medicine, dentistry, dental hygiene, nursing, public health, and sani-

tary engineering, and I ask unanimous consent that a statement prepared by me may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Florida will be printed in the RECORD.

The bill (S. 1453) to amend the Public Health Service Act to provide grants and scholarships for education in the medical, dental, dental hygiene, public health, nursing, and sanitary engineering professions, and for other purposes, introduced by Mr. PEPPER (for himself, Mr. MURRAY, Mr. HUMPHREY, and Mr. NEELY), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. PEPPER and ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR PEPPER

Senators CLAUDE PEPPER, Democrat, Florida; JAMES E. MURRAY, Democrat, Montana; HUBERT H. HUMPHREY, Democrat, Minnesota; and MATTHEW M. NEELY, Democrat, West Virginia, introduced into the Senate today a bill to provide Federal assistance to schools of medicine, dentistry, dental hygiene, nursing, public health, and sanitary engineering. The bill has five principal features as follows:

1. Federal grants to these schools to help finance the costs of instruction on the basis of an amount for the present average student enrollment, based on the fiscal years 1947 through 1949, and a higher amount for the additional number of students enrolled in future years above these averages. For example, a medical school would get $300 per student for the present average enrollment and $1,700 per new student. The difference between these two amounts is based on the fact that the schools would need much more money to hire new instructors for additional students than they need for their present enrollment.

2. Federal grants to finance the cost of construction and equipment of schools up to 50 percent of such cost.

3. The establishment of State scholarship programs under a State agency. The Federal Government would furnish the financial assistance through a system of grants throughout the State, based upon the proportion of the population of each State to the total population of the United States. The bill would provide $50,000,000 for the fiscal year ending June 30, 1950, and $60,000,000 for the fiscal year ending June 30, 1951, and thereafter such sums as the Congress may appropriate. Normally these scholarships will cover the cost of tuition, educational fees, and supplies. If the Surgeon General of the United States Public Health Service so determines, they may include maintenance money not to exceed $125 per month for a student with no dependents, $150 per month for a student with one dependent, and $175 per month for a student with two or more dependents.

4. The establishment of a National Council of Education for the health professions, consisting of the Surgeon General as Chairman, the chief medical officer of the Veterans' Administration, and a medical representative of the Secretary of Defense, 20 public leaders of medical science, education, or public affairs, 10 of whom must be from the fields of health education covered by the bill. The Surgeon General of the United States Public Health Service and the Council would have jurisdiction over the first three features of the program.

5. The establishment of a program financed by the Federal Government at a cost of $15,000,000 a year in the various States for the training of practical nurses, for persons 16 years of age and over. The Federal aspect of this program would be under the jurisdiction of the Commissioner of Education of the Federal Security Agency.

Senators PEPPER, MURRAY, and HUMPHREY state: "This bill is an all-out attack upon the first phase of our national health problem. The shortages of personnel in the field of health are so great that we cannot even meet current needs.

"Our goal is to assure that there are enough professional health manpower of all categories adequately distributed all over the Nation to meet the need of the American people. By 1960, we should increase our present supply of (1) 190,000 active physicians to 227,000, (2) 75,000 active dentists to 95,000, (3) 318,000 active nurses to 443,000. Our current shortage alone is 42,000.

"We need immediately 60,000 well-trained public health workers, including sanitary engineers and nurses. We now have only 36,000 public health workers, about two-thirds of whom are inadequately trained; one-third of all the counties in the United States in 1947 did not have a single full-time public health nurse.

"We are going to press for immediate consideration of our bill by the Senate. We can no longer sit back and let American citizens in ill health go unattended for the want of want of qualified and trained persons in the health field."

INVESTIGATION OF CERTAIN ECONOMIC PROBLEMS

Mr. O'MAHONEY (for himself, Mr. SPARKMAN, and Mr. FLANDERS) submitted the following concurrent resolution (S. Con. Res. 26), which was referred to the Joint Committee on Economic Report:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Economic Report, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation into the following problems of the economy:

(1) The problem of investment, including, but not limited to, (A) the role of investment institutions in the investment markets, in industry, and in the economy generally; (B) changes in sources of investment funds and the reason therefor; (C) availability and character of investment funds for national, local, and independent enterprise and the effect of such investment or lack of investment upon different classes or size groups in industry; (D) and needs, by industry, for various types of capital.

(2) The problem of the effectiveness and coordination of monetary, credit, and fiscal policies in dealing with general economic policy.

(3) The problem of low-income families in relation to economic instability.

(4) The problem of unemployment trends and their significance in current economic analysis.

SEC. 2. The joint committee shall report to the Senate and the House of Representatives not later than December 31, 1949, the results of its study and investigation, together with such recommendations as it may deem advisable.

SEC. 3. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized (1) to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties; and (2) to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-first Congress prior to January 1, 1950; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths; to take such testimony; to have such printing and binding done; and to make such expenditures as it deems advisable. The cost of stenographic services in reporting hearings shall not be in excess of 25 cents per 100 words. Subpenas shall be issued under the signature of the chairman or vice chairman of the joint committee and shall be served by any person designated by them.

SEC. 4. The expenses of the joint committee under this resolution, which shall not exceed $30,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

AMENDMENT OF RULE RELATING TO CERTAIN REPORTS OF COMMITTEES

Mr. CORDON submitted the following resolution (S. Res. 95), which was referred to the Committee on Rules and Administration:

Resolved, That rule XXIX of the Standing Rules of the Senate is amended by adding at the end thereof the following new subsection:

"4. Whenever a committee reports a bill or a joint resolution repealing or amending any statute or part thereof, it shall make a report thereon and shall include in such report or in an accompanying document (to be prepared by the staff of such committee) (a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee. This subsection shall not apply to any such report in which it is stated that, in the opinion of the committee, it is necessary to dispense with the requirements of this subsection to expedite the business of the Senate."

INVESTIGATION OF ADMINISTRATION OF BUREAU OF RECLAMATION

Mr. DOWNEY submitted the following resolution (S. Res. 96), which was referred to the Committee on Interior and Insular Affairs:

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the administration of the Bureau of Reclamation and any activities of the Department of the Interior relating thereto, including, but not limited to, (a) excessive costs in the design and construction of projects under the Federal reclamation laws, including the engineering and administrative overhead on such projects; (b) wasteful and unnecessary expenditures in the employment of personnel at the Washington office, and at regional and project offices; (c) the inaccuracy of statements filed with the Congress on the financial feasibility of projects, including the suppression of pertinent information in connection therewith; (d) violation by officials and employees of the Bureau of Reclamation of section 1913 of title 18 of the United States Code in attempting to influence Members of Congress in connection with legislation or appropriations; (e) practices and policies of the Bureau of Reclamation that result in

inefficiency of its operations; (f) the use of unqualified employees in engineering positions in violation of Federal civil-service and other rules and regulations; and (g) any other activities of officials or employees of the Bureau of Reclamation in violation of the laws of the United States or the intent of the Congress regarding the expenditure of appropriations, the employment of personnel, or the general conduct of the Bureau of Reclamation's responsibilities. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable concerning additional legislation, or such other action as it believes the Congress should adopt.

TRANSMISSION OF CERTAIN DOCUMENTS IN SENATE FILES TO DETROIT (MICH.) HISTORICAL COMMISSION

Mr. VANDENBERG submitted the following resolution (S. Res. 97), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed, as far as practicable, to have photostatic copies made of the following papers and documents in the files of the Senate; that such photostatic copies be deposited in the files, and that the originals be thereupon transmitted to the Detroit Historical Commission at Detroit, Mich., namely:

A grant or deed, signed at Detroit on December 23, 1760, from four principal Indian chiefs, on behalf of certain Indians, conveying to one Robert Rogers a certain tract of land on the south side of Lake Superior;

A report dated December 12, 1806, made by the Governor, the Chief Judge, and the Associate Judge of the Territory of Michigan to the Congress of the United States, pursuant to an act to provide for the adjustment of titles of land in the town of Detroit and Territory of Michigan, accompanied by a plan of one section of Detroit, January 1807, and a plan of the city of Detroit, drawn by Abyah Hull, Surveyor of Michigan, January 1807.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. BRIDGES (for himself and Mr. McCARRAN) submitted two amendments intended to be proposed by them, jointly, to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which were ordered to lie on the table and to be printed.

Mr. BALDWIN and Mr. BREWSTER each submitted an amendment intended to be proposed by them, respectively, to Senate bill 1209, supra, which were ordered to lie on the table and to be printed.

READJUSTMENT OF CERTAIN CORPORATION NET INCOME TAX RATES—AMENDMENT

Mr. FREAR. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 3761) to readjust the tax rates applicable to corporation net income in order to impose a lesser tax burden on small corporations.

This amendment is intended to benefit small business by lowering the tax rate on earnings of $75,000 or less, while authorizing proportionate increases on those corporations whose income ranges from $75,000 up.

The table which I have prepared gives a detailed break-down of the present and proposed tax rates as outlined in the bill. It indicates by example, as a further explanation, the present and proposed taxes on corporate earnings from $25,000 up to $1,000,000.

It is my feeling that many small-business establishments throughout the Nation will stand to benefit considerably if this bill is enacted into law.

I ask unanimous consent that the table be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, referred to the Committee on Finance, and printed; and, without objection, the table will be printed in the RECORD.

The table is as follows:

PRESENT RATES

	Percent
Corporations, $25,000 or less:	
Normal tax:	
First $5,000	15
$5,000 to $20,000	17
$20,000 to $25,000	19
Surtax	6
Corporations, $25,000 to $50,000:	
Normal tax: $4,250 plus 31 percent on income over $25,000.	
Surtax: $1,500 plus 22 percent on income over $25,000.	
Corporations over $50,000:	
Normal tax	24
Surtax	14

PROPOSED RATES

Corporations, $25,000 or less:	
Normal tax:	
First $5,000	3
$5,000 to $20,000	5
$20,000 to $25,000	7
Surtax	4
Corporations, $25,000 to $75,000:	
Normal tax: $1,250 plus 35 percent on income over $25,000.	
Surtax: $1,000 plus 19 percent on income over $25,000.	
Corporations over $75,000:	
Normal tax	25
Surtax	14

Corporations with incomes of—	Now pay—	Would pay—
$2,500	$525	$175
$5,000	1,050	350
$7,500	1,625	575
$10,000	2,200	800
$12,500	2,775	1,025
$15,000	3,350	1,250
$17,500	3,925	1,475
$20,000	4,500	1,700
$22,500	5,125	1,975
$25,000	5,750	2,250
$30,000	8,400	4,950
$40,000	13,700	10,350
$50,000	19,000	15,750
$60,000	22,800	21,150
$65,000	24,700	23,850
$70,000	26,600	26,550
$75,000	28,500	29,250
$100,000	38,000	39,000
$1,000,000	380,000	390,000

THE AMERICAN NATIONAL THEATER AND ACADEMY—STATEMENT BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a statement prepared by him on the American National Theater and Academy, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—ADDRESS BY SENATOR WILLIAMS

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD a radio address delivered by him at Wilmington, Del., on March 27, 1949, outlining his reasons for opposing the legislation pending before the Congress providing for Federal aid to education, which appears in the Appendix.]

HEALTH INSURANCE—COMMENT ON ARTICLE BY SENATOR MURRAY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article from the Pacific Northwest Cooperator commenting on an article by Senator MURRAY in the Progressive regarding the activities of the American Medical Association and health insurance, which appears in the Appendix.]

JEOPARDY—POEM BY JAMES PATRICK McGOVERN

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a poem entitled "Jeopardy," written by James Patrick McGovern, which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3704) to provide additional revenue for the District of Columbia, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 3704) to provide additional revenue for the District of Columbia, was read twice by its title, and referred to the Committee on the District of Columbia.

EXTENSION OF RENT CONTROL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BRICKER. Mr. President, I send to the desk a motion which I wish to submit in regard to the pending conference report.

The VICE PRESIDENT. The motion will be read for the information of the Senate.

The Chief Clerk read as follows:

I move that the conference report on the bill (H. R. 1731) be recommitted to the committee of conference.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio.

Mr. BRICKER. Mr. President, I appreciate the pressure under which we are working on the floor of the Senate, both early and late. I have no desire to delay the consideration of the conference report, the ECA bill, or any other legislation. However, I think it is vitally important—perhaps it is the most important question which confronts us—to consider whether we are violating our constitutional duty. We listened with great interest just a moment ago to the oath which is taken by every Member of the Senate, to defend the Constitution of the United States. That means that a Senator is under obligation to vote his convictions according to the terms of the Constitution.

Mr. President, we have passed in this body a rent control bill. That bill provided, in substance, that the owners of rental property should receive, at the end of the first 6 months period under this bill, a 5 percent increase in their rental, and at the end of 12 months, a second 5 percent increase. I think it was the intention of everyone that something be

done at this time, 4 years after the end of the war, for those who have carried a disproportionate part of the burden of reconstruction. That view was expressed on every hand, on the floor of the Senate, and I believe by practically all the witnesses before the committee. It was felt that some relief should be given to those who own property.

The House passed a bill containing a provision for a reasonable return upon the reasonable value of the property. That amendment was submitted on the floor of the Senate and was rejected. The Senate preferred the bill which we passed, giving an increase across the board of 5 percent plus 5 percent. I will say very frankly that I favor the House provision. It gives the increase where the increase is needed. The Senate bill gives an increase across the board, to those who do not need it as well as to those who do.

I am not in favor at this time, and have not been in favor of eliminating rent control entirely. I submitted an amendment providing for 6 months control, and for 6 months of eviction control after that period. That amendment was voted down.

The time has come—it is here now, and it will be here 6 months from now—to turn this problem back to the States, who have the police power to control rents. In the enactment of this bill we are still operating under the war powers 4 years after the end of the war; and justice has not been done to the property owners during those 4 years. This is the last segment of our economic life which is yet subjected to controls under the war powers. Rent control is a penalty upon thrift. It is a deprivation of the use of property of those who have saved their money and bought property for rental purposes. We should look seriously at this problem.

What happened in the conference? The conferees took from the bill any benefit which might accrue to the general class of property owners. They struck out the Senate section providing for an increase of 5 percent plus 5 percent. They eliminated the House provision allowing a reasonable return upon a reasonable value, and substituted for it nothing in addition to what property owners have under the present law. That fact was admitted on the floor of the Senate by the chairman of the committee, as reported in last night's press.

I have tried to get from the discussion which occurred last night, as I tried to get from the discussions in the committee, an understanding of what "fair net operating income" means. I do not think there are two Members of the Senate who will agree as to what "fair net operating income" means. The conference committee attempted to define that term in order to show what they were trying to do. At the end of the conference, the Senate Members of the committee who are lawyers asked, "How are we going to report this to the Senate? What are we going to say about the meaning of this provision?" There was no unanimity of opinion about it; no one could advise them what this portion of the report should contain or even what this section of the proposed law meant.

Mr. President, there are other provisions of the conference report which I should like to discuss, but I shall confine my remarks to what was done to insure to the property owner a fair or reasonable return upon his property. There is nothing in the conference report which gives any consideration to the value of the property which is being used. Senators talk about "fair net operating income" but this is what the conference report states:

> In making and recommending individual and general adjustments to remove hardships—

So, Mr. President, action will be taken only in hardship cases. I suppose a hardship case is one in which an owner can no longer operate his property; he cannot keep his property in fit condition for tenants to live in. That will be the definition of "hardship," as I see it; and in most instances that is the definition which has been given to it by the Expediter under the present law.

I read further:

> or to correct other inequities, the Housing Expediter and the local boards shall observe the principle—

Note this—

> of maintaining maximum rents for controlled housing accommodations, so far as is practicable—

That leaves it wide open; that phrase gives the Administrator authority to do whatever he wishes to do. If he does not think it is practicable, he does not grant relief. Even if he does think it is practicable, perhaps he will not do it, anyway.

I read further:

> at levels which will yield to landlords a fair net operating income from such housing accommodations.

Mr. President, I defy any Member of this body or any person anywhere else—any accountant or any lawyer—to define for me what "fair net operating income" means. There was some confusion in the Senate Chamber yesterday, even among the members of the committee who are sponsoring this measure, as to whether fair net operating income includes depreciation or does not include depreciation. One Senator says it does; another Senator says it does not. I do not know, and obviously it would be very difficult for the Administrator to know what the meaning was, in attempting to administer this proposed law.

I continue to read:

> In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration—

Mr. President, what "due consideration" is, I do not know. That is another indefinite term, which will result in leaving the matter entirely to the Expediter. He will be able to give little consideration or he will be able to give much consideration, according to his own personal whim as to the meaning of due consideration.

I read further:

> shall be given to the following, among other relevant factors:

I suppose the relevant factors can be thrown in by the Expediter at will; he can consider just what he wishes to consider. This language leaves the matter entirely to the judgment or opinion or idea of the Expediter. The Expediter will be able to do just as he pleases, which is what he has been doing all along. So this conference report provides for no change in the law under which rent control has heretofore been administered. The conferees have wiped out entirely the corresponding provisions of the bill as it was passed by the House and the bill as it was passed by the Senate, and they have substituted nothing for it.

I read further:

> (A) Increases in property taxes.

Mr. President, all of us know that property taxes have been increased and are increasing and of course taxes must be paid. The Expediter has had to consider property taxes, if he has considered hardship cases at all.

Next we find:

> (B) Unavoidable increases in operating and maintenance expenses.

What they are, Mr. President, I do not know; and I defy any Member of the Senate to tell me in clear English language what that phrase means. Do Senators think it means the expense of keeping a roof on the property, or the expense of painting the house every 2 years or every 3 years? When would such an expense be unavoidable and when would it be avoidable? I suppose it would not really be necessary to paint the house at all, if it did not fall down; but certainly painting is an item of expense. Under this provision the Expediter could say, "You have painted it too much, and that was avoidable"; or he could say, "It is unavoidable," and take it into consideration.

I read further:

> (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance.

I presume that means additions to the property or the building of another room or the installation of a new furnace or something of that kind. But the matter is still left to the judgment of the Expediter; he will be able to adopt whatever rules he wishes to adopt.

Mr. President, under this measure the Senate and the House will have abdicated their responsibility, and will have turned it over to the Expediter, who has made such a mess of this matter up to the present time.

I read further:

> (D) increases or decreases in living space, services, furniture, furnishings, or equipment.

Again there is a great deal of confusion as to the meaning and application of that provision.

Next:

> (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

Mr. President, those are the rules of confusion nine times confounded under which we expect the Expediter to carry out his responsibilities.

It was a simple matter to provide for a 5-percent increase straight across the board, although I did not favor it. It is a simple matter and a fair matter to

provide for a reasonable return upon the reasonable value of the property. But when we deny, as the conference bill does deny, to the owners of property a reasonable return for the use of their property by tenants, we are violating a constitutional principle that is as old as the country itself—namely, that property cannot be taken without due process of law, and property cannot be taken for public use without the payment of just compensation to the owners.

Here the Congress of the United States is authorizing the Expediter to say to the group of landowners or property owners, "We are going to take your property for public use; we are going to turn it over to another class; and if you do not have a hardship case, you are not entitled to any relief whatever, the Constitution of the United States to the contrary notwithstanding."

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

Mr. BRICKER. I yield.

Mr. ELLENDER. I understand that the distinguished Senator from Ohio was a member of the conference committee. Am I correct?

Mr. BRICKER. That is correct.

Mr. ELLENDER. Did the Senator attend all the meetings of the conference committee?

Mr. BRICKER. I attended all the meetings of the conference committee except those on Saturday.

Mr. ELLENDER. What assurance can the Senator give to the Senate that the House of Representatives will change its mind and will agree to some of the proposals submitted to us now by the Senator?

Mr. BRICKER. I am quite sure the House would change its mind if this report should be recommitted. The House voted for the Brown amendment, which was deleted by the conference committee by a vote of 3 to 1, as I recall; and it was rejected by the Senate by only 8 or 10 votes.

Mr. ELLENDER. What I have in mind is the provision for an automatic rent increase of 5 percent in April and again in October, a provision to which the Senator has subscribed. I believe that is the main issue; is it not?

Mr. BRICKER. The main issue is over the question of whether the committee of conference will accept that or will accept the provision in the bill as passed by the House, which is the Brown amendment.

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

Mr. BRICKER. I yield.

Mr. SPARKMAN. The Senator from Ohio was not present on Saturday in the conference committee when we went into figures which were given to us as a result of a survey and sampling in 20 different cities, as I recall.

Mr. BRICKER. Is that in the record?

Mr. SPARKMAN. By those figures it was clearly demonstrated that under the Brown amendment there would be more rolling back of rents than there would be adjustments granted; and it was admitted by the conferees on the part of the House, in the course of those discussions, that that would be true.

Mr. BRICKER. I have no objection to that. If that is what results from a "fair return," let us have a fair return. If it means roll backs, let us have roll backs.

I do not ask for anything but a fair return, and I do not see how any Member of the Senate who has taken the oath which we heard administered a few moments ago can say to property owners, "You are not entitled to a fair return upon your property which is used by another group or class of citizens in this country."

Mr. SPARKMAN. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. SPARKMAN. What is the difference, in the Senator's opinion, between "fair return" and "fair income?"

Mr. BRICKER. Under the definition here given to us——

Mr. SPARKMAN. Let me say, if I may interrupt, that we have tried to write into this conference report or agreement, assurance of a fair income, and let me say that I know the Senator was sincere in his representations in the subcommittee and in the full committee and in the conference committee. He knew, as I knew and as every other member of the committee knew, that throughout the country there are a great many landlords, particularly small ones, who need relief; and I say that the provision we wrote into the conference report gives more relief than the so-called Brown amendment would have given.

Mr. BRICKER. That may be the opinion of the Senator, but I beg honestly to differ with him. I agree that the conference committee tried to write an amendment which would give relief to small landlords. But operating income is not the measure of the value of the use of the property, and cannot be made so by any stretch of the imagination. I claim that the amendment which is submitted by the conference committee is absolutely unworkable, that it is meaningless, that it has not changed the law under which we are operating and under which the Administrator has made such a mess of the rental situation throughout the country

The Senator mentioned small property owners. They are the ones in which I am interested. Eighty-three percent of the rental units of the country are owned by people who own four or less rental units. I have seen the statistics which have been submitted by the Rent Control Expediter, and I want to say honestly to the Senate that they are distorted figures in most instances, and I do not take them as credible or as a yardstick for my action in voting for or against the amendment. But let me cite another instance of what the conference committee did that ought to be clarified. Heretofore, if the Expediter and his representatives—and there are 500 or 600 subsidiary rent-control offices throughout the country—wanted to go into the premises of a landlord or of a renter, he had to get a court order to do it. But now, under the conference bill it is proposed that the Rent Expediter shall have power to go into the homes and inspect them in carrying out his duties without ever going to court and asking for the authority of a court order to do so. It is a fundamental concept of law that "a man's home is his castle," and even his government or its agents, unless they have a court order, cannot violate his right of occupancy of his home against trespassers. Yet under the conference report, the Expediter, greedy for power and disregarding the rights of the average citizen of America who owns or rents property, will be able, without a court order, to violate the owner's premises and trespass upon them under the authority granted him by the Congress in this section of the law.

If the chairman will remember, I asked, why not take that out? He said, "The Expediter will not go into the owner's premises, anyway, unless he is properly admitted." Then why not take out the provision? Unless we expect him to use the power, there is no reason for putting that section in the bill. It was called to the attention of the committee that this power is inconsistent with the principles of the Constitution and ought to be reconsidered and deleted from the law.

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

Mr. BRICKER. I yield.

Mr. SPARKMAN. I am sure the Senator remembers that on that point, the Senate conferees receded and agreed to the language in the House bill, which, as a matter of fact, did not go so far as the language of the Senate bill did. In the bill as passed by the Senate, we authorized the Expediter to go into any housing accommodations in a defense-rental area. But under the agreement of the conference, we adopted the House language, which restricted his right of entry into controlled housing accommodations. So the committee's provision is narrower than that which the Senate passed.

Mr. BRICKER. Insofar as it is, it is an improvement.

Mr. President, I do not desire to delay the consideration of the conference report, but I do most earnestly insist that since the conference has deleted the most important provision put in the bill by the Senate and also the most important provision, and the only one to give any relief, put in by the House, and has substituted nothing for it, the report should be recommitted to the conference for further consideration.

Mr. CAIN. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. CAIN. I think the conferees on the rent-control bill exceeded their authority with respect to one of the provisions of the bill as agreed to on March 23, 1949, by the Senate. I should like to ask the Vice President's advice as to how I should proceed from this point, in establishing what I think is legitimately a point of order.

The VICE PRESIDENT. The Senator from Washington, in the first place, will state the point of order and the particular provisions he has in mind that violate the rule in regard to conference reports.

Mr. CAIN. On March 23, 1949, when the Senate passed its version of a rent-control bill, for 1949 and 1950, it ap-

proved subsection 5 of section 201, under title II, entitled "Maximum Rents."

This provision provided for the decontrol of what are commonly referred to as luxury accommodations. With the permission of the Chair I should like to read the provision as passed by the Senate several short days ago, as it appears at page 3031 of the RECORD of March 23:

(5) Luxury housing accommodations, defined as any unfurnished apartment occupied by a single family rented for $290 per month or more as of the date of the enactment of the Housing and Rent Act of 1949, or any lesser figure which the Housing Expediter may determine as representative of rentals for luxury accommodations in any defense rental area, or portion thereof.

Mr. President, the real meaning, as I see it, of the provision is simply that all single-family unfurnished accommodations throughout America renting for $290 a month or more as of the date of passage of the Housing and Rent Act for 1949, are to be decontrolled. The Banking and Currency Committee of the Senate placed no restrictions of any kind, character, or description on the authority granted to the Expediter as a mandatory provision to decontrol automatically accommodations for single-family accommodations renting for $290 a month or more.

With respect to this problem the Banking and Currency Committee of the House either gave the problem of what to do with luxury accommodations no consideration at all, or, if they gave the problem any consideration, it was not reflected in the House version of a rent-control bill for 1949. Therefore the Senate conferees went into conference with the provision I have just read and were confronted with the absence of any provision covering the same subject, passed by the House. How it was then determined to change the provision which the Senate had agreed to and the House had taken no action upon, I do not know. But within the conference itself it was agreed to change the wording, the substance, and the intention of subsection 5 of section 204 (b), of title II, "Maximum rents." I shall quote now only the words as they appear in the conference report, a copy of which I assume is on the desk of every Senator. The section in question will be found on page 6. It is, in the conference report, subsection (C) of section 204, and it reads as follows:

(c) Section 204 (e) of the Housing and Rent Act of 1947, as amended, is amended by adding after the first sentence thereof the following new sentence: "The Housing Expediter is further authorized and directed to remove maximum rents for any or all luxury housing accommodations in any defense-rental area or portion thereof, if in his judgment such action would result in the creation of additional rental units by conversion."

Mr. President, I submit that what the conference agreed to certainly exceeded the intention of the action taken by the Senate, when it said that all luxury accommodations renting for $290 a month or more, should automatically, on the passage of the bill, be decontrolled. This is what the conferees agreed to do: They agreed to strike out the figure $290 and to say only that a luxury accommodation is what is commonly understood throughout the country to be a luxury accommodation, and that such accommodation can be decontrolled by the Housing Expediter only if, in the judgment of the Expediter, additional rental units are made available on the general market.

I again submit, Mr. President, that it was not the intention of the Senate to place upon the decontrol of luxury accommodations renting for $290 a month or more any restriction whatsoever, of any kind, character, or description. What the conference agreed to, if the report is adopted by both Houses of the Congress, will amount, at least in my opinion, to this—and I shall cite one typical example: Let us assume that in New York City, where, obviously, there are many such examples, there is a particular apartment renting for $750 a month, presently under control. Under the provision of the conference report, that unit, renting today for $750 a month, is impossible of being decontrolled unless, in the opinion of the Expediter, additional rental units are to be made available pursuant to that decontrol.

That, Mr. President, was not the intention of any Senator, to my knowledge, at any time during which, over a period of several weeks, it was agreed, first by the Housing and Rent Subcommittee of the Committee on Banking and Currency, and then by the Senate, that there must be within the field of controlled rental units a category of controlled units which could certainly be decontrolled throughout the Nation without bringing harm or injury to either tenants, on the one hand, or property owners on the other.

Mr. President, this is no new problem. The declaration of policy is today exactly what it was when the rent-control bill was passed in 1947. That declaration of policy, among other things, said, in effect:

It is the considered opinion and best judgment of the Congress of the United States that America shall rid itself of controls at the earliest possible moment.

The provision with reference to luxury accommodations, which was first agreed to by the Senate, was an attempt on the part of the Senate, in 1949, to recognize the declaration of policy in moving toward decontrol in a field in which there would be no injury to any American citizen.

Mr. President, I remember, sir, that we had a similar discussion a year ago. The Banking and Currency Committee a year ago agreed to a provision comparable to the one which the Senate passed with reference to luxury accommodations in 1949. Part of the reasoning behind the adoption of that provision in 1948 was that there are limits in terms of rent control above which neither tenant nor property owner is entitled to, or in need of, any conceivable degree of protection from the Federal Government.

I submit, therefore, Mr. President, that what the conference has done—and I say it has not done it intentionally, and certainly the action taken was in good faith, but, nonetheless, the action which has been taken by the conference repudiates the considered judgment of this body and assumes to recognize that in the year 1949, several years after the war has ended, tenants paying $500, $600, $700, and $1,000 a month are continuing in need of protection from the Federal Government.

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

Mr. CAIN. I shall be very pleased to yield to the Senator from New York.

Mr. IVES. The junior Senator from New York, in view of the facts the able Senator from Washington has brought into the discussion, would like to ask the Senator from Washington if it was not the intent and has not been continually the intent of the Senate, at least during the past year, to begin to decontrol as quickly as such decontrol might be possible, in line with existing housing conditions, and that, as a beginning of that effort, decontrolling at the top rather than at the bottom was thought to be most desirable, and that this is the first direct effort along that line. Is that correct?

Mr. CAIN. I should like to respond to the junior Senator from New York by again reminding him that the declaration of policy in the present bill is exactly as it was in 1947, which declares it to be the intention of Congress to move toward decontrol. In furtherance of that response I should like to say——

Mr. IVES. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. IVES. The point which the Senator from New York would like to make is simply this, by way of a question: In the proposal in the conference report, does it not become more or less evident that the original intent of the Senate by this process is abandoned?

Mr. CAIN. The answer to that question, from my point of view, and, I hope, from the point of view of every other Senator, is an obvious one, that the action taken by the conference entirely repudiates the instructions of the Senate to the Senate conferees as they went into the conference. The repudiation is on the basis that it was the intention of the Senate to decontrol wherever decontrol could be safely undertaken, without injury to any of the parties involved. What the conference has actually done is to say that unless decontrol of a luxury apartment shall result through conversion of some additional housing units, beginning not at any particular figure, but including, presumably, all figures, it shall not be decontrolled.

Mr. IVES. Mr. President, will the Senator yield for one further question?

Mr. CAIN. The Senator will be very happy to yield.

Mr. IVES. From all the things being stated by the Senator from Washington, it would appear that the conference report carries out neither the intention of the House nor the intention of the Senate. Is that correct?

Mr. CAIN. I think the Senator's conclusion is precisely accurate, for the reason that, undoubtedly, it does not carry out the intention of the Senate, and I can only assume it does not carry out the intention of the House, because the House did not even reflect on the subject of luxury accommodation.

Mr. President, I have enjoyed this opportunity to call to the attention of the Members of the Senate individually what to me is a seeming contradiction, and a departure from the intention of the Senate.

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

Mr. CAIN. I am glad to yield.

The VICE PRESIDENT. This argument, of course, is addressed to the Chair on the point of order.

Mr. WHERRY. In order to bring out possibly another point involved, may I ask the Senator from Washington if he is not now setting up the premise that rule XXVII has been violated by the conferees in inserting new matter in the report? Is that correct?

Mr. CAIN. That is my understanding.

Mr. WHERRY. Then I suggest to the able Senator that the rule also provides that if matters which were agreed to by both Houses are stricken from the bill a point of order may be made against it. I ask the able Senator from Washington if it is not true that the conferees took out not only the Senate provision as to a 5-percent automatic increase but also the House provision for a reasonable return? Are they not both out of the bill, and in their place is there not a new provision found on page 2, which is the point the Senator from Ohio has been making, that a fair operating return or expense will be allowed? Is not that new matter inserted in place of two provisions, one adopted in the Senate and one adopted in the House, which are completely stricken from the bill?

Mr. CAIN. The Senator from Washington suggests to the Senator from Nebraska that the Senator from Ohio is better qualified to answer his question, though my response to the question would be that as the conference appears to have disregarded the luxury provision adopted by the Senate, it likewise has disregarded the position of both the House on the one hand and the Senate on the other with reference, first, to a fair return on a fair value, and, second, a 5-and-5-percent increase, as agreed to by the Senate.

Mr. BRICKER. Mr. President, was a question directed to me?

Mr. CAIN. Let me say to the Senator from Ohio that the Senator from Nebraska asked me whether in my opinion the conference had not exceeded its authority in failing to recognize either the House provision respecting a fair return on a fair value, or the Senate provision as to a 5-and-5-percent increase, and I suggested that the Senator from Ohio would be better qualified to answer the question.

Mr. BRICKER. What the Senator has stated as his conclusion is exactly my point, and I have moved that the report be recommitted to the conference committee for further consideration.

Mr. CAIN. Mr. President, having no desire unnecessarily to take up the time of the Senate, let me in summary say only that I would ask very seriously that the Chair read, at his convenience, the two provisions to which I have referred, one covering luxury housing accommodations as provided for in the Senate amendment which was adopted on March 23, 1949, and, secondly, the luxury accommodation provision provided for in the conference report.

I should like to think that the Vice President, after a thoughtful study of those two provisions, might agree with the junior Senator from Washington that the conference has exceeded its authority by its failure to carry out the premeditated intention of the Senate, which was only in keeping with the declaration of policy in the Housing and Rent Act of 1947, the failure of the conference to include the provision in the conference agreement as the luxury housing accommodation proviso was agreed to on the floor of the Senate.

In conclusion, Mr. President, I read from Public Law 601, Seventy-ninth Congress, second session, chapter 753, a section which covers the point in question. Its title is "Conference Rules on Amendments in Nature of Substitute."

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

I suggest, Mr. President, that what the conference has agreed to in the field of luxury accommodations by no stretch of the imagination could be construed to be a germane modification of a subject within the two bills.

The VICE PRESIDENT. The motion of the Senator from Ohio to recommit the conference report takes precedence over the point of order, and therefore will have to be voted upon before a ruling on the point of order, because if the motion should prevail, there would be no need to rule on the point of order.

Mr. TAFT. Mr. President, I should like to explain, very briefly, why I intend to vote to return the report to the conference committee. It is certainly not with any intention of killing the bill, because I have every desire to vote for the bill, and indicated my approval of it when the Senate passed it.

It seems to me the conference committee has evaded, I do not say the rule, but the spirit of the two bills. The Senate inserted a provision for the protection of the landlords through the 5- and 5-percent increases. The House had adopted a provision regarding reasonable return on a reasonable value of the landlord's property. Instead of compromising the two in any way, or accepting the provision of either House, the conference committee eliminated both.

What the conferees inserted to my mind means nothing. It is exactly what is in the present law. It is in no sense what the House adopted or what the Senate adopted. So-called operating net income, or fair net operating income, necessarily, to my mind, excludes depreciation, in spite of the opinion of the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from South Carolina [Mr. MAYBANK]. Why insert the word "operating" at all unless depreciation, which is a direct out-of-pocket expense, is allowed?

I hope that if the conference report shall become the law, the Expediter may pay some attention to the opinion of the Senator from South Carolina and the Senator from Alabama, but I do not think he will. I think he will hold that the phrase does not include depreciation, and that net operating income refers more to cash income than to cash outgo.

Mr. SPARKMAN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Alabama.

Mr. SPARKMAN. I should like to assure the Senator from Ohio that depreciation is included as a part of operating expenses, at least in that part which is to be deducted from the gross rental income in order to arrive at the net operating income. That was discussed time after time in the conference committee. We even called in the deputy of the Housing Expediter and discussed it with him. It was thoroughly agreed and thoroughly understood by every member of the conference committee that depreciation was one of the factors to be taken into consideration in arriving at net-operating income.

Mr. TAFT. May I ask the Senator from Alabama a question?

Mr. SPARKMAN. Certainly.

Mr. TAFT. What, then, is the objection to the provision for a reasonable return on a reasonable value? Why did the conferees take out the words "reasonable value"?

Mr. SPARKMAN. We merely thought that the language in the conference report was more workable, more nearly administratively possible of enforcement, than the other language.

Mr. TAFT. Why does the Senator think that? That is what I should like to know.

Mr. SPARKMAN. Because under the other language it would be necessary not only to do exactly the same thing that would have to be done under the provision adopted, that is, the Expediter would have to determine what was a fair return, but he would have to make another determination as to what was the reasonable value of the property.

Mr. TAFT. How can he possibly determine what the reasonable depreciation charge is without first determining the reasonable value of the property?

Mr. SPARKMAN. Every person who owns a piece of property and files a personal income tax return puts in his return what the depreciation is. How simple that is. In the form provided there would be simply a space with the word "depreciation," and the landlord would put in exactly the amount the Commissioner of Internal Revenue recognizes.

Mr. TAFT. Why could not the same thing be done under the provision for a reasonable return on a reasonable value? That is a prima facie test. Every man carries his property on his books at some value on which he bases depreciation. Very well; that is the value I would think the Administrator would take, subject to correction if it were obviously out of line. It seems to me the only reason for substituting these words, which really have never been construed, the meaning of which no one understands, was to get

away from the valuation of property. If you include depreciation you do not get away from the valuation of property, and you should not do so.

Then I ask the Senator from Alabama, What does the word "fair" mean? Fair with relation to what?

Mr. SPARKMAN. The Expediter will determine in each area what fair is. I may ask the Senator from Ohio, What did he mean by the word "fair" in the amendment he offered when the bill was before the Senate?

Mr. TAFT. Reasonable return. I would say that 5 or 6 percent would be reasonable return. The New York law provides for 6 percent.

Mr. SPARKMAN. But the Senator did not say that in his amendment. He said fair return.

Mr. TAFT. That is correct.

Mr. SPARKMAN. Then it was up to the Expediter to decide.

Mr. TAFT. The term has a reasonable relation. It is generally recognized in utilities, in the railroads, that fair return is somewhere between 4½ and 7 percent on property. That is generally determined. But no one has ever determined what a fair net operating income is. What does the Senator mean by fair? Does he mean fair in relation to the value of the property?

Mr. SPARKMAN. My idea would be that the Expediter in each area, by a study as to comparable rents, the historical background of the rents in the particular area, would decide what would be a fair return for the rental of any particular house, and the rents would be adjusted in that way.

As a matter of fact, the Senator from Ohio has just said that there is similar language—not completely similar, but somewhat similar—in the regulations with reference to hardship cases. But the limitation in the existing law, to which the Senator from Ohio vigorously objected when the bill was on the floor, was inserted to make certain that the owner would not sustain a loss. Now we have lifted that out. We are saying further, "Do not stop simply at the point where he no longer sustains a loss. Lift it on up to the point where he is receiving a fair return from the rental for his property."

Mr. TAFT. I suggest to the Senator that by the time this law expires the Supreme Court will still not have determined what a fair net operating income is or what it is intended to mean. The term is so vague and so uncertain that I can see no recourse except to send the report back to the conference committee and let them rewrite it according to what they mean, and say what they mean. I can see no reason for changing the provisions of the Brown amendment, which was adopted by the House, except to get away from the question of valuation. The moment you get away from the question of valuation, the word "fair" means nothing, the word "operating" excludes depreciation, and I can see no possibility of anyone agreeing on what those words mean. Since they affect the money return on the property of millions of people in this country, I see no recourse except to ask the committee to reconsider the matter and write a definition which can be understood—about which there can be no dispute.

The VICE PRESIDENT. The question is on the motion of the Senator from Ohio [Mr. BRICKER].

Mr. FERGUSON. Mr. President, will the Senator from Alabama yield to me for a question?

Mr. SPARKMAN. I do not have the floor. I will accept it, if I may.

The VICE PRESIDENT. The Chair did not know the Senator was seeking the floor.

Mr. SPARKMAN. No; I was not. I did not have the floor, but if the Senator wants to ask a question, I will accept the floor, for the purpose of answering.

Mr. FERGUSON. I have a question in relation to——

The VICE PRESIDENT. The Senator from Alabama is recognized in order that he may yield to the Senator from Michigan for a question.

Mr. FERGUSON. The Senator from Alabama has indicated that under the interpretation of the words "fair net-operating income" a reasonable depreciation would be allowed.

Mr. SPARKMAN. That is correct.

Mr. FERGUSON. That is the way the Senator interprets it. Now I want to know whether there is included a reasonable return on the owner's investment. Is that included?

Mr. SPARKMAN. The question of valuation of the property is not taken into consideration. I mean that is not the base upon which the fair net operating income is determined.

Mr. FERGUSON. Very well. Then, as I understand, the value of the property will not be considered by the Expediter in allowing a return on the value of the property.

Mr. SPARKMAN. Certainly not. If the Senator means by that that the Expediter must make an appraisal of every piece of property, I will say to him that we are striving to get away from that impossible task with the machinery the Expediter has at his command.

Mr. FERGUSON. Very well. As I understand, then, an owner of property in the United States, after the bill is passed, will receive nothing except his out-of-pocket expenses in operating the building or the property, plus a reasonable depreciation. In other words, if the bill is enacted into law, and the law continues to be in operation for 30 years, what a man would end up with is the value of his property, that is the property on the land, the building, and he would receive nothing as a profit for his ownership of the land? Is that correct?

Mr. SPARKMAN. No, that is not correct.

Mr. FERGUSON. Very well. What would he receive?

Mr. SPARKMAN. Let me answer that a little more fully if I may. A man who has a piece of property which he is renting certainly has certain expenses in connection with the operation and maintenance of the property—such as taxes, insurance, upkeep, depreciation—expenses which are necessary in order to keep the rental property in a good shape and rentable condition. Every dime of that expense is counted as operating expenses. He collects so much rent. He can deduct every dime of that expense from the rent he receives. Then if he thinks he is not receiving as much return as he should receive, he can petition the Expediter, and the Expediter is directed under this provision to allow him a rental which will assure a fair net operating income; and net operating income means the gross income from his rent, minus all the expenses of operation and maintenance, and minus depreciation on the property.

Mr. FERGUSON. But he receives nothing so far as a profit or increment on the value of the property is concerned. He receives his out-of-pocket expense plus depreciation, and he receives nothing else.

Mr. SPARKMAN. Yes; he does.

Mr. FERGUSON. What does he receive?

Mr. SPARKMAN. In fact, the Senator from Michigan omits the principal item.

Mr. FERGUSON. What is it?

Mr. SPARKMAN. He receives a fair income over and above the items the Senator from Michigan has mentioned. I do not see how anything could be clearer than that. Under the law as it stands now the Expediter is directed in hardship cases to consider every single one of the factors I have mentioned, and to allow the owner a rental that will prevent him from losing anything. There was nothing mysterious about that provision of law. That has been in the law all along. No one has ever raised the question.

Mr. FERGUSON. In other words, under the law as it is, the Senator claims the owner is entitled to only his out-of-pocket operating costs?

Mr. SPARKMAN. No.

Mr. FERGUSON. Now the Senator proposes to give him a fair profit above that?

Mr. SPARKMAN. It all depends on whether or not the Senator from Michigan intends to include in his out-of-pocket operating cost the depreciation item also. I hope the Senator will keep that in mind, because it is included.

Mr. FERGUSON. I cannot see how allowing a man depreciation is allowing him any money for the use of his property. It is only making him whole.

Mr. SPARKMAN. Depreciation is included, along with the various expenses of operation and maintenance, in determining whether or not the owner is breaking even. The present law simply requires the Expediter to see that the owner breaks even. But we go beyond that. We say that that is not sufficient; that he must have an income over and above that.

Mr. FERGUSON. How much?

Mr. SPARKMAN. We have left it up to the Expediter to see that the property owner breaks even. Now we are leaving it to the Expediter to determine how much he ought to get above that, in order to have a fair net income.

Mr. BRICKER. Mr. President, will the Senator yield

Mr. SPARKMAN. I yield.

Mr. BRICKER. I have tried to read into section 204, subparagraph (b), the

interpretation placed upon it by the distinguished Senator with regard to the depreciation factor. Where in that wording does the Senator find the language which would require taking into consideration depreciation in fixing a return?

Mr. SPARKMAN. I invite the Senator's attention to the fact that the language is this:

> In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair net operating income from such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration shall be given to the following among other relevant factors:

We are saying that these are not the only factors to be taken into consideration. Let me say to the Senator that during the discussion, from which he was unfortunately absent all day Saturday, when we were in session for 7 hours——

Mr. BRICKER. I heard enough of that kind of discussion for 3 days without being enlightened.

Mr. SPARKMAN. The Senator should have been present on Saturday also, when this particular issue was discussed over and over. Every member of the conference who was present understood clearly that depreciation was to be included.

Mr. BRICKER. What I am asking the Senator is, Where in this section is it provided that depreciation is to be included? That is what I am trying to ascertain.

Mr. SPARKMAN. It does not say so in so many words, but it does provide for other relevant factors. That question was not completely overlooked in the committee. It came up in the conference committee.

Mr. BRICKER. It was discussed while I was there.

Mr. SPARKMAN. It was discussed on Saturday. We called on Mr. Dupree, the deputy to the Housing Administrator, to get his opinion on it, and he stated that depreciation, once determined in any particular area, would be a constant factor. It did not matter whether it was spelled out or not.

Let me invite the Senator's attention to the fact that this language, as agreed to, was really prepared and very largely stated by the able Senator from Vermont [Mr. FLANDERS], who is unable to be with us today. He came to the conference yesterday with an infected throat, against the advice of his physician, and had to leave the conference. But he submitted this language. I know, as does every other Senate conferee, that he made a determined effort to use the House language of the Brown amendment so far as it was possible to do so, and these factors were spelled out in just this manner in the amendment as it came from the House, and in the amendment which the Senator from Ohio submitted to the Senate when the bill was before us for consideration.

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

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. The Senator's last remark is precisely the point I wish to make. In the debate on the bill on the 23d of March the Senator from Ohio [Mr. BRICKER] proposed an amendment, which was identical in language with the language which was adopted, with the exception of "fair return on reasonable value." We took the wording of the Senator from Ohio precisely with reference to "substantial deterioration of the housing accommodations, other than ordinary repair or failure to perform ordinary repair, replacement, or maintenance." So if there is a defect in the present language, it is taken from the proposal submitted by the very able junior Senator from Ohio, and it certainly seems to be identical with that which he proposed. I presume it was satisfactory to him at that time.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Illinois. His statement is correct. I am sorry that I do not have the original proposal submitted by the able Senator from Vermont [Mr. FLANDERS]. I should like to point out how few words in the so-called Brown amendment were changed. I dare say Senators would be amazed to see how few words were changed in that amendment, in order to get this language. We simply changed it from "fair return on reasonable value" to "fair net-operating income."

Mr. BRICKER. That, of course, was the most important part, I submit to the Senator.

Mr. SPARKMAN. I am not saying that it was not the heart of it, because it was. But the point I am trying to make is that so many of the things to which objection has been raised today were in the Brown amendment, the very amendment offered by the junior Senator from Ohio [Mr. BRICKER]. and the senior Senator from Ohio [Mr. TAFT] when the bill was before the Senate originally.

Mr. BRICKER. But reasonable value and depreciation on value and other relevant cost factors in relation to value are entirely different things from "fair net operating income." I again ask the Senator from Alabama if there is any place in this language which requires consideration of depreciation in finding fair net operating income, except that the Expediter's attorney came before the committee and said that it would be determined in a certain manner?

Mr. SPARKMAN. Remember, the Brown amendment from the House and the Bricker amendment——

Mr. BRICKER. I was dealing in my amendment with fair value, and with a fair return upon fair value. Fair value takes into consideration depreciation, under every rule of accounting and every principle of law.

Mr. SPARKMAN. I remind the able Senator from Ohio that in determining the fair value and the fair return the Bricker amendment had exactly the same wording that this section has. It had the wording with reference to other relevant factors, and they were spelled out—(A), (B), (C), (D), and (E)—in exactly the words we have here. There has not been a single word changed. So if the Bricker amendment included depreciation, the conference report includes depreciation.

Mr. BRICKER. But depreciation on fair value of property is a well defined thing. Depreciation, when it is applied to a fair net operating income, is practically meaningless. Is not that correct?

Mr. SPARKMAN. I am sorry that I failed to catch the Senator's question.

Mr. BRICKER. Depreciation when applied to an actual value is a very real and tangible thing. When applied to fair net operating income, it is meaningless.

Mr. SPARKMAN. It is certainly just as real as we can make it with our statement.

Mr. BRICKER. I ask the Senator—and I do not do so merely for the purpose of repetition—whether there is anything in this section which would require the Expediter to take into consideration normal depreciation on property, which is, of course, the using up of the property. Is there anything in this section which requires him to take that factor into consideration in fixing fair net operating income?

Mr. SPARKMAN. We believe there is.

Mr. BRICKER. Where is it? I should like to read it.

Mr. SPARKMAN. I shall be glad to submit it in the same language that the Senator from Ohio submitted his amendment.

Mr. BRICKER. Let us get away from that. I want to know where, in this section, there is anything which requires taking into consideration normal depreciation on property in fixing a fair net operating income.

Mr. SPARKMAN. It cannot be found in specific words; nor could it be found in specific words in the Brown amendment or the Bricker amendment.

Mr. BRICKER. But a fair return on fair value is entirely different from fixing a fair net operating income, upon which depreciation has no pertinent bearing at all.

Mr. SPARKMAN. The Senator from Ohio states that his "fair return on reasonable value" would have taken depreciation into consideration. Let us consider that statement coming from the Senator from Ohio. It cannot be found in so many words in the amendment he offered. Yet he says that was his intention.

Let me say just as earnestly and just as sincerely as the Senator from Ohio has said that within the meaning of the amendment we agreed to, depreciation is to be allowed, and it was so understood by every member of the conference committee.

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

Mr. SPARKMAN. I yield.

Mr. ANDERSON. I should like to suggest that in determining "fair net operating income," one would naturally take into consideration the expenses which might be paid for a janitor. That

is not spelled out in the language used; but any person who has ever kept a set of books in his life, particularly those which relate to the investments of companies dealing in the ownership of property, recognizes that the expenses of janitors, the expenses of insurance, and all other costs, including depreciation, always are taken into consideration in figuring net operating income. If testimony of that fact is needed, I would suggest that we refer to an accountant, and let him tell us what that means. Certainly it includes wages paid, taxes, insurance, custodial expenses, and so forth.

Would not the Senator from Alabama regard insurance costs as a part of the operating expenses?

Mr. SPARKMAN. I certainly would.

In that connection, Mr. President, let me say frankly, that if I had written the amendment—either the amendment to which the conference committee agreed or the Brown amendment or the Bricker amendment—I would have used different words. For instance, under "(A)," which is one of the factors, it is provided "due consideration shall be given to increases in property taxes."

I wish to say to the Senator that I am just as certain as I can be that when the Senator from Ohio offered his amendment, he intended all taxes to be taken into consideration, and not merely increases in taxes. Yet if we were to hold him as strictly to his amendment as he tries to hold us to this, it would be held to apply only to increases in taxes, and then only increases in taxes would be taken into consideration.

Let me make this perfectly clear, so that no one can say that we intend to include only increases in taxes: We include all taxes, whether they are increased or whether they are the same.

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

Mr. SPARKMAN. I yield.

Mr. BRICKER. The Senator may not remember it, but it was at the suggestion of the Senator from Missouri that the phrase "decreases in taxes" was placed in the amendment when it was proposed, and it was accepted by the proposer of the amendment.

Mr. SPARKMAN. I did not know that, but I do see it in the language.

Mr. BRICKER. Yes; there is that difference.

But let us go back to the wording of the section. There is nothing in it which would require the Expediter, under the qualification "fair net-operating income," to take into consideration any depreciation at all. It would simply be up to him to determine whether he would or would not consider it. In other words, he could do whatever he desired to do in the matter, according to the rules and regulations which he issued. Nothing in this section would require him to take depreciation into consideration at all. Nothing in this section would give him any guidance in determining what is a fair return or what the owner should receive above the fair operating costs of the property.

Mr. SPARKMAN. Mr. President, let me say to the Senator from Ohio that I shall not quarrel with his interpretation if he wishes that to be the interpretation of the cold printed type; but I am sure the Senator from Ohio knows that included in the interpretation of any law is the legislative history which was made on the floor of the Senate and on the floor of the House of Representatives while the measure was being discussed. Let me say once more to the Senator from Ohio that all through our conference on Saturday, the question of depreciation was discussed—not once, but many, many times; and it was the understanding and the agreement of every member of the conference committee that depreciation was to be included in arriving at the fair net operating income.

Let me also say to the Senator—I think I can illustrate it further; I believe the Senator from Ohio knows this, for I think some of this discussion took place on Friday afternoon or Friday evening before he left, when question arose as to amortization and interest—that at that time it was agreed by the conferees on the part of the Senate, and we actually submitted it to the conferees on the part of the House, that there would be a provision excluding amortization and interest; but it was understood then that depreciation was not excluded, but was to be accounted for and taken into consideration. As a matter of fact, those were the only words on which we failed to reach an agreement on Saturday night.

Mr. FULBRIGHT and Mr. DONNELL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. I yield first to the Senator from Arkansas, who has been on his feet for some time.

Mr. FULBRIGHT. Mr. President, I should like to ask the Senator how this provision gets away from the necessity of arriving at the value of the property. I do not see how one can determine what the depreciation is without accepting some value on the property. Depreciation is always expressed as a percentage of the value. The normal percentage of depreciation allowed on the average building, is, I believe, approximately 3 percent a year on the estimate of its value, on the basis that a building lasts 30 years. Of course there are variations according to use; but I would say that the average depreciation on a rental building of brick construction is 3 percent a year.

I understood the Senator to say that by means of the provision now under discussion we get away from the necessity of arriving at the value of the property. Is that correct?

Mr. SPARKMAN. What I said is that we would not require the Expediter to make an appraisal of every piece of property, as would have been necessary under the so-called Brown amendment.

With reference to depreciation, I stated yesterday, in answer to a question from another Senator, that in my opinion the Expediter would simply allow the landlord to list the same depreciation which he listed in his income-tax return, and would accept that.

Mr. FULBRIGHT. I understand that; but my point is that if the Expediter accepts that, we have not gotten away from the necessity of arriving at the value of the property. So the idea that the House amendment was excluded because we did not wish to arrive at the value, does not stand up, for we are actually accepting the landlord's valuation of the property when we accept his depreciation figure. There is no difference.

Mr. SPARKMAN. Of course, there are many ways of arriving at the value; but we felt that under the Brown amendment about the only way the Expediter could arrive at the value would be by making an appraisal.

Mr. FULBRIGHT. I see the point.

Mr. SPARKMAN. But be that as it may, that was not the only reason for making the change.

Mr. FULBRIGHT. I do not know why we would accept the owner's statement of depreciation, except for the purpose of arriving at the valuation. It seems to me that the Senator's argument that this provision is an improvement because it does not necessitate arriving at the valuation does not stand up, if we arrive at the depreciation figure, because they are just two different ways of stating the same thing, for there is no way to determine or to state depreciation without using as a basis the value of the property, in order to apply the percentage or rate of depreciation.

So I cannot follow the argument that this provision does not necessitate arriving at the valuation of the property, assuming that depreciation is to be allowed. If we do not permit depreciation to be allowed—according to the theory of the senior Senator from Ohio—then, of course, there is no necessity for arriving at the value. But I am not clear about this provision at all.

Mr. SPARKMAN. We do allow depreciation; although it is used, not for the purpose of determining the value, but as one of the items which should be deductible in order to make certain that the landlord is receiving a fair net operating income. It should be remembered that within any particular area depreciation will be a constant factor, and there are other items that are constant factors. Taking depreciation, and figuring the value on it, does not necessarily give the value of the property as it stands at the present time, or even its replacement value. Depreciation is based on original cost. We do not use it for the purpose of arriving at value, but we simply allow it as a deductible item in the expense of operating the property.

Mr. FULBRIGHT. I should like to pursue the point further. Today one of the great complaints, which is made not only by the owners of rental property but by businessmen, is that the present depreciation is far out of line with what it ought to be because it is based on costs of 10 or 15 years ago, which were perhaps 50 percent of what they are today. I do not know that depreciation based on original cost is the only rule the Expediter will follow; but I am not sure that the result would at all approximate a fair return on present value.

Mr. SPARKMAN. That is exactly what I said. We are not using it to calculate a fair return; we are using it as a deductible item in determining whether

the landlord is breaking even or is getting as much over what would enable him to break even, as he ought to have, and we are simply accepting the landlord's word for it without the agency having to make a definite appraisal.

Mr. FULBRIGHT. I should like to ask another question on this section. Under (B) it says "unavoidable" increases in operating and maintenance expenses. Does that mean that the Administrator determines whether an increase is avoidable or not? For example, let us suppose an increase from $150 to $200 is the pay of the janitor of a building. The Administrator could disallow that on the ground it was unnecessary. That is, he has complete discretion to say whether an increase in operating expense is justified or not. Is that the purpose of the word "unavoidable"?

Mr. SPARKMAN. That really refers to any extra expenses to which the owner might be put. Certainly they are items in the cost of operating. Let me remind the Senator from Arkansas again that that language is in the so-called Brown amendment an was not our language.

Mr. FULBRIGHT. I am not interested in the Brown amendment. I am interested in trying to understand what this means. What does the word "unavoidable" mean? Why was it put in the bill? That is all I should like to know. I am merely curious about its meaning.

Mr. SPARKMAN. The water pipes might freeze, which would require an unusual amount of janitor service, plumbing repairs, or something of the kind. Many things could happen. A fire could break out that would call for additional cleaning up, patching, and so forth. Certainly in any one year the owner ought to be entitled to something for such expenses. He would be entitled to a deduction in his income tax.

Mr. FULBRIGHT. If the building were painted and the Administrator did not think it needed painting, he could disallow the item, because it was not unavoidable, could he not?

Mr. SPARKMAN. Of course we must assume in any law that the person administering it is going to be reasonable. The Senator knows that the same factors have come up many times heretofore, and I think he will agree the Expediter has followed a reasonable course with reference to allowing expenses. There is nothing new in this.

Mr. FULBRIGHT. I may say the assumption of the Senator is reasonable, but the application of the rule is difficult. The question is whether the assumption is valid. If it were perfectly reasonable, we would not at all need all these provisions. That is what the Congress is trying to do, to substitute its wisdom for the unconfined discretion that has been given to the Administrator heretofore.

Mr. SPARKMAN. Of course, that is always true with reference to legislation generally. Congress has a very definite duty to perform.

Mr. FULBRIGHT. I wonder if the Senator does not feel that "unavoidable" is an unnecessary word, that "increases in operating and maintenance expenses" would be sufficient as a practical matter?

Mr. SPARKMAN. It may very well be, but today that cannot be done. In the conference we could have stricken the word "unavoidable." Apparently nobody thought it such a serious matter as does the Senator from Arkansas, and I cannot believe that the Senator from Arkansas would consider it of sufficient importance to justify recommitting the report.

Mr. FULBRIGHT. I am asking only for information. I want to know what it means. I have not committed myself about recommitting at all.

Mr. SPARKMAN. I think the meaning of the word "unavoidable" is well known.

Mr. FULBRIGHT. No, not in this connection. I should think "increases in operating and maintenance" should be allowed, unless there were something extremely strange about them.

Mr. SPARKMAN. I think that is exactly what the word "unavoidable" means.

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

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

Mr. ANDERSON. It seems to me that possibly there could be types of unavoidable expenditure of this nature: Suppose that in order to get a higher income, a man should put himself on the pay roll and put his wife on the pay roll as an assistant cashier, and put somebody else on the pay roll as a doorkeeper. The Senator would then recognize that those were not proper charges, and the Expediter in such case might have to disallow them. That is the only occasion, so far as I can see, for the provision relating to "unavoidable" expenses, which could be expenses of the type to which I referred.

Mr. SPARKMAN. The Senator is correct. I think the word "unavoidable" has a place in the provision, but I say, when we employ language such as that, we must certainly have confidence in somebody to administer it properly. I assuredly think the Housing Expediter will so administer it.

Mr. FULBRIGHT. Mr. President, if the Senator will yield further, I should like to ask a question in regard to a different section.

Mr. SPARKMAN. The Senator from Missouri has been standing for some time. I yield first to him.

Mr. DONNELL. Since the Senator is good enough to yield to me, I have a question I should like to ask on this section. I understand the Senator from Arkansas wants to proceed to another section.

Mr. FULBRIGHT. That is correct.

Mr. DONNELL. I should like to know whether or not it is the construction of the Senator from Alabama that under the conference bill it is intended, in making and recommending individually and generally, adjustments to remove hardships or to correct other inequities, that the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair return on their investments. Is that intended?

Mr. SPARKMAN. That is not the wording.

Mr. DONNELL. I know that is not the wording, but is that the intention?

Mr. SPARKMAN. I repeat, that is not the wording. Nor is that the test.

Mr. DONNELL. What I ask is, Is it the intention of the Senator from Alabama, by the language contained in the conference report, to provide that, in the sentence from which I have quoted, the Expediter and the local boards shall observe the principle of maintaining maximum rents at levels which will yield to landlords a fair return on their investments?

Mr. SPARKMAN. That is not correct.

Mr. DONNELL. Why is it not proper that rentals should be maintained on that basis? Why is it not perfectly proper for a landlord who has his money invested in his property to have the Housing Expediter and the local boards observe the principle of maintaining the rents, so far as is practicable, at rentals which will yield the landlords a fair return on their investment?

Mr. SPARKMAN. That was the test laid down by the House in its amendment. The Senate laid down a different test, and the conference tried to work out an agreement between the two. We agreed on the other test. Instead of being a fair return on the reasonable value of the property, we set the test as a fair net operating income.

Mr. DONNELL. Does the Senator make a distinction between a fair net income and a fair net operating income?

Mr. SPARKMAN. Yes.

Mr. DONNELL. What is a fair net income and what is a fair net operating income, according to the distinction in the mind of the Senator?

Mr. SPARKMAN. Within our thinking in the conference committee, net income would have included amortization and interest if there were a mortgage on the property. Of course, that would have set up a different rental basis for identical properties, one of which was free of mortgage and the other of which was mortgaged. Therefore, we used the term "net-operating income" in order to exclude amortization and interest on mortgage indebtedness.

Mr. DONNELL. So if a man has his money invested in a rental property and has a mortgage on it, the Housing Expediter and the local boards are not required in determining what is a proper rent to take into consideration any of the interest on the investment, any of the interest on the loan on the property; is that right?

Mr. SPARKMAN. That is correct.

Mr. AIKEN. Mr. President——

Mr. SPARKMAN. If the Senator will wait a moment, I may carry that out just a little further, in order that the Senator from Missouri may see it as I do. I think he will agree with me.

Let us assume that Mr. Smith owns a house of the value of $5,000, clear of indebtedness; that Mr. Jones owns a house, right beside it, worth $5,000, but he has only a thousand dollar interest in it. He has a $4,000 mortgage bearing 5-percent interest, amounting to $200 a year in interest, and let us say, there is $100 principal reduction. That would be $300. If

we take that into consideration, the man who has the mortgage would have to receive $300 more rent than would the first man whom I have mentioned. Certainly the Senator does not believe that there should be that difference in rentals, does he?

Mr. DONNELL. Does not the Senator think it is only common, elemental justice that if a man has his money invested in real estate, the Housing Expediter, in fixing the reasonable rental of the property, should take into consideration the investment, whether it be in the nature of an equity or whether it be in the nature of borrowed money, or both? Let me give the Senator an illustration and ask his judgment on it. I have in mind a concrete case in the city of St. Louis, in which a lady, a school teacher, who was many years younger than she is now, invested her earnings in an apartment building. She carried a mortgage on it, and she carries it today. She has had great difficulty to keep going, under the present rent-control laws. Does not the Senator think it would be proper, in determining what rental that lady may secure from her tenants in the apartment building, that there should be computed as a part of the rent a fair return on the investment which would, of course, include interest on the mortgage and a fair return on the equity? Is not that proper, and only elemental justice?

Mr. SPARKMAN. Mr. President, I yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to speak——

Mr. DONNELL. Mr. President, I asked the Senator a question.

Mr. SPARKMAN. I will answer it. I cannot subscribe to the belief that a tenant occupying a property on which there is a mortgage and an amortization and interest load each year, should pay more rent than some other tenant living side by side with him in a property that is clear.

Mr. DONNELL. Does the Senator not think he misunderstood me? I made no such statement. The point I make is this: Supposing the Senator from Alabama himself had invested his savings, let us say, $20,000, in a building, and that he had paid for it outright; does he think it is proper, in determining the amount of rent he should be entitled to charge, that he should be remitted to such amount as will barely pay the operating expenses, and possibly $10 a year more? Would he not feel, if he had invested all his savings, if he depended upon the investment for his living, that he should have a fair return on the $20,000 of investment in the property, as well as a just and fair income excess over operating expenses?

Mr. SPARKMAN. Of course, the Senator from Missouri does not relate his question to the conference report, because we are not recommending that the purchaser of a $20,000 investment should receive only $10 a year.

Mr. DONNELL. Where does the bill recommend anything else?

Mr. SPARKMAN. It recommends that he shall receive a fair net operating income.

Mr. DONNELL. What is that? Does it include interest on his investment, or does it not?

Mr. SPARKMAN. It does not include interest on a debt. It does not include amortization of the debt. It does include depreciation, all the ordinary expenses of operation and maintenance, and all the unusual expenses with which he may be confronted in the course of a year.

Mr. DONNELL. I was not referring, in my last question, to a situation in which there was a mortgage. I was taking a situation in which the Senator himself takes $20,000 which he has saved by hard work, over a period of years, and buys a building and rents it. Does he think that all he should be entitled to receive for rent would be an indeterminate small, so-called fair excess of rental over operating expenses on the property? Does he not think that he he should be entitled, in computing his rental, to receive also a fair return on the $20,000 which his labor over a period of years has brought into his possession?

Mr. SPARKMAN. When the Senator uses the term "small," I should like to have the Senator reason it out without reading words into the bill which are not there. There is nothing in the conference report that says he should receive only a small net income. It says he shall receive a fair income, and it is left to the Expediter to determine what "fair" is. I may say that there was not a single amendment, there was not a single provision, before the conference committee that spelled out a definite formula. Every member of the conference used the words "fair and reasonable" and left it to someone else to determine what it meant. We do the same thing.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Supposing, in the case which I cited, of a $20,000 investment, with no mortgage, the Senator from Alabama owns the property outright. Suppose the rentals amount to $2,000 a year. Supposing the operating expenses are $1,750 a year. Does the Senator think that on his investment of $20,000 he should be restricted to a net income of $250, or only a fraction over 1 percent, or does he think he should be entitled to charge rentals sufficiently large to give him a reasonable return of 5 or 6 percent on his investment of $20,000?

Mr. SPARKMAN. If the Senator wants to ask me for my opinion on that specific case, I would certainly say that $250 net operating income would not be sufficient for that property. I certainly think it should be approximately $1,000 or $1,200; and I am quite certain that the Expediter would set the figure at such a point.

Let me say further, that there is not a community in the United States in which there cannot be worked out a fair historic base for the charging of rents to such an extent that the property owner can be assured of a fair income. We believe that can be done, and we believe that the Expediter can do it. That is what we are asking him to do.

Mr. DONNELL. Mr. President, will the Senator yield for one or two further questions?

Mr. SPARKMAN. I yield.

Mr. DONNELL. In the conference report, or in the original bill which was passed by the Senate, in determining maximum-rent yields and fair income, whatever term may be used, why was not the investment of the landlord in his property taken into consideration as one of the elements entering into what would constitute a fair rental return?

Mr. SPARKMAN. I may say to the Senator that the bill, as it passed the Senate, proceeded on an entirely different basis. We used an increase of 5 percent applicable October 1, 1949, and 5 percent applicable in 1950——

Mr. DONNELL. Leaving aside——

Mr. SPARKMAN. Let me finish, please. I may say to the Senator, in further answer to his question, that the able Senator from Ohio [Mr. BRICKER], and perhaps his colleague from Ohio [Mr. TAFT] sponsored an amendment which, in substance, was the Brown amendment. They did not use investment as a test; they did not say 5 percent or 6 percent or 1 percent. They said "fair return," still leaving it to the Expediter to decide what was fair. We do exactly the same thing.

Mr. DONNELL. Does not the Senator realize that the conference report does not include, even remotely, investment in property as one of the items to be taken into consideration in determining what is a fair net operating investment?

Mr. SPARKMAN. I realize that, and I realize also that the conference committee did not have before it a single word relating to investment in the form of any amendment in the bill.

Mr. DONNELL. Does the Senator consider that the landlord is entitled, as a matter of elemental justice, to have his investment in his property treated as one of the items which should enter into the determination of how much rent he should charge? Does not the Senator agree with me in that?

Mr. SPARKMAN. Let me go a little further. On the very first day we opened hearings on rent-control legislation the question of fair return arose. Every member of the subcommittee, without exception, and I think I can say every member of the full committee, without exception, was in favor of the landlord receiving a fair return, and we started then trying to work out a formula.

Mr. DONNELL. Fair return on the investment?

Mr. SPARKMAN. A fair return. Regardless of whether it was on investment, the present value, or the appraised value, the members of the committee wanted the landlord to have a fair return.

There are two very able economists on the Committee on Banking and Currency, both of whom were on the subcommittee. I refer to the able Senator from Vermont [Mr. FLANDERS] and to the able Senator from Illinois [Mr. DOUGLAS]. If the Senator will read the hearings he will see that these two Senators started quizzing practically every witness who came before us with reference

to fair return. Mr. Woods himself said, "If you can work out a formula I am for it, but I have been unable to discover a formula that would work."

As chairman of the subcommittee, in the very beginning I said to the junior Senator from Illinois and to the junior Senator from Vermont, "You gentlemen are the economists on the committee. I believe something can be worked out, and I am designating you two to work it out." They worked on it, and each of them came up with a somewhat different formula. We met in the subcommittee, we thrashed through the matter as best we could, in an endeavor to get a provision which would be fair, which would be workable, which could be easily and quickly put into effect. The result was that we agreed upon the provision for 5 percent on October 1 and 5 percent on April 1. The Senator knows that the Senate agreed to that. But the House conferees would not agree to it.

We have proceeded on the basis that we want the landlord to have a fair return. The only question that arose was, How are we to determine what that fair income is? It was the considered judgment of the committee that the formula we worked out in the conference was the best we could get.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. McCLELLAN and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield, and, if so, to whom?

Mr. SPARKMAN. First let me answer the Senator from Missouri.

Mr. DONNELL. There is nothing in the conference report bill, is there, which includes the amount of the investment of the landlord as an element to be taken into consideration by the Housing Expediter in determining what the rentals shall be? I am correct in that, am I not?

Mr. SPARKMAN. The Senator is correct.

Mr. DONNELL. I again put to the Senator the question which I put to him a few minutes ago, does he not think that, as a matter of elemental justice, if a man or woman has his or her money invested in property, among the items which should be taken into consideration in determining what would be a fair rental would be the investment he or she had in the property? Is not that correct?

Mr. SPARKMAN. I will agree with the Senator that certainly the landlord is entitled to a fair income. What is a fair income may be arrived at in different ways. I would say that if we had the machinery necessary, if the Housing Expediter were equipped to handle the work, or if we were launching a new program to extend over the years, I would be in favor of independent appraisals being made of every piece of property. But we simply do not have the machinery, we do not have, under the Housing Expediter, the employees who would be necessary, and we do not have time to put such a formula into effect. We have tried to work out something that is fair and reasonable, and which can be put into effect just as fast as the petitions are filed.

Mr. LUCAS and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield, and if so, to whom?

Mr. SPARKMAN. I yield to the majority leader.

Mr. LUCAS. I hope the Senator will yield pretty soon to some other Members of the Senate who have been trying to ask a question or two.

Mr. SPARKMAN. Of course, I was merely endeavoring to complete the line of thought.

Mr. LUCAS. I wish to ask the Senator a question. It seems to me that the great trouble with some Senators is that they forget that the conference report bill is a compromise between the House version and the Senate version of the rent-control legislation.

Mr. SPARKMAN. That is correct, and I may say that I have sat as a member of many conference committees, but I have never sat on one, in the 13 years I have been a Member of the Congress, which presented more difficulty than did this one. We had the hardest time working out the conference report bill I have ever experienced in connection with any conference committee.

Mr. DONNELL. Mr. President——

Mr. LUCAS. Will the Senator further yield?

Mr. SPARKMAN. I yield to the Senator from Illinois.

Mr. LUCAS. I wish to say to the Senator that I know exactly what he has been up against in attempting to reach the formula he now has presented, even though it is a compromise between the House version and the Senate version. I may say that all legislation is reached through compromise, and we are now close to the deadline, so far as the expiration of rent control is concerned, so it seems to me that Senators should be fairly cooperative with those who have worked diligently and faithfully in an endeavor to agree on something satisfactory to the great majority of the members of the committee. The Senator from Missouri is interrogating the Senator from Alabama with a long line of questions on a certain phase of rent control which is not involved in the compromise.

Mr. SPARKMAN. And was not before the conference committee.

Mr. LUCAS. And was not before the conference committee, and was not before the committee at any time heretofore in the Senate. The Senator from Missouri never raised any of this contention, as I remember, when the bill was in the Senate. He had the opportunity to do something at that time, the debate was free and open before the Senate, and nothing of the kind was done then. It seems to me, with all due deference, that the Senator is just a little tardy in making his point.

The Senator a moment ago stated that the amendment offered by the junior Senator from Ohio [Mr. BRICKER] was put on the basis of a fair return, and no standards were laid down in the amendment as to what fair return meant. The Senator from Missouri went along with the amendment, as I recall, and never questioned the Senator from Ohio about the factors involved, about which he is now seeking to question the Senator from Alabama. I simply do not understand the point.

Mr. DONNELL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. In a moment. The Senator from Illinois is correct, and I may make a further statement in order to be absolutely clear to every Senator on this floor. Not a single Senate conferee liked the provision to which we agreed, not one.

Mr. DONNELL. I may say there are others who do not like it.

Mr. SPARKMAN. As I said before, the language finally agreed to was written out by the able Senator from Vermont [Mr. FLANDERS], who did not like it, and who stated at the time that he did not like it. But it was the best that we could get. We are here arguing for it today because it is the best we can get out of the conference.

Mr. DONNELL. Mr. President——

Mr. SPARKMAN. I wish to say that if the bill goes back to conference I think we may as well write rent control off. I know, and every other conferee who sat in the conference knows, that the issue today in the Senate is whether or not we want to extend rent control for another 15 months. If so, Senators should vote the report up or down today, and not send the report back to conference, because we cannot get any better bill out of the committee than we have brought here today.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Alabama yield to the Senator from Arkansas?

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

Mr. McCLELLAN. I appreciate what the Senator has just said, that we ought to vote it up or down.

Mr. DONNELL. Mr. President, will the Senator from Arkansas speak a little louder so that those of us on this side of the Chamber can hear him?

Mr. McCLELLAN. I said I appreciate the very arduous task the conferees had in trying to bring in a report upon which we could all agree. I appreciate what the Senator from Alabama has just said, that in a vote to recommit or to adopt we may be voting for or against rent control. But before the vote is cast I want to try to understand what is the meaning of the language which has been used, and what interpretation will be given to it in the administration of the law. According to my interpretation of the following language——

Mr. SPARKMAN. Will the Senator tell me at what point in the report the Senator is reading?

Mr. McCLELLAN. Yes. I am reading from the section we have been discussing.

Mr. SPARKMAN. Page 5?

Mr. McCLELLAN. Page 5. The report says:

> At levels which will yield to landlords a fair net operating income.

Let us for the sake of having something definite before us assume that 10 percent is a fair income. I think we would all agree that 10 percent on an investment would certainly be liberal. But let us use the figure 10 percent. Let us assume that to be fair. Now, on what are we basing it? The landlord owns a house which costs him $1,000 a year to operate. That is not what the house cost him; that is not the investment. That is not dealt with. Simply the operating costs are dealt with. Would the Senator say that on a house which cost $1,000 a year to operate, a return of $100 net, of 10 percent, would be a fair net operating income? According to my interpretation that is exactly what the language of the bill provides, without any regard to how much the owner had invested, either by way of mortgages or otherwise. Of course, the subject of a mortgage is a very simple one. If I own a house which is of the value of $10,000, and I put $5,000 into it, and I have a mortgage for $5,000, I get only half of the net income of rent for my property. And remember that the landlord must guarantee the income to the mortgagee.

My interpretation of this language is simply that if a man owns a house, or a housing unit, which costs him $1,000 a year to operate, he is entitled to only a fair net income on the cost of operation, and is entitled to nothing, under the language of the conference report, for fair income on his investment. If that is what the language means, and unless I can be convinced it means something different, I do not see how anyone can support it.

Mr. SPARKMAN. I may say to the Senator that that is absolutely not what the language means. At no time during our discussions and deliberations was it ever suggested that such would be the meaning.

Mr. McCLELLAN. Let me ask the Senator——

Mr. SPARKMAN. May I explain my statement?

Mr. McCLELLAN. If the Senator will explain each item as we go along; what other word is used in the language upon which the Senator can base fair net income except the word "operating"?

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

Mr. SPARKMAN. Does what the Senator proposes to say relate to the question under discussion?

Mr. WITHERS. Yes.

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

Mr. WITHERS. I wish to ask the Senator from Alabama whether the language quoted by the Senator from Arkansas restricts the Expediter to the factors mentioned by him? I find the following language at this point: "Among other relevant factors." Is it a fact that any factor may be considered, whether enumerated here or not?

Mr. SPARKMAN. Yes.

Mr. WITHERS. And the Expediter can consider values, locations, desirability of property, and all other factors in connection with it. Is that correct?

Mr. SPARKMAN. Let me answer both questions together, and I should like to have the attention of the Senator from Arkansas. This has been explained before, but unfortunately, I assume, the Senator from Arkansas was not on the floor at the time.

Let me explain first the term "net-operating income." Let me say to the Senator from Arkansas that the only significance of the word "operating" in this phrase is to exclude amortization and interest, which the Senator agrees ought to be excluded. As a matter of fact, this amendment was offered in alternative language. In one form we said "fair net income, excluding amortization and interest." But as an alternative we proposed it to the House conferees, "fair net-operating income," and they agreed to the term "fair net-operating income." But the expressions are exactly synonymous. "Fair net-operating income" and "fair net income, excluding amortization and interest," are exactly synonymous.

If I remember correctly, the Senator from Arkansas supported the Brown amendment on the floor of the Senate. We are using exactly the same words that were contained in the Brown amendment, when we designate the various cost factors that are set out. That is not our language. That is the language of the Brown amendment. Those which are enumerated are certain extra expenses or unusual expenses. We say "all relevant cost factors." We use that language.

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

Mr. SPARKMAN. May I proceed and explain what I mean by the phrase "net operating income"?

Mr. McCLELLAN. Explain what is included in "relevant."

Mr. SPARKMAN. What is included in "relevant"?

Mr. McCLELLAN. Yes; all that is included in the word "relevant."

Mr. SPARKMAN. Yes; I will do that. This is about the third time I have done so, but I shall gladly do so again.

Suppose a man owns a piece of property, and he is receiving rent from it. It is costing him something to maintain and operate the property. When I name the factors I may leave out some, but I mean all cost factors—insurance, taxes, maintenance and operation, upkeep, or whatever one may want to call it; unusual expenses that may occur. Those are the four or five that are set out under the designations "(A), (B), (C), (D), and (E)"; any expenses necessary in keeping that rental property on the market in rental condition so as to enable the owner to receive his income from it. I hope that is broad enough to cover everything that is necessary to keep the property going as rental property.

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

Mr. SPARKMAN. Let me finish. The owner adds all that up, and then he adds to it a certain figure for depreciation. We do not spell it out, but I assume that he would add the same figure that he puts in his income-tax report. Then he takes the total of those figures, and subtracts it from the rent he is receiving.

The law today provides—this is the law, it has been the law for several years, and the Senator from Arkansas voted for it——

Mr. McCLELLAN. I voted for many things during the war that I am not going to vote for in peacetime.

Mr. SPARKMAN. The Senator voted for this provision last year if he voted for rent control. The present law provides that the Expediter shall take those factors into consideration and shall determine whether or not the owner is operating his property at a loss, and if he is, the Expediter must give the owner a rent increase to make certain that he does not sustain a loss.

Now we go further. We are taking that out of the law, and we are saying to the Expediter, "You cannot stop there. You must give the landlord a sufficient additional rent so that he will receive a fair income from the property."

We do not define "fair." Neither did the Brown amendment define it. Neither did the amendment jointly sponsored by the two Senators from Ohio [Mr. TAFT and Mr. BRICKER] define it. It was not defined there, nor is it defined here.

What factors may be taken into consideration? We do not spell them out. We do not pretend to. But we believe that in every community in the United States it can easily be ascertained what ought to be a fair rental for any particular piece of property. There have been base years when the property has brought a proper return. At the present time the Expediter operates on this basis: Any landlord can go to him and say that, during any 2 years the landlord wants to pick out since 1939, "My property brought me this return," and when he says that it brought more than he is receiving now, the Expediter will lift him up to that figure. The Expediter may go back and find other base years when rentals were less than normal, when rent laws were not applied. But he can go further back than that. He can take the investment, if he wants to. He may take into consideration the value if he has a way of determining the value. He may take into consideration the historical base for that particular section. He may consider comparable rents. I do not know what factors he will use; but we are just as certain as can be that in every community in the United States some satisfactory basis can be found to work out a rental base for that particular community. That is what we expect the Expediter to do.

Mr. McCLELLAN. The Senator has told me what the Expediter may take into account.

Mr. SPARKMAN. And what we expect him to do.

Mr. McCLELLAN. We are not telling him that he must do it, are we?

Mr. SPARKMAN. No.

Mr. DONNELL. Mr. President——

Mr. SPARKMAN. Just a moment. There was not a single provision before the conference committee which would have made such a requirement. The subject was not in conference.

Mr. McCLELLAN. I am not arguing that.

Mr. SPARKMAN. I wanted the Senator to know what was within our jurisdiction in the conference.

Mr. McCLELLAN. Since this language has been changed, there is no requirement that the amount invested in the property be taken into account.

Mr. SPARKMAN. No; that is not the test.

Mr. McCLELLAN. That is not the test.

Mr. SPARKMAN. Not necessarily.

Mr. McCLELLAN. There is no requirement that the Expediter take into account the investment in allowing the owner a reasonable return on the investment.

Mr. SPARKMAN. No; that is not the test.

Mr. McCLELLAN. Instead, the words "net-operating income" are used. The owner must have a reasonable profit on that.

I come back to the question which I asked——

Mr. SPARKMAN. No; let me correct the Senator—not a reasonable profit on net operating income. He must have a fair net operating income. Net operating income means what is left from his rents after he has paid all these enumerated expenses, and has allowed for depreciation.

Mr. McCLELLAN. Fair with relation to what? We do not say what.

Mr. SPARKMAN. Neither did the Brown amendment say what was fair.

Mr. McCLELLAN. I am not talking about the Brown amendment. The word is "fair," but it does not say fair with relation to investment; it does not say fair with relation to value; it does not say fair with relation to a thing on God's earth.

Mr. SPARKMAN. The Senator is correct, if he wishes to construe it technically. There was not a single standard before the conference committee, not a single test, not a single provision that said fair with relation to anything. The subject was not in conference.

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

Mr. SPARKMAN. I yield.

Mr. BRICKER. The Senator says that there was nothing before the conference committee providing for a fair return on anything. The House bill provided for a reasonable return upon a reasonable value. Reasonable value is an ascertainable, tangible thing. A fair return is a very easily ascertained thing when the standard is fixed. The bill recommended by the conference committee fixes a fair net operating income, but does not say how it is fixed. There is no standard by which it could be fixed. It is entirely up to the Expediter and he may pull the standard out of the air. There is nothing in this bill to say that he may not.

Mr. SPARKMAN. There is just as much in this bill explaining "fair" as there was in the Bricker amendment. Since we are talking about the Brown amendment, let me read what the author of the Brown amendment said on the floor of the House of Representatives on March 11. I am reading from page 2313 of the CONGRESSIONAL RECORD of March 11. Mr. BROWN was asked who was to determine a reasonable return. The House of Representatives was bothered with the same question. This is what Mr. BROWN said:

> Mr. BROWN of Georgia. Percentages vary. Some would say 6 percent or 8 percent or 10 percent. In some sections of the country like New York, where they have many millionaires, a man making 2 percent or 3 percent on a million dollars thinks he is getting a pretty good return. In my section of the country, where we have cities of only 5,000 or 10,000 population, it might be small. Therefore, it is difficult to set a particular standard for every community in the United States. You must go into that on a local basis to arrive at the proper value and reasonable return for each community.

Mr. DONNELL. Mr. President——

Mr. SPARKMAN. I submit, Mr. President, that we are saying the same thing here. The Expediter must go into each defense area, each city, each town, and each section, and determine what the fair net operating income is.

I now yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, am I correct in understanding that the Senator from Alabama has indicated that not a single member of the conference committee is pleased with this portion of the bill, that is to say, that portion which pertains to the basis on which rentals may be fixed?

Mr. SPARKMAN. Yes. I say that unqualifiedly.

Mr. DONNELL. In the second place, I understand from what the Senator from Ohio [Mr. BRICKER] has said—and I ask the Senator whether he is correct—that the House bill did contain reference to reasonable return on reasonable value. Is that correct?

Mr. SPARKMAN. That is correct.

Mr. DONNELL. In the third place, as the Senator from Arkansas so clearly understands, and as I understand, and as I think the Senator from Alabama stated, nothing in the conference report says that the Housing Expediter shall take into consideration the investment in the property in determining what would be a proper rental.

Mr. SPARKMAN. The Senator's understanding is correct.

Mr. DONNELL. The Senator has spoken of the fact that there is no reference to certain requirements, but has expressed his great faith that the Housing Expediter will take into consideration various requirements. Am I not correct in the statement that the bill itself does specify five different requirements, and specifically omits reference to investment in the property as a factor?

Mr. SPARKMAN. The Senator from Missouri is talking about two different things. The five things specified in the bill are extraordinary expenses. They have no connection whatsoever with the value of the property, or investment, or anything of that kind. They are certain expenses over and above the normal operation and maintenance expenses, that shall be taken as part of the operating expense.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Does not the Senator think that if he were the owner of rental property, among the things he would like to have in this bill, as a matter of elemental justice to himself, would be a provision that in fixing rentals the Housing Administrator shall take into consideration, among other relevant factors, the investment of the Senator in the property?

Mr. SPARKMAN. I will say to the Senator from Missouri that I do own rental property, and I do not care to have such a provision in the bill.

Mr. DONNELL. The Senator does not care to have in the bill a provision that in determining the rental he may charge there shall be considered, among other relevant factors, the amount he has invested in the property?

Mr. SPARKMAN. I do not care to have such a requirement written into the bill. I am just as certain as I can be that there will be cases, there will be communities, and there will be sections in which that will be taken into consideration; but I certainly do not care to have such a provision in the bill. I do not think it would be desirable to require the Expediter to use that as the standard in every instance.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. This bill does not require the Housing Expediter in any case to take into consideration the investment in the property in determining what shall be a reasonable rental.

Mr. SPARKMAN. It does not.

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

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. I have been carefully listening to the discussion on the floor of the Senate. I am perhaps a little more confused now than I was before some of the discussion started. I should like to have the Senator explain to me the words on page 5, subsection (b), "unavoidable increases in operating and maintenance expenses." What is meant by an unavoidable increase? Take an example. Suppose a person owns an apartment house. Because of rents having been frozen, and the fact that the Authority had not allowed an increase, the owner might have talked his janitor into working for a lower wage than the prevailing wage on the outside. Suppose the owner wants to increase the salaries of his janitor and the other help, and he does it on a voluntary basis. Would he then be allowed to charge the new wages, which represent an increase, but perhaps not one which is unavoidable? Would he be allowed to charge such increase as an operating expense? Just what is meant by "unavoidable"?

Mr. SPARKMAN. This question was raised a little earlier when the Senator was unfortunately absent from the Chamber. The example which the Senator mentions would be a part of the ordinary everyday operating expenses. The expenses which are listed in the bill are extraordinary expenses. Let me give an example of what would be an unavoidable increase in operating and maintenance expense. In the case of a hard freeze, such as California had this year, when water pipes broke, that would be, particularly in California, an unusual

increase in the cost of operation and maintenance of the property. The owners would have to call the plumber and the janitor, and perhaps they would have to use some blow torches and I do not know what all, in order to get the trouble straightened out. The cost of that work would be an unusual expense, and the owner would be entitled to include it, as well as the expenses of similar occurrences, under the heading "Unavoidable increases in operating and maintenance expenses."

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Holland	Mundt
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Conor
Bridges	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Reed
Chapman	Kefauver	Robertson
Chavez	Kem	Russell
Connally	Kerr	Saltonstall
Cordon	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Long	Sparkman
Downey	Lucas	Stennis
Ecton	McCarran	Taft
Ellender	McCarthy	Taylor
Ferguson	McClellan	Thomas, Okla.
Fulbright	McFarland	Thomas, Utah
George	McGrath	Thye
Gillette	McKellar	Tobey
Graham	McMahon	Tydings
Green	Magnuson	Vandenberg
Gurney	Malone	Watkins
Hayden	Martin	Wherry
Hendrickson	Maybank	Wiley
Hickenlooper	Miller	Williams
Hill	Millikin	Withers
Hoey	Morse	Young

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Ohio to recommit the conference report to the conference committee.

Mr. MAYBANK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when Mr. LODGE's name was called). My colleague [Mr. LODGE] has had to attend the funeral of a close friend or relative. He has asked me to state that if he were present he would vote "yea."

Mr. RUSSELL (when his name was called). On this vote I have a pair with the junior Senator from Vermont [Mr. FLANDERS]. If the Senator from Vermont were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Delaware [Mr. FREAR] is absent on official business.

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

I announce further that if present the Senator from Delaware [Mr. FREAR] and the Senator from New York [Mr. WAGNER] would vote "nay" on this motion.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from Nebraska [Mr. BUTLER] would vote "yea" and the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is absent because of illness, and his pair has been announced by the Senator from Georgia [Mr. RUSSELL].

The Senator from Indiana [Mr. CAPEHART] and the Senator from North DAKOTA [Mr. LANGER] are detained on official business.

The result was announced as follows—yeas 33, nays 53, as follows:

YEAS—33

Baldwin	Hendrickson	Reed
Brewster	Hickenlooper	Saltonstall
Bricker	Jenner	Schoeppel
Bridges	Kem	Taft
Byrd	Knowland	Thye
Cain	McCarthy	Vandenberg
Cordon	McClellan	Watkins
Donnell	Malone	Wherry
Ecton	Martin	Wiley
Ferguson	Millikin	Williams
Gurney	Mundt	Young

NAYS—53

Aiken	Hunt	Morse
Anderson	Ives	Murray
Chapman	Johnson, Colo.	Myers
Chavez	Johnson, Tex.	Neely
Connally	Johnston, S. C.	O'Conor
Douglas	Kefauver	O'Mahoney
Downey	Kerr	Pepper
Ellender	Kilgore	Robertson
Fulbright	Long	Smith, Maine
George	Lucas	Sparkman
Gillette	McCarran	Stennis
Graham	McFarland	Taylor
Green	McGrath	Thomas, Okla.
Hayden	McKellar	Thomas, Utah
Hill	McMahon	Tobey
Hoey	Magnuson	Tydings
Holland	Maybank	Withers
Humphrey	Miller	

NOT VOTING—10

Butler	Frear	Smith, N. J.
Capehart	Langer	Wagner
Eastland	Lodge	
Flanders	Russell	

So Mr. BRICKER's motion to recommit was rejected.

The VICE PRESIDENT. The Chair is ready to rule on the point of order made by the Senator from Washington [Mr. CAIN]. The Senator makes the point of order that the conferees exceeded their authority in regard to the conference committee report on luxury housing as contained in the report which is now before the Senate.

The House of Representatives has no provision whatever on the subject of luxury housing. It is silent on the subject. The Senate, in considering the matter, provided that, automatically, so-called luxury housing renting for more than $290 a month, as of the date of the passage of the bill, should be decontrolled, and that in cases where there is a rental below $290 a month the Housing Expediter is authorized to decontrol. So that, in effect, the Senate provided a method by which, automatically, such luxury apartments renting for more than $290 a month would be decontrolled, and if rented below $290 a month, the Expediter could bring about decontrol under certain circumstances. So that, in a sense, the whole gamut of rental prices is involved in the Senate amendment.

Ordinarily, when one House strikes out the language of a bill of the other House and writes a complete substitute, conferences have always had greater latitude than they have if, piece by piece, either House amends a bill of the other House.

When the conferees met they had, in effect, the position of the Senate with regard to luxury apartments, with no provision in the House bill on that subject.

In rule XXVII, subsection 3, which the Senator from Washington read during his argument to the Chair, there is this provision:

> In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

In the opinion of the Chair, the whole subject of luxury apartments was in disagreement, because the House, having nothing on the subject, the Senate having provided, in a sense, for conditional decontrol of all luxury apartments, under certain conditions, and for those renting for more than $290 a month, automatic decontrol, the whole subject was before the conferees. Certainly the modification made by the conferees is germane to the matter which was in disagreement; and the Chair thinks it did not go beyond the power of the conferees in determining a reasonable compromise as between nothing in the House bill and the provision in the Senate bill. Therefore the Chair overrules the point of order made by the Senator from Washington.

The question now is on agreeing to the conference report.

Mr. WHERRY and other Senators asked for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when Mr. LODGE's name was called). My colleague the junior Senator from Massachusetts [Mr. LODGE] is unavoidably detained, attending a funeral. If he were present, he would vote "yea."

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent, and if present would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate and is paired with the Senator from Vermont [Mr. FLANDERS] who is absent because of illness. If present and voting, the Senator from Nebraska [Mr. BUTLER] would vote "nay." and the Senator from Vermont [Mr. FLANDERS] would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

The result was announced—yeas 78, nays 11, as follows:

YEAS—78

Aiken	Hunt	Murray
Anderson	Ives	Myers
Baldwin	Johnson, Colo.	Neely
Brewster	Johnson, Tex.	O'Conor
Bridges	Johnston, S. C.	O'Mahoney
Byrd	Kefauver	Pepper
Chapman	Kem	Reed
Chavez	Kerr	Robertson
Connally	Kilgore	Russell
Douglas	Langer	Saltonstall
Downey	Long	Schoeppel
Ellender	Lucas	Smith, Maine
Ferguson	McCarran	Sparkman
Frear	McCarthy	Stennis
Fulbright	McClellan	Taft
George	McFarland	Taylor
Gillette	McGrath	Thomas, Okla.
Graham	McKellar	Thomas, Utah
Green	McMahon	Thye
Hayden	Magnuson	Tobey
Hendrickson	Malone	Tydings
Hickenlooper	Martin	Vandenberg
Hill	Maybank	Watkins
Hoey	Miller	Wiley
Holland	Millikin	Williams
Humphrey	Morse	Withers

NAYS—11

Bricker	Ecton	Mundt
Cain	Gurney	Wherry
Cordon	Jenner	Young
Donnell	Knowland	

NOT VOTING—7

Butler	Flanders	Smith, N. J.
Capehart	Lodge	Wagner
Eastland		

So the conference report was agreed to.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The VICE PRESIDENT. The question now automatically recurs to the consideration of Senate bill 1209, to amend the Economic Cooperation Act of 1948.

Mr. FULBRIGHT. Mr. President, I wish to ask just one question regarding the rent control conference report, following up a question I asked a few minutes ago. I wish to ask the Senator from Alabama about the meaning of the language in subsection (3) at the bottom of page 10. It reads:

> The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, or village upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law.

I wish to know the meaning of the language "in accordance with applicable local law."

Mr. SPARKMAN. Mr. President, that wording was inserted on the motion of the chairman of the Committee on Banking and Currency and the chairman of the conference committee, the distinguished Senator from South Carolina [Mr. MAYBANK]. It was inserted in order that the procedure might be laid down in law, and that it might be in accordance with the State or local law governing municipalities in a particular State, and not in accordance with the regulations of the Expediter.

Mr. FULBRIGHT. Is it clear that that relates only to procedural law and not to substantive law? Is it clear that that does not leave any implication that it is necessary that there be a municipal law relating to rent control before this section can take effect?

Mr. MAYBANK. Mr. President, that is my interpretation, except that 10 days must be allowed for public hearings.

Mr. FULBRIGHT. That is correct.

Mr. MAYBANK. But where there is local law providing for the lapse of 30 days or 60 days, that would have to be complied with.

Mr. SPARKMAN. I may say further that it has no connection whatsoever with any rent-control law. It relates to procedure for the city council.

Mr. FULBRIGHT. I wanted to be very clear that this provision can operate without there being any local rent law.

Mr. MAYBANK. The Senator is eminently correct. It is only placed in the rent bill for purpose of insuring the proper procedure in accordance with local law.

Mr. FULBRIGHT. I understand that. Relating to the same article, I want to know what is meant on page 10, in the middle of subsection 6, where it is provided:

> or (B) in any State, city, town, village, or locality in which rent controls under this title have been terminated pursuant to section 204 (j).

As I read that language it means that when the subsection we have just referred to, No. (3), has taken effect, and in pursuance of that provision decontrol has come about, then the property cannot be recontrolled by the Expediter. Is that correct?

Mr. SPARKMAN. That is correct.

Mr. MAYBANK. Unless the local municipality has asked for it.

Mr. SPARKMAN. When it operates to decontrol, the Expediter has no power to recontrol.

Mr. FULBRIGHT. The Expediter cannot go back and recontrol the property on his own motion.

Mr. MAYBANK. No; but he can recontrol it on their motion, although there may not be a city law to permit that, as I understand.

Mr. FULBRIGHT. I do not understand that.

Mr. MAYBANK. The city council, or the mayor, could ask for recontrol through the Governor of the State. Suppose that next year there should be such a law in Arkansas. That is merely a supposition, because I understand that the State legislature will not be in session. An appeal could be made by the local authorities to the governor for recontrol.

Mr. FULBRIGHT. That, I think, has to do with another question, but as I read this language, after decontrol has taken place under subsection (3), the Housing Expediter cannot on his own motion follow that by recontrol?

Mr. MAYBANK. He cannot.

Mr. FULBRIGHT. That is what I wanted to know.

Mr. MAYBANK. The Housing Expediter cannot take such action.

EXTENSION OF DISTRICT OF COLUMBIA RENT CONTROL ACT

Mr. LUCAS. As the distinguished Vice President just said, we now automatically have returned to consideration of Senate bill 1209. In view of the fact that there is pending on the calendar at the present time House bill 1757, an act to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, and in further view of the fact that the District of Columbia Emergency Rent Act expires at midnight on March 31, it seems imperative that, as majority leader of the Senate, I should ask unanimous consent that we temporarily lay aside consideration of Senate bill 1209, and proceed to the consideration of House bill 1757.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, which had been reported from the Committee on the District of Columbia with amendments.

Mr. McGRATH. Mr. President, I wish to address the Senate briefly on House bill 1757, an act to amend and extend the provisions of the District of Columbia Emergency Rent Act to June 30, 1950. The bill we are now considering has been passed by the House of Representatives, and there are some amendments proposed by the Senate committee on the District of Columbia. While the amendments are in the process of preparation, I should like to state a little bit of the history of the rent-control law for the District of Columbia, which has operated somewhat differently than the National Rent Control Act.

I think in many respects the operation of rent control in the District of Columbia has been carried out on a better scale, than has been generally so around the United States. That is for the reason that there has been a very conscientious determination upon the part of those who were charged with the administration of the District Rent Control Act to give much time and attention to it, to the end that there might be a fair and equitable adjustment of cases coming up to the rent-control boards on appeal, either from landlord or tenant.

It may be said that this service in the District of Columbia is peculiar, and there may be some who will question why here in the National Capital one could expect a better degree of service in the administration of an act of this kind than would generally be the rule throughout the United States. Only one thought occurs to me, namely, that the people of the District of Columbia so seldom get an opportunity to do anything in their own behalf or to administer a law for their own welfare, that they are delighted when such an opportunity comes and try to do a superior job.

I believe in the back of their minds is the hope, and I may say the inspiration, that by showing themselves to be superior administrators of the acts which Congress passes for them locally they may the quicker and the sooner convince us of their ability to govern themselves, so we may eventually reach the time when in connection with matters which

ordinarily are passed on for the local determination of communities, the 1,000,000 people who live in the District of Columbia may enjoy the same rights and privileges.

While that may be their thought, it indicates to me also a desire for service upon the highest level, for some very splendid men and women have been called to the service of administration of the rent-control law of the District of Columbia since it was first enacted in 1941. Probably because they have not had to divert their attention to many other details of administration and government, they have been able, in a large measure, to adjust from day to day and month to month the complaints coming to the rent-control administrative board. So I really believe that as of today more equity has been worked out between landlord and tenant under the District rent-control law than probably has been the case generally throughout the United States. Because this is so, it seems inappropriate at this time to try to amend the District rent-control law to incorporate within it at this time many of the provisions which heretofore have been in the national law or which by the action we have just taken in the Senate now become the national law.

Mr. President, I should like to review for the Senate the operations of the District law since its inception.

The District of Columbia Emergency Rent Act was approved December 2, 1941, a few days prior to Pearl Harbor. It had been the subject of prolonged study by Congress. It took effect January 1, 1942, and froze rentals prevailing during the year 1940 or on January 1, 1941. However, it was not a freeze bill in the sense of the word that the rents which were frozen under this statute had to remain so. Elaborate provisions for adjustment were set up under section 4 of the act. In brief, they permitted any landlord to petition the Administrator of Rent Control to adjust the maximum rent ceiling or minimum service standard or both, applicable to his housing accommodations to compensate—

First. For a substantial rise since January 1, 1941, in taxes, or other maintenance and operating costs and expenses.

Second. For substantial capital improvements or alterations made since January 1, 1941.

The Administrator was given authority to "adjust such maximum rent ceiling or minimum service standard in such manner or amount as he deems proper to compensate therefor, in whole or in part, if he finds such adjustment necessary or appropriate to carry out the purposes of this act" with the proviso that no such adjusted rent ceiling or service standard shall permit the receipt of rent in excess of the rent generally prevailing for comparable housing accommodations as determined by the Administrator. There are other provisions in this section relating to the adjustment of rental ceilings but this one is the most important and the one on which practically every petition for an upward adjustment of rent is primarily based. Following the establishment of the office on January 1, 1942, the following cases have been filed under section 4:

Calendar year:	*Number cases filed*
1942	12,276
1943	4,644
1944	3,587
1945	5,200
1946	5,096
1947	18,299
1948	30,599
Total	79,701

As of March 15, 1949, there have been filed in this office a total of 83,578 petitions for adjustment of rent. To the credit of the administration of this office in the District of Columbia, let me say that of the total of 83,578 petitions, 71,739 have been properly disposed of.

Under section 2 (1) (c) of the act, the Office of Administrator of Rent Control is authorized to determine maximum rent ceilings for all housing accommodations not rented on January 1, 1941, or during the preceding calendar year, the determined rental to be based on the rent and service generally prevailing for comparable housing accommodations. It is to be seen, therefore, from the number of cases filed under section 4, that the District of Columbia Emergency Rent Act made adequate provision for the adjustment of rents where the landlord was in position to show that there had been an increase in taxes, maintenance, and operating expenses, or capital or substantial improvements had been made to the housing accommodations in question. The Office of Administrator of Rent Control has carried out these provisions, with the result that there has been some increase in rent affecting every type of housing accommodation in the city of Washington. According to his report as of December 31, 1948, rental adjustments have been made on 60,979 apartment units and 6,302 single-family dwellings, and approximately 11,500 adjustments affecting room rents and board rates in rooming and boarding houses under section 4. Under section 2 of the act, the Administrator estimates that rental ceilings have been determined for approximately 7,500 housing units, either apartment units or single-family dwellings which were not rented on January 1, 1941, or during the preceding year.

Under date of October 1, 1947, the Administrator issued General Order No. 12 and form 79 for the purpose of enabling owners of rented single-family dwellings and rented buildings containing from two to eight dwelling units to compensate themselves for a general increase since January 1, 1941, of up to 20 percent in the assessment on improvements in the real estate taxes, an increase from $1.75 per hundred to $2.00 per hundred in the rate thereof, and a 25 percent increase in the rate charged for consumption of water supplied to such housing accommodations. This order was issued pursuant to provisions of sections 3 and 7 of the Rent Act. As of December 31, 1948, there have been filed in that office approximately 20,200 Form 79's. These forms provide for the adjustment of rent for as many as eight units in one building. If, for the purpose of making an absolute minimum estimate, three units are said to be covered by each form, there are at least 60,000 single-family dwellings and apartment units which received an increase in rent under this order. The Administrator states that the increase for the apartment units approximates from 50 cents to $1.80 per month per apartment, and for single-family dwellings the increase amounts to approximately $1.50 per month to $10.00 per month in some of the higher rental areas in the northwest section of the city.

Until within the last year or so the claim was always made that the District of Columbia Emergency Rent Act afforded owners of property in the District of Columbia an opportunity to receive an increase in their rentals, whereas in the rest of the country, under the provisions of Federal Control, it was practically impossible to obtain an upward adjustment in rental. The Administrator advises me that he is of the opinion, basing it on available data and information in his office, that there have been upward adjustments of rental over the January 1, 1941 rental ceiling of at least 90 percent of all the rental housing accommodations located in the District of Columbia.

The Housing and Rent Act, approved June 30, 1947, Public Law 129, Eightieth Congress, provided in effect that if a landlord and tenant voluntarily agreed there could be a maximum increase of not more than 15 percent in rent. It also provided that the tenant must be given a lease for at least a year. It was following this voluntary 15 percent increase that the contention arose for the first time that there should be a like increase in rents in the District of Columbia. It was opposed on the ground that there had been consistent increases in rent granted to landlords in the District of Columbia throughout the entire operation of the District of Columbia Emergency Rent Act. The voluntary 15 percent increase was opposed by the Rent Administrator of the District of Columbia primarily on the ground that increases had already been granted to a very large majority of the landlords in the District of Columbia, and secondly on the ground that under the provisions of the District of Columbia Emergency Rent Act, the authorization of a voluntary 15 percent increase in rent could very easily result in a demand for a 15 percent increase across the board for all housing accommodations in this city, for the reason that comparability is the key stone of the arch in the District of Columbia Emergency Rent Act and if, for example, 20 persons residing in an apartment building containing 35 or 40 apartments voluntarily agreed to a 15 percent increase in rent, even though the remaining 15 or 20 tenants did not agree to such increase, the landlord could, under the provisions of the proposed amendment to the act, request that he be granted a 15 percent increase on the remaining apartments in the building, basing his allegation on the ground that the remaining apartments were comparable in all respects to those affected by the voluntary increase. This would also have nullified any real advantage which

the tenants agreeing to the voluntary increase might have received in the way of a lease. While the tenants who signed a lease would have been bound for a year, those who did not could have vacated on 30 days' notice at any time.

For the past year and a half, the Office of Administrator of Rent Control has kept a careful check on the increases which it has granted under section 4 of the act. For the period July 1 to December 31, 1947, the average increase over the base rent was 7.73 percent; for the 6-month period, January 1 to June 30, 1948, the average increase was 7.86 percent; and for the last period, July 1 to December 31, 1948, the average increase was 9.18 percent. I am further advised by the Administrator that the increases granted between December 1948 and March 15, 1949, average about 9.5 percent. In one recent case covering a large apartment building in the northwest section of this city, an increase amounting to approximately 15.42 percent was authorized; in another case, an increase of approximately 12.02 percent was granted; and in a third, a 10-percent increase was granted. These increases were granted after a showing before an examiner of the Office of Administrator of Rent Control that costs, maintenance, and operating expenses have increased sufficiently to authorize such action. The Administrator states that evidence of a considerable increase in maintenance and operating costs first became noticeable during the middle and latter part of the year 1946. It became more so following the abolishment of the Price Control Act in the summer of 1947. Some of the increase in maintenance and operating expense is brought about by reason of the fact that during the war years materials and supplies were difficult, if not in many instances impossible, to obtain. The result has been that landlords who desired to maintain their property in good condition have spent considerable sums of money, from 1946 up to and including the present time, in undertaking to rehabilitate their buildings.

If Congress now sees fit to impose any stated increase in rent on housing accommodations in the District of Columbia it probably will have the effect of producing higher ceilings in the city of Washington than anywhere else in the United States.

However, Mr. President, I wish to say that I believe the authority which would then remain in the Administrator by reason of the language which now has been written into the National Rent Control Act would give the Administrator a rather broad discretion in applying the factors which heretofore he has taken into consideration; and by subtracting what he has already done from what he would be obliged to do in the future, probably that would not make the language of the National Rent Control Act in this respect burdensome on the situation in the District of Columbia. It may be that an amendment will be offered on the floor of the Senate to provide that the same language used in the National Rent Control Act shall be used in the District of Columbia rent-control law, as applied to increases. Since this language does not make it mandatory that a 5-percent increase be applied at a particular time and that another mandatory 5-percent increase be applied at another time, but merely that the formula of fairness in the administration of the National Rent Control Act be applied, and since it will be understood that authority and discretion are to remain in the Administrator at all times to determine whether he has heretofore applied the same factors in the granting of rent increases, those who are sponsoring the pending bill probably will raise no objection. But I should like to make it perfectly clear in the RECORD that we are offering no objection only because we feel that this language spells out a course of procedure which the Administrator can follow and will follow, but which he would follow only twice.

Let me make my position on that point clear. I have stated that when there was a general increase in the tax rate in the District of Columbia, as approved by Congress, under a general order issued by the Rent Control Administrator of the District of Columbia all landlords were permitted to take a commensurate increase in rent, so as to compensate proportionately for the increase in taxes which were automatically imposed upon them. Probably that has not happened anywhere else in the United States. Yet now we have written into the National Rent Control Act a formula by which we say that hereafter the Rent Control Administrator must take into consideration, in giving regard to applications for increases in rent which may be before him, whether there has been an increase in taxes since there has been an increase in the rent ceiling. I take it that the Rent Administrator in the city of Washington would not have to consider the fact that a year ago or thereabouts we raised the tax rate in the city of Washington from $1.75 to $2 per $100 valuation, if already he had found that the particular applicant for the the rent increase had taken advantage of the general order and already had applied for, and had received an increase in the rent, so as to take care of that tax increase situation.

So, Mr. President, as I read the language--and I think it very good language—which has been agreed upon by the conferees on the national rent-control bill, I think it may adequately be applied in the District of Columbia with fairness and equity, and probably it will overcome some of the misunderstandings which have existed as between the operation of the law in the District of Columbia and its operation elsewhere.

Contrary to the statements which are being broadcast that the District of Columbia Emergency Rent Act protects Members of Congress from paying as much rent as they would pay under the Federal Act, the converse is true. Under the provisions of the District of Columbia Emergency Rent Act, Congressmen residing in any apartment building in the District of Columbia which is before the Administrator of Rent Control on a petition for an increase in rent—and this applies not only to Members of Congress, but also to those who are obliged to come to Washington to work for Members of Congress—pay exactly the same increase that all the rest of the tenants pay, the percentage increase being applied to the rent covering every apartment in the building. In this connection, the Administrator advises me that over a year ago all Congressmen who happened to be residing in apartments in the large hotels, such as the Mayflower, Shoreham, and Wardman Park, and so forth, had their rents increased 15 percent. An increase of 5 percent over the present rental ceilings in the District of Columbia effective June 30, 1949, to be followed by an additional 5 percent increase effective April 1, 1950, would create very serious inequities, for some landlords would be receiving an increase of at least 25 percent, whereas other would receive rent increases of from 10 to 15 to 16 percent. As has been demonstrated throughout the 7-year period of the operation of the Office of Administrator of Rent Control, there is ample machinery at hand to grant increases in rent where they are justified; and the figures above quoted will show that such increases have been granted.

I therefore feel that there is no real justification for congressional action which would seriously alter the present Rent Control Act under which we have been operating. To the contrary, Mr. President, it is my belief that, as all of us so fondly hope, we are approaching the day when supply will catch up with demand in the field of housing, and the Federal Government will be able to abandon this field to the States. I express the hope that in the District of Columbia when that hour comes we shall find a city government authorized by a city council to which we can abandon problems of local administration of this kind, and turn them back to the people so that in the future in the operation of laws of this kind and in these fields they can govern themselves. I hope we are fast approaching that day. I hope that when the expiration hour comes for the act which we have just approved for the Nation, and when the expiration hour comes for the act we are now asking to be approved for the District of Columbia, it will not be necessary for the Federal Government to be dealing with the problem of rent contol.

No man can sit here today and say what the future holds in store. We do not know as of this hour, with the demands that will be made upon our economy and upon our material resources in defense of our country in the times that are ahead, whether we can go forward with a program throughout the United States and here in the National Capital that will give decent housing to Americans at reasonable prices which they can afford to pay from the wages they receive; but at least it is our hope that we shall not have to deal with this problem again in the Congress; and, since we have that hope, I should think Senators would be willing to go along with a tried and true rent-control bill such as has been in effect in the District for the past 7 years.

Whatever reasons and excuses may be thought up now for making a uniform act, whatever their validity may have been in years gone by, I think there is no valid reason, now that we are reaching the end of the program, completely to disrupt the administration, to change the practices and the procedures and the understandings of the people of the District as to how rent control in the District operates. I think that would be a great mistake. I, therefore, appeal to Members of the Senate to pass the bill now before us, with the amendments which will be proposed.

Principally, the amendments extend control to June 30, 1950. Secondly, recontrol conversions may be placed upon units of rentable property upon which at least $1,000 has been spent, and which in the opinion of the administrator of rent control constitute adequate living accommodations. I might point out that under amendments adopted to the District rent-control law only a year ago, some real injustices have been created, because it has been possible—I say it has been possible; but, in reality it has occurred; whether or or not there were ways administratively to overcome it, I am not prepared to say—for a landlord to put up a very cheap composition-board partition across a room, have a very inexpensive plumbing job done, and then combine them to claim he had created a new living accommodation.

It was a new living accommodation only because he had taken the trouble to put a partition in a room where people were living so as to make it possible for another family to live on the other side of the partition. Perhaps it was possible administratively not to have accepted that interpretation, but in many instances it was accepted, and that property became decontrolled, and it has led to many unfair and unequitable situations.

We now propose to say to the Administrator that if he finds there has been an expenditure on the property of $1,000—and an expenditure of much less than $1,000, in these days, can hardly be said to be sufficient to provide a new and livable accommodation—and if the Administrator finds that that has produced a new living accommodation, he is therefore permitted to decontrol the new accommodation. But at least we do this much in the amendment: We set up a test by which the Administrator may have some measure to guide him in determining whether in practice and in actuality and in fact a new rental accommodation has been brought into being.

A further amendment will be offered by the committee, providing that cooperative apartments cannot be sold or purchased, that there cannot be a transaction which converts present multiple living accommodations into a cooperative apartment, unless 65 percent of the tenants agree to the sale; this to be in effect after March 1, 1949. I believe, Mr. President, there is also to be added or to be offered an amendment——

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

Mr. McGRATH. I am glad to yield to the Senator from Wisconsin.

Mr. McCARTHY. I understand the Senator has an amendment in regard to cooperative apartments. I checked the wording of it. It does not differ greatly from the wording in the bill covering rent control over the Nation as a whole. I wonder whether the Senator will examine the amendment which I have, which is identical to that affecting cooperatives in the Nation as a whole. The local rent control administrator, Mr. Cogswell, is present in the Chamber. He has examined both amendments. I believe he has no serious objection to the adoption of mine, and, merely for the sake of trying to bring the local bill into line as much as possible with the national bill, I shall very much appreciate it if the Senator will examine the amendment.

Mr. McGRATH. I may say to my eminent colleague, the question of cooperative apartments is dealt with in rent control acts for the first time as we are considering both the national and the District acts. In uniformity I should be in favor of providing wherever we can between the District act and the national act. And since heretofore there has been no language affecting cooperatives in the District act, I should be in favor of using the same language in the District act as is used in the national act. While we had drawn an amendment on this subject prior to the adoption of the conference report, I should be perfectly willing to refrain from offering the committee amendment, which I feel I have the sanction of the committee to do, so that the distinguished Senator from Wisconsin may offer his amendment in lieu thereof.

There is one more amendment about which I wish to speak. I voted for, and should like to have seen retained in the national act, the criminal penalties heretofore provided. The Senate retained them. The conference has eliminated them. We have accepted the result of the conference. I see no reason why landlords in the District of Columbia should be subjected to criminal penalties for a violation of the law in a given field when the same penalties are not equally applied throughout the United States. While I lament and deplore the fact that we perhaps have taken some of the teeth out of the national act, while we probably have given an open invitation to a violation of its provisions, since we have seen fit to do it for the remainder of the country, in fairness, we must do it for the people who own property in the District of Columbia. If an amendment is therefore offered which makes the District act conform to the national act in this respect, I cannot bring myself in good conscience to vote against it, though I think it is unwise and should not have been included in the national act. But, fairness and equity require us to face up to these situations.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 2, line 20, it is proposed to strike out "$1,500" and to insert "$1,000."

The amendment was agreed to.

The next amendment was, on page 2, line 23, after the word "accommodations", to insert "*And provided further,* That nothing in this section shall be construed as authorizing or permitting the recontrol of any additional housing accommodations created by conversion prior to the effective date of this amendatory act."

The amendment was agreed to.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). That concludes the committee amendments. The bill is open to further amendment.

Mr. AIKEN. Mr. President, I offer the amendment, which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

Section 5 of such act, as amended (D. C. Code, 1940 ed., sec. 45-1605), is amended by adding at the end a new subsection, as follows:

"(d) No action or proceeding to recover possession of housing accommodations shall be maintainable by any landlord against a tenant, if the tenant or a member of his family is ill or is an invalid: *Provided,* That the tenant and his family are unable to secure other suitable living accommodations: *And provided further,* That the tenant is not in arrears in the payment of rent."

Mr. AIKEN. Mr. President, this amendment simply provides for protection for families having an ill or disabled person, so that the family cannot be evicted, if their rent is paid, until they can find some other place to go. I do not suppose there are very many such cases in the District. I happen to know of one such case. I am advised that this case and similar cases are not covered in the District rent-control bill, and for that reason I am offering the amendment to the District of Columbia rent-control bill.

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

Mr. AIKEN. I yield.

Mr. McGRATH. Did the Senator offer a similar amendment to the national rent-control bill?

Mr. AIKEN. No; I did not.

Mr. McGRATH. Why in perfect fairness, should the District bill be so amended?

Mr. AIKEN. I may say to the Senator from Rhode Island that this amendment probably should have been in the national rent-control bill. The matter came to my attention only last Saturday afternoon, and there was no opportunity to offer an amendment to the national rent-control bill. The case I mention happens to be one in which there is an attempt being made to evict a family which contains an invalid man over 90 years of age, and it is regarded as practically certain death to him if the family should be evicted before they can find some other place to go. I can give the Senator names, dates, and addresses if he cares to have them, but in consideration for the persons involved I would rather not do so.

Mr. McGRATH. I may say to the Senator that his amendment is a very worthy one, and certainly it arouses great sympathy in my heart. I should like to support it, but I do not know that it would be

wise to write any general legislation to take care of a few particular cases. I am sure that the case which the Senator has in mind can be administratively handled in the District of Columbia. I should be very happy to look into it. I cannot say, in good conscience, that the Senator is not trying to achieve a good and proper end, but I do say that we are making every effort to bring about uniformity between the national act and the District of Columbia act, and I should hate to see a further restriction written into the District of Columbia bill which would not be applicable throughout the United States.

I think I can give the Senator reasonable assurance that there are agencies within the District of Columbia which will see that the case is taken care of.

Mr. AIKEN. I understand that the agency which would look after such matters claims it does not have the authority to handle this case. I do not suppose there is one landlord in a thousand who would evict a family containing a sick or disabled person. I offered the amendment because I hoped the Senator would accept it and take it to conference, and if, in the meantime, there can be some way found to handle the case without providing for it in the general law, we would be satisfied, assuming that it also covered other cases. I was surprised when I was told that the Rent Control Board of the District of Columbia could not satisfactorily handle cases of this kind, but such seems to be the fact.

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

Mr. McGRATH. I do not have the floor.

Mr. AIKEN. I yield to the Senator from Washington.

Mr. CAIN. Does it not happen to be presently the fact that the marshal for the District of Columbia does not, as a matter of fact, evict persons who are invalids or who are ill? If the marshal does not evict those who are ill, would not that fact, I inquire of the Senator from Vermont, answer his question?

Mr. AIKEN. I understand that all sorts of ruses are being used to accomplish this eviction. It may be that the marshal does refuse to evict, but I understand that the old gentleman's room is watched all the time to make sure that plumbers do not go in and tear off a square foot of plaster from the wall, because that would result in eviction. It could not be stopped. The landlady cut off the water and light and apparently used every means to get this old man out of his room, when he has nowhere to go. He is in quite a large apartment, which rents for approximately $200 a month. It seems to me there should be some way to handle that and similar cases. If the Senator from Rhode Island would accept my amendment and take it to conference, and show me how the case can be handled adequately under existing law, I certainly would not insist on the amendment being incorporated in the bill.

Mr. McGRATH. Mr. President, I am not one who would tolerate for a moment a condition which would permit what the Senator from Vermont says has occurred. I have some hesitation, however, in accepting an amendment which is designed to legislate for one particular case, when I believe—in fact, I know—there are agencies in the District which have the means of handling such a situation. I know that the courts of the District, the prosecuting attorney, and the United States marshals are of one mind with respect to cases of this kind. I have no recollection, in my years in Washington, of any instance in which we have been disgraced, so to say, as a community, by having to read of an eviction of a family in which there was sickness or some other condition approaching the case of which the Senator speaks.

I find it impossible to agree to the adoption of this amendment, because I believe it is designed to protect a situation which can be otherwise adequately handled. I believe language of this kind, written into a rent-control bill, might very seriously question the right of a landlord to evict a family because there may be sickness in the family, although there might be plenty of other conditions which would overcome the existence of such sickness. The family might be well able to move, and great advantage might be taken of the landlord.

I have not closely studied the language of the Senator's amendment, but it seems to me it opens the door to very dangerous practice.

Mr. AIKEN. Mr. President, the family in question would move if they could find some other place to go. I may say, further, that, in desperation, they have appealed to the court, and the case has been in the court for several months and is proving to be quite expensive. While the family is not destitute, the case is proving to be expensive. It is also proving expensive to do all their cooking and heating with electricity, because the gas and plumbing have been shut off from the outside. This is the only case of its kind in the District, that I personally know of. It was called to my attention only last Saturday. That is the reason why I could not offer the amendment to the national rent-control bill. It seems only humane to stop the eviction of a family when members of the family are sick, until they can find a place to which they can move, and I realize it is very difficult to find such a place. The property to which I refer has been bought for speculative purposes. As I understand, there will be exceptionally good profit to the purchaser, who is anxious to get all the tenants out, and double the money invested.

Mr. McGRATH. Mr. President, it seems to me that Congress is extending itself considerably when it attempts by amendment to basic legislation to adjust individual differences between landlords and tenants. I suppose I could go around the city and find a thousand cases of inequity, some of which would be shocking to the consciences of Senators and to Congress as a whole. Yet I would not attempt to adjust each of those separate cases by a paragraph in a bill or a section in a bill which dealt with an individual case.

I should prefer to say to the Senator that I shall have the appropriate agencies of the Government look into the case to which he calls attention, and I shall be glad to lend my support to a private bill for the relief of these people if the situation which the Senator pictures warrants it. But I do not believe any single case should be the criterion upon which to legislate by a general provision of law which may not apply to any other case within the District of Columbia. I think we make a mockery of our legislative process when we attempt to correct on the floor of the Senate each individual inequity which may exist.

Mr. AIKEN. Mr. President, I am a little surprised that the Senator from Rhode Island would support a private bill for this one case. My amendment is not one to affect this one case alone, it is an amendment to affect several hundred thousand people who live in the District of Columbia, and I merely cite this one case as an example. The amendment is a humane amendment. The old gentleman involved, I am told, will undoubtedly not survive if he is moved at this time, with nowhere to go. Even if there were only one case, I think that the life of one old man is worth the consideration of the Senate. The Senate can vote the amendment down. I merely ask for a vote on it.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was rejected.

Mr. McCARTHY. Mr. President, I have a total of six amendments I wish to offer to the District of Columbia rent control bill. I might say that if this had been taken up as an original matter I frankly would not favor some of the amendments I shall offer. They are offered merely for the purpose of bringing the District act in line with the National Rent Control Act, on the theory that landlords and tenants in Washington should receive no more and no less protection than applies to landlords and tenants in Milwaukee, Wis.; Chicago, Ill.; and other cities of the Nation.

The junior Senator from Delaware [Mr. FREAR] did fine work in drafting the bill. At the time he and his committee framed it they, of course, did not have the benefit of what we have since done in connection with the National Rent Control Act. I should like to make a record of the fact also that Mr. Cogswell, the local rent administrator, has performed very well in administering the District Rent Control Act.

The first amendment I have to offer I send to the desk, and ask to have it read and acted upon.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to add a new section at the end of the bill as follows:

SEC. —. Section 10 of such act, as amended, is amended by striking out subsection (b) thereof.

Mr. McCARTHY. Mr. President, this amendment would merely delete the criminal provisions of the District act,

as we have deleted similar provisions from the national act. If we pass the District act without this deletion, we will be saying, in effect, that if a landlord were to evict a Representative or Senator or any of their office staffs he would be liable to criminal prosecution because it happened in the District, but if a landlord in any other city in the Nation were to evict a tenant he would not be liable to criminal prosecution. I think it is entirely improper for us to take such a position. I do not believe additional protection should be given to those of us who are tenants in Washington. I understand that the Senator from Rhode Island and the Senator from Delaware, the latter of whom was chairman of the subcommittee, have no objection to accepting the amendment. Am I correct in that?

Mr. McGRATH. Mr. President, I would agree to the amendment reluctantly, because I could not be logical in opposing it inasmuch as in the national act we have taken the action to which the Senator has referred. I believe that the landlords in the District of Columbia are entitled to be put on an equality in treatment with other landlords in the country.

I wish to point out, however, that in the 7 years during which rent control has been in effect in the District of Columbia the criminal provisions of the act have been resorted to only 15 times, which is a very minute number when we consider that approximately 100,000 cases, at one time or another, have passed through the office of the Rent Administrator. That is a demonstration of the fine administration of the office, and it also shows that the power of criminal prosecution provided in the statute could properly be permitted to remain in the District Rent Control Act.

Mr. President, I have made this argument to the distinguished Senator from Wisconsin in an attempt to persuade him not to pursue the course of asking that the criminal provisions be removed from the local act. Repeating what I said before, if he offers the amendment, as I think he is about to do, having made the record perfectly clear, I shall not oppose it.

Mr. McCARTHY. I think that the local administrator, Mr. Cogswell, has used excellent judgment, and very reluctantly took advantage of the criminal provisions of the act when he did so. However, I feel strongly that, in view of the fact that the Senate in the national act rejected a criminal provision identical with that in the District law, to a provision which would have applied to every other city in the Nation, we should not have this additional protection for those of us who are tenants in Washington. As the Senator knows, practically every Member of the Senate, and all the members of our office staffs, are tenants, and I think it would be entirely improper that we should give them greater protection than is given John Doe or others throughout the Nation. Therefore I present the amendment and ask that it be acted on.

Mr. McGRATH. Has the Senator given due consideration, in the drafting of his amendment, to the differences which may exist between the District act, from which he now proposes to remove the criminal sanctions, and the language of the national act? One situation occurs to me, namely, that landlords are supposed to make application to the Rent Administrator if they wish to receive increases in their allowable rents. What authority exists under the District law to compel them to make such application? Before we strike out the criminal provisions of the section I think we should look at the matter pretty carefully, and see to it that there are civil processes by which the Administrator can at least force compliance with the directions of Congress in administering the act. I believe the Senator will find that in the national act means are provided by which a civil proceeding may be had to enforce compliance. I do not recall, and I have asked counsel sitting beside me and he does not recall, that there is anywhere in the District act a provision for a civil proceeding which could conceivably take the place of criminal penalties which the Senator now proposes to remove from the act. I think we should consider that aspect very seriously before we take the proposed step.

Mr. McCARTHY. In view of the fact that the conferees on the Rent Control Act finished their work either last night or this morning, I have not had opportunity to spend as much time as I would have liked on the six amendments which I am offering. Frankly, I relied upon the Senator's own counsel, the gentleman now sitting beside him, to bring the District bill into line with the national bill. I know that was a tremendous task to assign to counsel to handle in 1 or 2 hours. I know he did an excellent piece of work. Mr. Boots, of our legal staff, is here in the Chamber, and neither Mr. Boots nor the Senator's own counsel can give us complete assurance that we have done to the last detail what we intended to do. They have done the best they could. I understand the District act provides for double or triple damages in case of a violation. That may or may not be identical to the provision in the national act. If it is not, then it should be made identical. I do think those slight differences can be ironed out easily in conference. But in order to make myself clear I will say that we rejected in the national act this identical criminal provision. I have given the Senator's own counsel, who is now sitting beside him, the job of drafting six amendments to bring the District act in line with the national act. I think he has done that. I think he has done a good job, though I cannot personally certify it is a perfect job. I think the Senator from Rhode Island did a good job in selecting counsel. I think the committee's counsel is a very competent lawyer and has done a good drafting job in this case.

Mr. McGRATH. I will say that if the Senator persists in offering his amendment I shall not oppose it. I should like to have the understanding with the Senator that when the bill goes to conference, if we then determine that there are adequate civil provisions in the District act which would make it a workable act, we shall not resort to civil sanctions.

Mr. President, I shall not oppose the amendment.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The question is on agreeing to the amendment No. 1, offered by the Senator from Wisconsin [Mr. McCARTHY].

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I now call up my amendment No. 2. In view of the length of the amendment, Mr. President, I ask unanimous consent that the reading of it may be dispensed with, and that it may be printed in the RECORD at this point, after which I shall explain it.

The PRESIDING OFFICER. The Senator from Wisconsin asks unanimous consent that the reading of the amendment be dispensed with, and that the amendment may be printed in the RECORD at this point. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARTHY's amendment is as follows:

At the end of the bill, add a new section, as follows:

"SEC. —. Section 4 (b) of such act, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided further*, That during the period beginning on the effective date of this amendatory act and ending on the date this act ceases to be in effect, the Administrator shall make such individual and general adjustments as may be necessary to remove hardships or to correct other inequities or further to carry out the purposes and provisions of this act: *Provided, however*, That the landlord certifies that he is maintaining all services furnished as of the date determining the maximum rent and that he will continue to maintain such services so long as the adjustment in such maximum rent which may be granted continues in effect. In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Administrator shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair net operating income from such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration shall be given to the following, among other relevant factors: (A) Increases in property taxes; (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.'"

Mr. McCARTHY. Mr. President, this amendment deals with the question of profit or loss of a landlord, or the basis upon which rents will be set. It is identical to the provision written into the national act by the joint conferees. I personally do not think much of this

provision. I think "net operating income" is so ambiguous that it will be extremely difficult to interpret and administer it. If I had been one of the conferees dealing with the National Rent Act I would have voted against the insertion of this provision. However, in view of the fact that it is now in the national act, since it was approved by the Senate, I think we have no choice but to say that the same rule shall apply to landlords and tenants in the city of Washington as is applied to landlords and tenants in every other city of the United States.

Mr. President, I ask the Senator from Rhode Island if he has any objection to accepting this amendment, in view of the fact that the Senate has approved a similar provision as a part of the National Rent Control Act.

Mr. McGRATH. No. I should like, however, to repeat what I think I covered in my general remarks, that it is the legislative understanding in the adoption of this amendment that where the factors that are mentioned herein have already been applied in the granting of an increase, the passage of this measure shall not mean that they shall have to be applied all over again to place an increase on top of an increase.

Mr. McCARTHY. I think the Senator from Rhode Island and I heartily agree on that point.

Mr. McGRATH. I spoke about the tax situation in the District of Columbia. In the District a general order went forth from the Rent Control Administrator providing that in view of the fact that there had been a general increase of 25 mills in the tax rate, there could be a comparable increase applied by the landlord himself in his rent. The pending amendment mentions increases in taxes as being one of the factors to be considered in allowing a landlord an increase in rent. I want to make it perfectly clear that if a landlord in the District of Columbia has increased the rent he charges by reason of a general tax raise, he should not be entitled to another increase. If he has already taken advantage of these things, then the Administrator may properly find that he has had his compensation, and he is not entitled to have it over again. With that understanding, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 2 offered by the Senator from Wisconsin [Mr. McCARTHY].

The amendment was agreed to.

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

Mr. McCARTHY. I am glad to yield.

Mr. CAIN. I should like to ask the Senator from Wisconsin a question with reference to his amendment which has just prevailed. What effect, if any, will it have on the comparability provision presently included in the District of Columbia rent bill?

Mr. McCARTHY. It nullifies the comparability feature of the present District of Columbia rent bill.

Mr. CAIN. I wonder if, with the Senator's permission, I might ask the chairman of the Committee on the District of Columbia whether, in his opinion, the amendment which has just prevailed negates the comparability provision prevailing in the District of Columbia rent law?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for that purpose?

Mr. McCARTHY. I yield.

Mr. McGRATH. The amendment in question puts a fair return into the local law. I am not prepared to say whether it entirely eliminates comparability.

Mr. CAIN. I raise that question, I think importantly, because there appears to be reason to believe that the comparability provision has been outmoded. It is the desire of many interested persons to get away from that provision, and the Senator from Wisconsin feels rather strongly that his amendment does in a sense repeal the comparability provision.

Mr. McCARTHY. Not only in a sense, but completely and entirely.

Mr. CAIN. I thank the Senator for his information.

Mr. LANGER. Mr. President, will the Senator from Wisconsin yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Dakota for a question?

Mr. McCARTHY. I yield.

Mr. LANGER. In view of the adoption of the the two amendments offered by the Senator from Wisconsin, how much can the rent be raised?

Mr. McCARTHY. The same amount that the rent could be raised in Milwaukee, Wis.; Detroit, Mich.; or Chicago, Ill.

Mr. LANGER. How much?

Mr. McCARTHY. Sufficient so as to give a fair operating net income. What that means I frankly do not know. As I previously said, had I been one of the joint conferees I would never have voted for such ambiguous language. I do not think anyone can properly interpret it. I was on the bench for 3 or 4 years and have been a lawyer for many years. It is the sort of thing that, in the law, causes a lawyer or a judge to have a headache. The reason I submitted the amendment was not because I thought it to be a good provision. My reason for submitting the amendment is that I strongly feel that when we legislate for cities in the Senator's State of North Dakota, and in my State of Wisconsin, and in all the 48 States, then we should enact the same type of legislation for the District of Columbia. So far as I know, all of us are tenants, as are our office workers. I believe most of the Government workers are tenants. I do not think the landlords and tenants in the District of Columbia should be treated differently from the landlords and tenants back in our own States. I do not want the Senator from North Dakota to misunderstand me as endorsing that amendment in the national act. Do I make myself clear?

Mr. LANGER. The Senator has offered the amendment, but he is against it in his heart. Is that the idea?

Mr. McCARTHY. I was against that amendment in the national act, but once it was adopted as part of the national act, once it had been agreed to by the Senate and was on the way to become the law of the land, and since its provisions will apply to the cities of Milwaukee and Chicago and Detroit, and all other cities throughout the United States, I wish to have its provisions apply to Washington, D. C., as well.

Mr. LANGER. But personally the Senator is against it?

Mr. McCARTHY. That particular proviso, yes.

Now, Mr. President, I offer my amendment No. 3, which I send to the desk and ask to have stated. I have three more amendments.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. —. Section 2 (2) (e) of such act, as amended, is amended to read as follows:

"(e) For the purposes of this section, the term 'hotel' means an establishment operating under a hotel license and occupied by an appreciable number of persons who were provided customary hotel services, such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service."

Mr. McCARTHY. Mr. President, this amendment takes the language from the national act and puts it in the District Rent Control Act. As of the present time, and under the proposed District act, any hotel with less than 50 rooms could under no circumstances be decontrolled by the Administrator. A hotel with 49 rooms would remain under control. A hotel with 51 rooms could be decontrolled. This amendment merely provides that a hotel which has less than 50 rooms shall be considered the same as similar hotels in other cities of the country.

This does not mean that apartments in a hotel shall be automatically decontrolled. It will be up to the Administrator to determine whether or not a hotel of 45 or 48 rooms is for the purpose of accommodating transients. If so, it shall be decontrolled, the same as such a hotel would be decontrolled in Detroit, Mich. The purpose of this amendment is to make the District act identical in that respect with the national act.

I wonder if the Senator from Rhode Island has any objection to this particular amendment.

Mr. McGRATH. Mr. President, again in the interest of uniformity, I cannot object to the amendment. I have no way of knowing how many people it will affect. It is impossible for us to tell, in a city such as this, where so many people live in small hotels, how many would be affected. The amendment is offered at this particular stage, when there is no possible way of getting any figures; but if the provision is going to work in the national act, there is probably no reason why it should not work in the District of Columbia Act. In the interest of uniformity, I do not oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Wisconsin [Mr. McCARTHY].

AMERICAN TRADE RELATIONS

Mr. BREWSTER. Mr. President, I should like to discuss a certain matter for a few moments, if I may——

Mr. McCARTHY. Mr. President, I have four more amendments which I should like to get rid of first.

Mr. BREWSTER. Mr. President, I have waited 3 days. I should like now to have a few minutes.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Who has the floor?

The PRESIDING OFFICER. The Senator from Maine [Mr. BREWSTER].

Mr. McCARTHY. Has the Senator from Wisconsin lost the floor?

The PRESIDING OFFICER. The Chair understood that the Senator from Wisconsin had taken his seat, and the Chair stated that the question was on agreeing to the amendment offered by the Senator from Wisconsin, when the Senator from Maine rose and asked for recognition.

Mr. McCARTHY. May we first have a vote on the amendment which I have just offered?

The PRESIDING OFFICER. The Senator from Maine has the floor.

Mr. BREWSTER. Mr. President, I assure the Senator that I will not take 6 hours. However, I wish to take a few moments to bring to the attention of the country a subject upon which I have for some time been seeking an opportunity to speak.

This subject concerns our trade relations, particularly with the British Empire, and with England. I hold in my hand a copy of a release by the Economic Cooperation Administration. It is dated March 17, 1949. The opening statement reads as follows:

WASHINGTON, March 17.—General Time Instruments Corp., New York, N. Y., will invest $1,000,000 in the manufacture of clocks and watches in the United Kingdom, the Economic Cooperation Administration said in Washington and London today in approving a guaranty of currency convertibility for the corporation.

The million-dollar investment is the largest thus far under the guaranty provision of the ECA law and was designed to encourage the flow of American capital to Europe by assuring convertibility of foreign currency receipts into dollars, up to the amount of the investment. Investments under the provision must be in projects contributing to European economic recovery.

The General Time Instruments Corp. investment is in additional shares of Westclox, Ltd., the corporation's existing British subsidiary. Westclox, Ltd., has leased a plant in Alexandria, Dumbartonshire, Scotland, where production of clocks has begun and output of clocks and watches will gradually be built up.

Prior to the war the United Kingdom imported practically all of its clocks and watches and is now building up its own industry.

I call attention to the fact that it was stated yesterday that we were not going to build them up to a point beyond where they were before the war. This statement indicates that there is to be an additional development.

In recent years General Time Instruments Corp. has been shipping in considerable volume from its United States and Canadian plants to Great Britain, and in larger amounts to other sterling countries. The plant in Scotland ultimately will have a capacity exceeding these combined exports from the dollar area to the sterling area. The project will thus make a definite contribution toward overcoming the present balance of payments difficulties of sterling countries.

The Export-Import Bank of Washington executed the guaranty contract as agent of ECA.

So much for the statement of the Economic Cooperation Administration under date of March 17, 1949. This activity is in line with the general program for the restoration of the economic stability of Europe, but in this instance we are going somewhat beyond the general principle which has been laid down, that we did not propose to increase their productivity beyond the point of prewar years, or to develop new lines.

This has particular interest and significance because, before the Reconstruction Finance Corporation at the present moment, there is pending an application for a loan of three or four million dollars for the restoration of activity in the Waltham Watch Co., in New England, which has been closed down as a result of the imports of foreign watches. This activity of our Government in lending $1,000,000 for the development of a watch plant in England when we are still trying to determine whether or not we will provide money to enable a watch company in this country to carry on affords a very interesting parallel, and one which I fear may be somewhat disturbing to the 2,000 employees of the Waltham Watch Co. who are now unemployed as a result of the closing down of their plant.

I do not wish to labor this point, except as an illustration of the generosity which our country is showing toward foreign countries at this time, and to call attention to certain discrimination being practiced by foreign countries which I think goes somewhat beyond the bounds of what we might properly expect.

I refer to the matter brought up by the Senator from California [Mr. KNOWLAND] a few days ago, dealing with the action of the British Government in connection with the film arrangements which have prevailed.

Last week in Hollywood the American motion-picture industry presented its annual awards for the best picture of the year 1948, to the best actor, and to the best actress of the year, and for various other meritorious accomplishments in production and performance in motion pictures. The occasion of these awards is widely and popularly known as Oscar night.

I do not speak as an authority in the motion-picture realm, but in order to prove that I am not exclusively concerned with potato problems in Maine, to which I have given a great deal of attention, I wish to indicate that my interests are at least continental.

Eight of the awards went to Great Britain. They were topped by the selection of the British-made picture, Hamlet, as the best picture of 1948, and by the choice of Sir Laurence Olivier, the British actor who played the title role in that film, as the best actor of 1948.

The judging panel is composed of those who make American motion pictures in Hollywood. In light of that fact and in light of the fact that 1948 witnessed the production of a considerable number of outstanding American films, this event might be considered spectacular. It is spectacular only as another example of the American motion-picture industry's consistently fair-minded attitude—and I think this extends to other fields—toward the motion picture industries of other nations, with which, of course, it is in competition for the markets of the world.

The American industry has always believed, because the motion picture itself is an international medium of expression unrivaled by any other, that all motion picture industries should regard themselves as international industries. It has believed that such an attitude is the certain road to better pictures and to better markets for all producers, on the tested and tried American theory that unfettered competition inevitably results in better products and better business.

The American industry, accordingly, has never asked its Government to impose a restriction of any kind on the importation of foreign-made films. It has never suggested any legislative barriers to the entry or free exhibition of foreign films in the United States. America is now and always has been a free market for the motion pictures of the world. The American industry endorses this free-market principle today as heartily as it always has. As foreign films come into the United States, American critics praise them if they think they are good, and "pan" them if they think they are bad. The foreign film receives the same treatment accorded American films. The American people go to see foreign films if they like them, and they stay away if they do not.

The essential point, Mr. President, is this: Any foreign film producer has precisely the same opportunity as an American producer to show his pictures on merit in the United States.

In contrast, American motion pictures in other countries do not receive the same equality of treatment from foreign governments or from foreign film industries. Special taxes, quotas, trade barriers, and other restrictive devices are employed to balk the flow of American films around the world.

Great Britain is the most notable case today in point of discrimination against American films. For years, Britain had imposed a quota on the showing of foreign-made films, with approximately 20 percent of the playing time in all British theaters reserved for British-made pictures. This quota had been instituted by the British Government at the instigation of British producers in the name of protecting a fledgling industry.

But in 1947, Britain, in addition to the quota, suddenly imposed a 75-percent

tax on the earnings of imported motion pictures. Obviously, that meant that the tax would be imposed almost entirely on the earnings of American pictures, for Britain imports few from anywhere else. Britain gave the excuse that it wanted to save its dwindling supply of American dollars.

The tax was a startling move, because representatives of the American film industry had already been discussing with the British Government ways and means to help Britain conserve dollars and at the same time to be supplied with the needed number of American films to keep its theaters open. The film industry in the United States was acutely aware of the British dollar shortage, and, as the record shows, was entirely willing voluntarily to make substantial concessions to cooperate in solving it.

Nonetheless, Mr. President, in August 1947 the 75-percent import tax was imposed. The American industry was left with no choice. It simply could not do business in Britain on that basis. It was forced to stop shipping films to Britain.

The ruinous results of this import tax were soon felt in Great Britain itself. The tax demoralized the British motion-picture industry from top to bottom. It threatened mass closings of British theaters, unable to keep running without American films; and in ricochet it brought British producers themselves close to bankruptcy, for it destroyed confidence in the whole British industry.

Meanwhile, the American industry had consistently held open the door for discussions to resolve this unfortunate and critical situation. Negotiations with British Government officials were finally arranged, and, after months of impasse, a new film agreement was achieved. This agreement eliminated the 75-percent tax, and American companies voluntarily agreed to take out of Britain only $17,000,000 of their earnings annually, as against earnings which ran to as much as $50,000,000 a year. It was a sharp sacrifice for the American film industry. It meant that approximately three-fourths of the normally transferable earnings of American films would remain in Great Britain. The American motion-picture industry plainly and simply believed that an agreement to take only $17,000,000 a year in earnings out of Britain was a positively helpful answer to Britain's dollar problem, and it was prepared to make that sacrifice until Britain's economic health should be restored. It so stated this position at the time and has repeated its views many times since through its various spokesmen.

This accord, so widely hailed at the time, was reached in March 1947 and became effective in June of that year. But, Mr. President, the effective date had hardly been reached before Britain, again virtually without warning, adopted a new restrictive device on foreign-made pictures. This time it took the form of a quota twice as high as the existing quota. This quota required British theaters to devote 45 percent of their first-feature playing time to British pictures. This action was, of course, directed against the American industry, despite all that the United States industry had been doing to assist the British.

The quota has just come up for reconsideration by the British Government. Under pressure from British exhibitors, it is now proposed to reduce the quota to 40 percent—a meaningless gesture, in light of the fact that British producers have never been able to produce enough films to fulfill quota requirements of half that much.

The British attitude is difficult to understand.

First, this discriminatory quota cannot be defended on fiscal grounds, for under the remittance agreement American companies can withdraw only $17,000,000 a year.

Second, it cannot be defended in the name of additional protection for British producers, for the great irony involved in this whole affair is that British producers have never been able to satisfy even a 20-percent quota.

Third, it cannot be defended on the grounds that it aids the British motion-picture industry generally, or, in fact, the British economy in general. British exhibitors, by and large, have bitterly assailed it. They are in desperate straits for sufficient films to keep their theaters running—which also means keeping their employees at work. And the producers themselves are suffering severely financially.

Instead of helping the British producers, as the quota was supposedly designed to do, it has brought them near ruination. The quota act can best be described as too smart to be successful. It dodged the all-important fact that no country can build up a full-scale industry of any kind overnight, nor can it by legislative decree force the public to buy its product.

All motion pictures, wherever made, depend entirely on public approval; and no act of legislation has ever yet brought people into theaters. The British have discovered that they can legislate foreign-made films out of Britain, but they cannot legislate their own people to the box offices of their own films.

Mr. President, lay aside Britain's dollar problem, which the American film industry has fully recognized; lay aside its perhaps understandable, even if short-sighted, desire to build its own industry by destroying the industries of competing countries; and this important fact remains: The exhibition of American films has given Britain a thriving domestic business for many years. Theaters in Britain which show American films have taken in as much as $400,000,000 a year, and the great bulk of that revenue has remained in Great Britain.

A point which the British seem to have overlooked is that a consistent supply of American films has kept the British theaters open and has provided a solid, film-going audience which, in turn, would patronize the British-made products as a matter of film-going habit. The movie habit in Great Britain can be largely traceable to the American film, which has won wide popularity with British audiences.

Mr. President, the proclaimed reasons for the British quota simply do not make economic sense. There must be other reasons for the British attitude, which is at once both discriminatory and punitive to an American industry which has extended itself even beyond the bonds of professional sympathy in attempting to help the British industry and the British economy, as well.

It is bad enough that such punitive action should be leveled against an American industry, but far worse is the fact that the British film quota is in absolute contradiction to the principle of world recovery whose essence is a freer exchange of goods and services among the peoples of the world.

America has committed itself to this world recovery program; and out of every American taxpayer's dollar, 15 cents goes to the fulfillment of that recovery program.

American industries in wide variety are making important trade concessions to stimulate a freer flow of world commerce. The example I have just cited in the watch industry is a very conspicuous instance of precisely that.

These are not petty sacrifices, but the American people are willing to make them in the interest of a healthier world. The least the American people can expect in return is for the recipients of our aid to do their full share as well as in the world recovery program. If the recipients are not willing to do this we shall not achieve world recovery. In making these sacrifices, the American people do not expect to go down a one-way street. We talk about reciprocal trade, but how can we be expected to talk about it at all unless there is mutuality, reciprocity, and cooperation from abroad?

The indictment of the British film acts is a harsh one, but the facts warrant no softer impeachment. The British film quota is the antithesis of mutuality; it jams the gears of reciprocity; and it rebuffs a friendly and helpful gesture of cooperation with a veritable slap in the face. Since the end of the war, the British Government's policy must be considered as one openly or covertly intended to oust American films from the British market as swiftly as possible and replace them with home-made products. How would the British like it if the United States were to decree by legislation that 40 percent of all Americans who went abroad must travel in American steamships? The United States could make the reasonable point that such a device was necessary to build and maintain its merchant marine as an instrument necessary to fulfillments of its world-wide commitments. In essence, a film quota and a shipping quota are in no sense different.

There is the problem. The Department of State must take a hand in resolving it, for its ramifications go far beyond the interests of a single industry. Only that agency of our Government can make those representations which will bring some measure of true reciprocity into our dealings with Britain on this important aspect of international commerce. What is the State Department doing about it? The American people are entitled to know.

Viewing the matter in its broader aspects, I have prepared an amendment

which I wish to file today to the measure that has been temporarily laid aside dealing with the related matter concerned with the advertising of foreign products in this country and with advertising for foreign travel. A year ago I presented an amendment to the Economic Cooperation Act which provided for the stimulation of foreign travel. Under the act which was adopted by the Congress and signed by the President, a great deal has been done, and very properly done. I believe as firmly as ever in the possibilities of restoring our normal trade with this as one of the channels. But throughout the past year there has prevailed a "gentlemen's agreement" under which ECA funds were not expended in this country for the advertising of foreign products or advertising the advantages of foreign travel in competition with American manufacturers and American travel agencies and American regions that appeal to the recreational industry, including practically all the States in the Union. Now, it is proposed to step out from that and for the first time to use ECA dollars to advertise foreign products and foreign travel, and I feel, however much it may be justified on logical grounds as calculated to advance the course which has hitherto been pursued, it is utterly indefensible from the standpoint of the people of this country who must put up the money, spending as they are 15 cents of every dollar toward foreign recovery, in addition to having expenditures of this character in this country, which will be nicely calculated to destroy much of the great development which has taken place in the United States. I realize that the dollars of other nations, secured in such way as they desire, may still be used for that purpose in this country, and will be used. But I am sure they will be very much more moderate and abstentious in the expenditure of these dollars if they are their own dollars rather than our dollars. I care not whether it is the State of California, the State of New Hampshire, the State of Nebraska, the State of Washington, the State of Wisconsin, the State of North Dakota, the States of the South, the State of Rhode Island, or the States represented by any of my friends on the floor, I do not believe that American dollars under the ECA program should be used in this country for any such purpose as I have indicated. So I desire to send to the desk this amendment, to have it printed and lie on the table for appropriate consideration.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). The amendment will be received, printed, and lie on the table.

EXTENSION OF DISTRICT OF COLUMBIA RENT CONTROL ACT

The Senate resumed the consideration of the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

Mr. McGRATH. Mr. President, I send to the desk an amendment, and ask to have it read.

The PRESIDING OFFICER. The Senator's amendment will be held in abeyance pending action on the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. I understand the chairman of the District of Columbia Committee, the senior Senator from Rhode Island, has no objection to the acceptance of the amendment which is now pending.

Mr. McGRATH. Mr. President, is there an amendment pending, on which we have not voted?

The PRESIDING OFFICER. Yes. There is an amendment pending, offered by the Senator from Wisconsin.

Mr. McCARTHY. I ask for action thereon, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. WHERRY. Mr. President, will the distinguished Senator from Wisconsin state what the amendment is?

Mr. McCARTHY. I perhaps would best tell the Senator what the six amendments are. I have six amendments to the District Rent Control Act. The purpose of the six amendments is to endeavor to bring the District act in line with the National Rent Control Act. The last amendment had to do with the decontrol of certain hotel accommodations, in effect providing the same rules and regulations in the District as those affecting the remainder of the country. The senior Senator from Rhode Island, chairman of the District Committee, has made no objection to that amendment, which is the one now pending, and when it is acted upon, I have four other amendments to offer.

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

Mr. McCARTHY. I yield.

Mr. WHERRY. Has the amendment been passed upon by the District of Columbia Committee?

Mr. McCARTHY. No.

Mr. WHERRY. Would there be any objection to it, in the Senator's opinion, if it were offered in committee?

Mr. McCARTHY. I frankly do not know.

Mr. WHERRY. With reference to the other amendments offered by the Senator from Wisconsin, is there any objection by the chairman of the committee?

Mr. McCARTHY. Let me say that at the time the junior Senator from Delaware headed a committee to draft the District bill, the national act had not been passed. At that time it was impossible for the Senator from Delaware or any of us to know what would be contained in the National Rent Control Act. Since then, as the Senator knows, the conferees have submitted a conference report which the Senate has adopted; and the purpose of these amendments is——

Mr. WHERRY. The purpose is to make the provisions of the national law applicable to the District, is it not?

Mr. McCARTHY. The purpose is to have the same law in Washington as the one applying to the other cities of the Nation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY], which will be restated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. —. Section 2 (2) (e) of such act, as amended, is amended to read as follows:

"(e) For the purposes of this section, the term 'hotel' means an establishment operating under a hotel license and occupied by an appreciable number of persons who were provided customary hotel services, such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy services."

The amendment was agreed to.

Mr. McGRATH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 1, beginning with line 9, it is proposed to strike out through line 6 on page 2, and insert in lieu thereof the following:

SEC. 2. Subsection 3 (b) of section 2 of such act (D. C. Code, 1940 ed., sec. 45-1602), as amended by the act approved April 29, 1948 (Public Law 507, 80th Cong.), is amended to read as follows:

Mr. McGRATH. Mr. President, all this amendment does is correct an error which was made in the House bill. The House, in an effort to accomplish its purpose, used some repetitious language. The amendment is intended to straighten out the language so as to conform to the intention of the House. It does not change the language of the District of Columbia Act; it merely deletes repetitious language.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

Mr. McCARTHY. I send to the desk amendment No. 3, and ask that the reading thereof be waived and that it be printed in the RECORD.

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 3, strike out the proviso beginning in line 6 and insert in lieu thereof the following: *"Provided,* That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph or paragraph (3) to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then stockholder tenants in occupancy of at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises, but this proviso shall not apply where such corporation or association acquires or leases such structure or premises after the effective date of this amendatory act pursuant to a contract entered into prior to such date."

Mr. McCARTHY. I shall briefly explain the purposes of the amendment. It merely provides the same rules for the

eviction of tenants in the so-called cooperative housing projects in the District as those provided in the national rent-control law. I understand the Senator from Rhode Island, the chairman of the District Committee, and the junior Senator from Delaware, chairman of the subcommittee which drafted the District rent-control bill, have no objection to this particular amendment. I may ask the Senator from Rhode Island, is that correct?

Mr. McGRATH. If it is the amendment with reference to cooperatives, there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is numbered 5.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, beginning with line 15, it is proposed to strike out through line 2 on page 3, and to insert in lieu thereof the following:

(4) Any housing conditions resulting from any conversion created on or after April 1, 1949, shall continue to be housing accommodations subject to maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them, which he shall issue if he finds that the conversion resulted in additional self-contained family units as defined by regulations issued by him.

Mr. McCARTHY. Mr. President, the presently proposed District rent-control bill provides that unless it costs more than $1,000 to create new living quarters, the Administrator shall have no authority to decontrol such new living quarters. My amendment provides that the same rule shall apply in Washington as applies to various other cities of the Nation which are under rent control.

I understand the senior Senator from Rhode Island has no objection to my amendment.

Mr. McGRATH. Mr. President, in my opinion and in the opinion of the Administrator, this amendment would strengthen the hand of the Administrator in determining what properties have been made livable accommodations, and I think it would be a very valuable addition to the bill. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to amendment numbered 5 offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I send to the desk my amendment numbered 6, and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section, as follows:

Nothing in this act shall be considered as authorizing or permitting recontrol of any housing accommodations which have been heretofore decontrolled.

Mr. McCARTHY. Mr. President, I think the mere reading of that amendment explains its purpose, and I have no further comment to make with regard to it.

Mr. McGRATH. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. McGRATH. Mr. President, I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McGRATH, Mr. FREAR, and Mr. McCARTHY conferees on the part of the Senate.

DAYLIGHT-SAVING TIME IN THE DISTRICT OF COLUMBIA

Mr. McGRATH. Mr. President, I understand that the House has sent to the Senate its amendment to Senate bill 135, to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District. It was my intention to ask that the Senate concur in the amendment of the House. I think the matter can be disposed of in a minute or two, and it will then be behind us.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate temporarily lay aside Senate bill 1209 and proceed to the consideration of the amendment of the House to Senate bill 135 to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

Mr. WHERRY. Mr. President, reserving the right to object, may I inquire of the distinguished Senator from Rhode Island whether this is the bill which was passed by the Senate some time ago?

Mr. McGRATH. That is correct. It was amended in the House.

Mr. WHERRY. And all that is necessary is to concur in the House amendment; is that correct?

Mr. McGRATH. That is correct.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER (Mr. O'CONOR in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District, which was in line 2, to strike out all after "assembled," down to and including "September," in line 7, and insert "That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for the period commencing not earlier than the last Sunday of April 1949 and ending not later than the last Sunday of September 1949."

Mr. McGRATH. Mr. President, the difference between the Senate and the House versions of the so-called daylight-saving bill is that the Senate passed a bill which would permit the Commissioners of the District of Columbia indefinitely to establish daylight saving on the last Sunday in April to continue until the last Sunday in September. The House has amended the bill to grant the same permission, but only for a period of 1 year. I feel that it is not necessary to do this every year; we have too many more important things to do; but I move that the Senate concur in the amendment of the House.

The motion was agreed to.

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 report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, and it was signed by the Vice President.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. WATKINS. Mr. President, we have been discussing for several days the European recovery program. A great many questions have been asked with respect to how that program is operating, and what the budget for foreign affairs is likely to be in the way of cash outlays for equipment, or what not, that may be furnished to the countries who are now participants in the European recovery program.

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

Mr. WATKINS. I yield for a question.

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

Mr. WATKINS. If I do not lose the floor by so doing.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senator from Utah shall not lose the floor if I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Holland	Mundt
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Conor
Bridges	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Reed
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Chavez	Kerr	Saltonstall
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Donnell	Langer	Sparkman
Douglas	Lodge	Stennis
Downey	Long	Taft
Ecton	Lucas	Taylor
Ellender	McCarran	Thomas, Okla.
Ferguson	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McFarland	Tobey
George	McGrath	Tydings
Gillette	McKellar	Vandenberg
Graham	McMahon	Watkins
Green	Magnuson	Wherry
Gurney	Malone	Wiley
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hickenlooper	Miller	Young
Hill	Millikin	
Hoey	Morse	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

TAX REDUCTION IN CANADA

Mr. GEORGE. Mr. President, will the Senator yield to me? I wish to speak for a very few minutes, about 5 or 10 minutes.

Mr. WATKINS. Mr. President, I am willing to yield to the Senator from Georgia if I may be granted unanimous consent to do so without losing my privilege to the floor. I ask unanimous consent that I may yield to the Senator from Georgia, if, by doing so, I do not lose my rights to the floor.

The PRESIDING OFFICER. The Senator from Utah has asked unanimous consent that he might yield to the Senator from Georgia without impairment of his rights. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, in order not to consume any unnecessary time I will not yield to questions at this time. I wish to make a brief statement for the RECORD. My statement has an indirect bearing upon all our programs calling for the expenditure of money.

I wish to call attention particularly to the tax program announced by the Finance Minister of Canada, Mr. Douglas Abbott, on the 22d of March. He prefaced his announcement of the tax program for the Dominion of Canada with a statement which I think is true of the United States at this time. In fact the Finance Minister himself recognized that the economy of Canada and the economy of the United States were much in the same general condition. He called attention to the fact that inflation had really spent its course, barring a great catastrophe, such as war, a complete crop shortage, or some other catastrophe of that character which would call for the expenditure of money on an immense scale. With those exceptions, he said, the danger from inflation was over.

Then he proceeded to do the significant thing of announcing general tax cuts, most of the cuts to be applicable immediately, but some of them to be retroactive back to the 1st day of January of this year.

With respect to individual income taxes he recommended an average reduction of 32 percent in all brackets. Of course, the reduction in some brackets is very much less than that. The reduction in the very low brackets is very much above that. But the general average reduction recommended is 32 percent. The new, individual income-tax rates are made retroactive to January 1, 1949.

Mr. President, I wish to give a few detailed statements about the Canadian Finance Minister's recommendations.

The exemption of a single person is raised from $750 to $1,000. In 1945 a single person in Canada had an exemption of $660. In the United States a single person now has an exemption of $600. His exemption in 1945 was only $500.

In Canada the exemption for married persons without children is raised from $1,500 to $2,000. In 1945 married persons had an exemption of $660 under the surtax, and $1,200 under the normal tax.

In the United States a married person without dependents now has an exemption of $1,200. In 1945 his exemption was $1,000.

The dependency exemption in Canada is raised from $300 to $400. The $300 exemption was instituted in 1946, and replaced a system of tax credits. The dependency credit in the United States is now $600. In 1945 and 1946 it was $500.

The exemption for children eligible for family allowance, which is provided under Canadian law, is to be raised from $100 to $150. The $100 exemption was made in 1946, and was announced at the time to be the equivalent of the $300 exemption then allowed for other dependents when the family allowances are taken into account.

It is reported that the proposed increases in exemptions will bring Canada back to the prewar level and relieve about 750,000 taxpayers of all tax liabilities. Bear in mind, Mr. President, that the number 750,000 is out of a total of about 13,000,000 Canadians, the estimated population at this time.

The prewar level of exemptions in the United States was $1,000 for a single person, $2,500 for the head of a family, and $400 for each dependent.

Rate reductions are provided in percentages which decrease as the size of the income grows larger. It is reported that a married person without children, having an income of $2,500, would receive a tax reduction of 56 percent. This appears to produce a tax of about $95, as compared with $170 under existing law. In 1945 this couple would have paid a tax of $385. Thus the proposed tax burden is about 25 percent of the wartime burden.

Under existing law in the United States a married couple without children, with an income of $2,500, pays a tax of $215.80. Prior to the first postwar tax reduction made in the Revenue Act of 1945 this couple would have paid a tax of $360. Thus the present burden in the United States is about 60 percent of the wartime evel, as against 25 percent in Canada, of their wartime level.

Under the proposed Canadian legislation a married couple without children, having an income of $10,000, will receive a tax reduction of about 17 percent. This produces a tax of about $1,652. Under existing law the tax is $1,990. Under the rates in effect in 1945 the tax would have been $3,612. Thus the proposed tax burden is about 46 percent of the wartime level.

Under existing law in the United States a married couple without children, with an income of $10,000, would pay a tax of $1,621.44. Under the rates in effect prior to the Revenue Act of 1945 this couple would have paid a tax of $2,585. Thus the existing tax burden is about 63 percent of the wartime level. The proposed changes in the Canadian tax on individual net incomes are to take effect, as I have already stated, January 1, 1949.

I should like to say a word about surtax on investment income. That is a principle which is not written into our tax laws. The Canadian individual income tax includes a special levy of 4 percent on investment income. Under existing law the first $1,800 of investment income is exempt. Under the proposed bill the first $2,400 will be exempt. In 1945 the exemption was $1,500.

Corporate rates were also reduced. The present Canadian law imposes a full 30-percent tax on corporate net income. The rate on the first $10,000 of profits is to be reduced to 10 percent, while the rate on the profit above $10,000 is raised to 33 percent. This, according to Mr. Abbott, was intended both as a relief for small business and in order to save any loss of revenue on this particular item in their tax bill.

I digress here to say that if anything is ever done for the small taxpayer in America, it must be done taxwise. In my opinion, the Canadian system is sound in principle. Here it would be necessary to take one additional step, and that step would be to permit ordinary copartnerships to treat themselves as corporations for tax purposes.

As a first step in dealing with double taxation of dividend incomes, about which we have talked a great deal and done nothing, individuals are to be allowed a credit against their personal income tax equal to 10 percent of the dividends which they receive from the common shares of Canadian taxpaying corporations.

The 10-percent credit does not apply to anything but dividends upon common stock. It does not apply to preferred stocks, and it does not apply to the ordinary dividends issued by cooperatives.

Excise taxes were reduced generally. Very much the same general excise list is to be found in Canada as is found in our own law. The rates during the war period have not been much out of line with each other. There has been a complete elimination of a number of the excise

taxes, including taxes on travel, or transportation, as we call it, tickets, sleeping-car berths, parlor-car chairs, telegrams, cables, long-distance telephone calls, extension telephones, soft drinks, carbonic acid gas, candy, chewing gum, and transportation busses. A decrease back to the prewar level on certain excises was also recommended by the Finance Minister. Purely as an illustration, he proposes to reduce the tax on cosmetics, toilet articles and preparations from 25 percent to 10 percent; and the 10 percent is levied at the level of the manufacturers, and not on the retailers.

Mr. President, Canada has a sizable national debt for 12,000,000 to 13,000,000 people. Her national debt is somewhat in proportion to our own when population is considered. But the Canadian Government finds it not only proper, but necessary, to make these tax reductions at this time.

I have before me, Mr. President, a copy of the Winnipeg Free Press, which carries the Finance Minister's address and gives the results at which he arrived. Of course, it may very well be said—and no doubt his opponents in Canada will say—that he has his eye fixed on the next election. However, there is one thing absolutely sure. In 1947 Canada found that her dollars and her reserves were being very rapidly depleted. She took appropriate steps, and although her reserves reached the very low level of approximately $500,000,000, they are now already above $1,000,000,000.

Our economic conditions are not dissimilar to conditions in Canada, as I stated in the beginning. In my opinion there is but one thing which will bring us a sizable depression in 1949. After that, of course, no one can even venture to make a guess. That one thing is to super-add to the already heavy tax burdens of the American people between $4,000,000,000 and $6,000,000,000. If we do that, there will be a flight of American capital into Canada, and there will be no further shortage of American dollars in the Canadian reserve account. Indeed, there is none now. That is the one thing that can bring this country close to a threatened recession or depression at this time.

One further word. If we are not willing to reduce spending by the Federal Government—say what we please about it, and whatever may be the great cause for which money is being spent—we shall face a deficit or we shall be compelled to increase taxes. Of course the President has estimated a $4,000,000,000 tax raise. Mr. President, a $4,000,000,000 tax increase will not be placed upon the taxpayers; a part of it will be a shift. The moment we undertake to adjust tax rates in this country, there will be a loss of at least $1,000,000,000 through the elimination of many excise taxes which ought to be eliminated, and through the reduction of others which ought to be reduced; and, instead of $4,000,000,000, we shall necessarily have to increase the tax rates to a point where we can realize at least $5,000,000,000.

Where are we going to place that burden? It can fall only on American corporations, by having them reduce their reserves, which are absolutely indispensable if we are to carry on a program of expansion in the industrial field; or it can fall somewhat on estates. But, Mr. President, be assured that it must also fall upon the individual taxpayers. The one thing we ought to be able to do now is to increase exemptions on single persons to at least $1,000, as Canada has done, and on married persons without children to $2,000; and assuredly we should give some credit for dividends actually distributed; and assuredly also we should apply a special rate to corporate earnings not in excess of some fixed amount, in order to take care of small business; and for tax purposes, we should treat all partnerships, at their option, as corporations.

Mr. President, if we wish to impose $5,000,000,000 more in taxes upon individuals and corporations, do it; and make it necessary by not cutting a penny from any of the appropriations.

This year we are collecting at the rate of only $44,000,000,000 from our taxpayers. About $2,000,000,000 goes back by way of tax refunds, but it does not go back automatically except in cases of overwithholding on the wage and salary accounts of our people. If we increase the budget for the fiscal year 1951 to a level of at least $48,000,000,000, and as a consequence put $5,000,000,000 more on the taxpayers of the United States, we shall have something which will strongly resemble a depression in these United States.

Mr. President, I should like to offer for the RECORD the entire address, omitting the tables, of the Canadian Finance Minister, because I think it most informative and I think it indicates which way the wind is blowing in other countries which have very much the same economic problems and economic system that we have.

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

[From the Winnipeg Free Press for March 23, 1949]

TEXT OF AMENDMENTS IN INCOME-TAX RATE

OTTAWA, March 23.—Here is the text of the resolution to amend the income-tax act. It provides:

1. That, for the 1949 and subsequent taxation years, the following shall be the exemptions from individual income tax:

(a) Two thousand dollars in the case of a married person and persons allowed a deduction equivalent to that of a married person, and $1,000 in the case of all other persons; and

(b) Four hundred dollars in the case of dependents not eligible for family allowances, $150 in the case of children eligible for family allowances.

2. That, for the 1949 and subsequent taxation years, the schedule of graduated rates for individual income tax be replaced by the following schedule:

On the first $1,000 of income or any portion thereof, 15 percent per annum; or

$150 upon the income of $1,000; and 17 percent upon the amount by which the income exceeds $1,000 and does not exceed $2,000; or

$320 upon the income of $2,000; and 19 percent upon the amount by which the income exceeds $2,000 and does not exceed $4,000; or

$700 upon the income of $4,000; and 22 percent upon the amount by which the income exceeds $4,000 and does not exceed $6,000; or

$1,140 upon the income of $6,000; and 26 percent upon the amount by which the income exceeds $6,000 and does not exceed $8,000; or

$1,660 upon the income of $8,000; and 30 percent upon the amount by which the income exceeds $8,000 and does not exceed $10,000; or

$2,260 upon the income of $10,000; and 35 percent upon the amount by which the income exceeds $10,000 and does not exceed $12,000; or

$2,960 upon the income of $12,000; and 40 percent upon the amount by which the income exceeds $12,000 and does not exceed $15,000; or

$4,160 upon the income of $15,000; and 45 percent upon the amount by which the income exceeds $15,000 and does not exceed $25,000; or

$8,660 upon the income of $25,000; and 50 percent upon the amount by which the income exceeds $25,000 and does not exceed $40,000; or

$16,160 upon the income of $40,000; and 55 percent upon the amount by which the income exceeds $40,000 and does not exceed $60,000; or

$27,160 upon the income of $60,000; and 60 percent upon the amount by which the income exceeds $60,000 and does not exceed $90,000; or

$45,160 upon the income of $90,000; and 65 percent upon the amount by which the income exceeds $90,000 and does not exceed $125,000; or

$67,910 upon the income of $125,000; and 70 percent upon the amount by which the income exceeds $125,000 and does not exceed $226,000; or

$137,910 upon the income of $225,000; and 75 percent upon the amount by which the income exceeds $225,000 and does not exceed $400,000; or

$269,160 upon the income of $400,000; and 80 percent upon the amount by which the amount exceeds $400,000.

DIVIDENDS ON SHARES

3. That, for the 1949 and subsequent taxation years, there may be deducted from tax payable by an individual resident in Canada 10 percent of the amount of his income that is from dividends on shares, having no preference of any kind, in a corporation resident in Canada that was liable to corporation tax in the taxation year; provided that in the case of dividends deemed to have been received from a personal corporation the deduction shall only be 10 percent of that part of the income deemed to have been received by the shareholder as a dividend that the income of the corporation derived from dividends is of the whole income of the corporation.

4. That, with respect to income of corporations earned on and after January 1, 1949, the present rate of tax of 30 percent shall be reduced to 10 percent on the first $10,000 of income and increased to 33 percent on income in excess of $10,000 with corresponding changes in the rates in the case of consolidations.

5. That interest on unpaid taxes on income of the 1948 and subsequent taxation years for which no assessments have been issued will cease to accrue 12 months after the date for filing the return in place of 20 months.

6. That, for the 1949 and subsequent taxation years, the business losses that may be deducted from income shall include losses sustained in the 5 years preceding and the year following the taxation year in the place of the 3 years preceding and the year following the taxation year.

CLERGY DEDUCTIONS

7. That for the purpose of computing income of the 1948 and subsequent taxation years of a member of the clergy or of a religious order or a regular minister of a religious denomination there may be deducted the value of the residence or other living accommodation enjoyed by him as such member or minister to the extent that it would otherwise be included in his income, or the rent paid by him for, or the fair rental value of, such a residence or living accommodation.

8. That, for the 1949 and subsequent taxation years, the exemption from income of an individual in respect of a spouse supported by him shall not be reduced because of exempt income of the spouse.

9. That, for the 1949 and subsequent taxation years, all amounts whether in the form of lump sums or otherwise, received by employees from their employers, whether before, during or after their employment, shall be included in computing income of the employee unless it is established that they cannot reasonably be regarded as consideration for entry into the employment, remuneration for services or consideration for restrictions on the activities of the employee.

10. That, for the 1949 and subsequent taxation years, payments made for a wheel chair may be included in the medical expenses for which a deduction from income may be made for the purpose of computing taxable income.

11. That, for the 1949 and subsequent taxation years, $500 may be deducted from income for the purpose of computing taxable income of a taxpayer who, throughout the whole of the taxation year, was necessarily confined by reason of illness, injury, or affliction to a bed or wheel chair.

12. That special deductions from income to taxpayers engaged in exploring or drilling for natural gas, oil, or minerals be allowed for expenses incurred in the 1950, 1951, and 1952 operations on the same basis as for expenses in 1949 operations.

13. That special deductions from taxes to taxpayers engaged in exploring or drilling for oil for expenses incurred on deep-test oil wells be allowed for such expenses in 1950 operations on the same basis as for such expenses in 1949 operations.

14. That the provision for the exemption of income derived from a metalliferous or industrial mineral mine that came into production during the calendar years 1946 to 1949, inclusive, during the period of 36 months after the mine came into production be extended to exempt income from such mines that come into production during the calendar years 1950, 1951, and 1952.

15. That tax concessions under statutes of Newfoundland shall not apply in respect of taxes imposed by any act of the Parliament of Canada.

Mr. GEORGE. Mr. President, blood undoubtedly is thicker than water; and Canada met heavy responsibilities to the mother country during the war. But Canada is not exhausting her substance in overseas contributions at this time. She is doing what a prudent people—and they are a prudent people in that great community—ought to do, namely, meet all her responsibilities, but conserve—so far as it is possible to do, consistent with its clear obligations—her own resources.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. WATKINS. Mr. President——

Mr. TAFT. Mr. President, will the Senator yield to me, to permit me to make a brief statement in connection with the offering of an amendment?

Mr. WATKINS. I ask unanimous consent, Mr. President, that I may yield for that purpose without prejudicing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TAFT. Mr. President, I cannot add anything to the force of what the Senator from Georgia [Mr. GEORGE] has said, except to come to the conclusion, from his statement, that if we hope to avoid having to vote a tax increase in June, when we reckon up expenditures and income, we shall have to cut practically all the proposed expenditures which now contemplate a deficit of $800,000,000. In my opinion, unless we are willing to cut the appropriation for ECA, unless we are willing to begin at this time to make cuts, there will be very little hope of cutting other appropriations.

For that reason, on behalf of the junior Senator from Georgia [Mr. RUSSELL] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, in lines 14 and 15, it is proposed to strike out "$1,150,000,000" and insert in lieu thereof "$1,035,000,000."

On page 5, in line 16, it is proposed to strike out "$4,280,000,000" and insert in lieu thereof "$3,852,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] on behalf of the Senator from Georgia and himself.

Mr. WATKINS. Mr. President, at the outset of my remarks this afternoon, let me say that I think all of us were very much impressed with the very able statement and warning given to us just now by the distinguished senior Senator from Georgia [Mr. GEORGE]. I think what he has said today should be taken into account by every citizen of the United States, and particularly by those in the Government of the United States who are connected in any way with the spending of the taxpayers' money. What he has said in regard to Government expenditures points up the statement I had intended to make this afternoon with respect to the European recovery program and its allied North Atlantic Pact.

Several days ago, Mr. President, while the European recovery program was under discussion on the floor of the Senate, I asked a number of questions about the over-all budget for our foreign spending. The answers which were given covered some of the items; but the answers were rather indefinite and vague, and I was unable to obtain a clear picture of just what is intended by the program which we now are proceeding to consider, not only the ECA program, but another program which the President of the United States will shortly have before us, namely, the North Atlantic Pact, immediately following which, if we can believe the accounts appearing in the newspapers, we shall have the proposed legislative implementation of that pact by a huge rearmament program, to begin rather modestly this year, and to increase as the need is demonstrated in the years to follow.

So it is highly important that we keep in mind what the Senator from Georgia has told us. I have great respect for his judgment. Of course, we have not yet had time to analyze all he said or to consider all the implications growing out of his statement. I am sure that it will have far-reaching effects if it is given the consideration it deserves, and I think it should immediately be given consideration by this body in connection with the study of the foreign-aid programs which are being presented to us.

Of course, the first one is the ECA program. We wish to know exactly what it will cost. The request presently before us is for an authorization only, which amounts to $5,500,000,000. We know that under the foreign-aid program we have in Germany an army we must maintain. We know that as a part of the cost of that occupation we are helping feed German people in the occupied zone in which our troops are located. We know that we have an obligation to maintain our army in Japan and to help feed the Japanese people and to help restore them. I am informed that it costs about $1,000,000,000 at least for those occupations and for the incidental costs connected with them. And now this vast sum is asked for in connection with the European recovery program.

Some of us are wondering whether all this money is necessary. We are asking questions about whether the Marshall-plan countries have recovered to the point where they can carry a part of the load, or do with less money from the American Treasury. Immediately we are met at times by the public critics who say, "You are trying to deny the necessary means to reach the end desired. We must appropriate all this money. We must not cut off anything. We must not go into detail. We must enter upon this over-all program and leave it to somebody else to say whether it is too much or too little.

I maintain we must give this matter very careful consideration at this moment. In connection with it we are entitled to know what the plans are for the rearming of Europe, if and when we adopt the North Atlantic Pact. That is tied in with it. So I make no apologies today in discussing both these matters.

The other day a telegram was read into the RECORD, or at least a press dispatch, by way of the wire service, by the junior Senator from California [Mr. KNOWLAND], in which it was pointed out, for instance, that Great Britain, one of the countries to be benefited by the recovery program, was planning to go ahead with its economic trade treaties and economic policies of doing business in Europe as it had always done. I asked in connection with that general subject some questions about trade treaties which were supposed to have been entered into by Great Britain with Russia and one of her satellites, Poland. I was

unable to get any information from the Senators who were then presenting the program for the committee. So I took the time to get the trade pacts which are now in effect between Great Britain and Russia and Poland.

I call the attention of the Senate to a trade agreement entered into at Moscow on the 27th day of December 1947 between Great Britain and Russia. The trade agreement, as Senators will note from the date, came a short time before we provided the Marshall program for the recovery of Europe. It was then in existence, and it will be noted that by the terms of the agreement, it runs for many years. I read from that treaty, as follows:

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics, prompted by a sincere desire to insure the development of Anglo-Soviet trade to their mutual advantage and attaching particular importance not only to the establishment of a short-term program of supplies having the object of facilitating the satisfaction of current needs of both countries but also to the development of Anglo-Soviet trade on a long-term basis, have, through thier respective trade delegations appointed for that purpose, reached the understandings embodied in the annex to the present protocol.

Then I read from this treaty some of the articles which are considered to be in the trade. Under article 1, Russia is to furnish to Great Britain from the 1947 harvest and the 1948 harvest, 450,000 metric tons of barley, 200,000 metric tons of maize, and 100,000 metric tons of oats. None of these, I understand, are war materials coming from Russia to build up the war potential of Great Britain. Moreover, they are articles which I think could have been purchased in the United States or in Canada or in other parts of the world.

In return for this, Mr. President, I want the Senate to note what Great Britain is to give to Russia:

Light rails with fishplates, bolts and nuts for narrow-gage railway: 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from the United Kingdom military surpluses) and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

I do not know what military surpluses are in Great Britain, but whatever they are, the rails were to be taken from the military surpluses. Whether they are surpluses which we let them have by lend-lease, or munitions and commodities which we had in Great Britain at the close of the war, I do not know. I do not know how England accumulated military surpluses, unless by the help of the United States. But I note that the rails are made of steel, and I shall follow on to show that other articles which are used in war and are of great help in the building up of the war potential are also mentioned. We then proceed to article 3–B (i), which says:

Both sides being desirous of extending trade between the two countries are agreed that apart from carrying out of deliveries provided for in article II and paragraph (A) of this article corresponding negotiations will immediately be commenced with the object of supplying to the Union of Soviet Socialist Republics, wool, rubber, aluminum.

If I remember correctly we have been hearing a great deal in the Senate from Senators on the other side of the aisle about the shortage of aluminum in the United States. That shortage is attributed to the fact that we did not vote enough money for certain projects in the West. Here we have one of our allies, and one of the nations that intends to come into the Atlantic Pact, entering into an agreement to furnish aluminum to Russia. So far as I know, the United Kingdom, at least Great Britain, the island itself, England, does not have as a natural product the materials from which aluminum is made.

I shall not read the entire treaty, but I want to call the attention of Senators to a long-term arrangement, under article IV, which reads as follows:

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics, due account being taken of other transactions which enter into the balance of payments between the two countries.

The two Governments will appoint representatives who will meet not later than May 1948 for the following purposes—

It then names them, on down the line, and then, finally it says:

To draw up in the light of this review a balanced program of shipments between the two countries consisting of:

(1) From the Union of Soviet Socialist Republics to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods;

(2) From the United Kingdom to the Union of Soviet Socialist Republics: Oil-well tubes, tin plate.

Oil well tubes, as I understand, are used in connection with drilling for oil and for use in oil production. As we know, oil is one of the most vital materials in connection with the prosecution of a war. So, apparently, Great Britain will furnish oil-well tubes in the future; and that may well be in the contemplation of Mr. Brown, the Chairman of the Board of Trade of Great Britain, and a member of the British Cabinet, who is talking about doing business as usual. He probably had this in mind in connection with future expansion.

Then we come to the annex to the treaty. All of it is quite interesting. We see the types of equipment to be delivered by Great Britain to Russia. We find narrow-gage 750 millimeter locomotives. There are 1,100 of them. They require a great deal of steel and workmanship.

There are flat trucks, 750 millimeter, 2,400.

Winches, 2,400.

Excavators, 210.

Caterpillar loading cranes, 54.

Auto timber carriers, 250.

Tugs, 14.

Dredgers, 4.

Locomobiles, 200 units.

Fifty-kilowatt mobile Diesel electric generators, 153.

We find, also, timber mill equipment, 400,000 English pounds' worth in value. We find scientific and laboratory apparatus, valued at 150,000 English pounds; electro dredger; ball mills for copper ore grinding; ball mills for grinding apatite; rod mills for grinding ores; spiral type classifiers; gyratory crushers; railway steam cranes; 154-kilovolt voltage transformers; 100-kilowatt electric motors. There are 300 of them.

Every one of these articles would be needed in the prosecution of a war. They are being traded, now, in exchange for grains, and in the future they may be traded in exchange for rubber and aluminum. Those commodities may be involved in some of the contracts in the future.

I call these facts to the attention of the members of the committee. They did not, in my opinion, give satisfactory answers as to what is now taking place under the so-called recovery program. It seems to me that in this cold war between our ideals of democracy and the Communist idea of demanding slaves of the state we should watch everything that is done, so that we can see that we are not building up the strength of those who want to overthrow our way of life. I respectfully call this matter to the attention of the Foreign Relations Committee and to the Senate, so that if we are doing violence to the express wording of our agreement with the countries which we are now helping, we should know it and insist upon the enforcement of the provisions, and if our agreements do not now contain provisions preventing such a thing, then they should be included in future contracts and in the extension of the program.

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

Mr. WATKINS. I yield for a question.

Mr. BREWSTER. Is the Senator from Utah familiar with the provision in our settlement with Great Britain regarding the balances of military supplies which have been furnished? I think there were between four billion and five billion dollars worth at the end of the war which were turned over, under the settlement arrangement, with a reservation to our country that it might veto any transfer of those supplies to any other country. Has that information ever come to the attention of the Senator?

Mr. WATKINS. I think someone mentioned it, but I had not been acquainted with it until that moment, and I do not know the terms of that particular agreement between our country and Great Britain.

Mr. BREWSTER. I do not know whether any subsequent arrangements have been made, but I think it might be well for the Senator to make inquiry about it. That question was raised in connection with the Near East, in the Palestine war, as to whether a very considerable quantity of our military supplies were not being used directly or indirectly in connection with transfers to Russia, involving items such as rails, of which the Senator speaks. It would seem to me to be a matter which could be appropriately explored.

Mr. WATKINS. I thank the Senator. I think it should be explored. I think it should be explored by the Foreign Relations Committee. I think they should have the information so that we can know what is going on under the agreements and in the recovery program.

I remember that many of the trucks, locomotives, and other material transferred to Yugoslavia after the war, under UNRRA, or whatever agency had charge of the material, have gone for use by the army of that country and probably to other satellites, or probably to Russia itself. We do not know. I do not know where we can get the information, but I think we should have it.

I am not calling attention to this matter in any spirit of criticism. I am calling it to the attention of the Senate as being one of those things into which we should look before the program goes much further, and particularly in view of the fact that we have to make sacrifices in this country in order to carry out such a large program of help to other countries.

Mr. President, I ask unanimous consent that this particular trade agreement be made a part of the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WATKINS. Mr. President, I also have a copy of the trade agreement between Great Britain, Northern Ireland, and the Government of Poland, which is in somewhat the same terms as the trade agreement I have just mentioned between Great Britain and Russia.

I want to call attention to the fact that under this agreement the Government of the United Kingdom undertakes to grant for the year 1949 import quotas to the value of £600,000 sterling for Polish furniture and other wooden articles to be agreed upon by the contracting parties.

It has been said from time to time that there will be obtained from these countries for our friends in western Europe materials which will help them build up their war strength. Maybe furniture will do that; I do not know; but at least that is what they are to take—£600,000 worth of Polish furniture.

We find articles which are to be exchanged by the Government of the United Kingdom with Poland. The list starts off with raw wool to the value of 10,000,000 English pounds in each of the years 1949 to 1953; crude rubber, 3,000 tons in 1949, increasing by 500 tons yearly to 5,000 tons in 1953; tin plate, 300 tons in the period April to December 1949 and 300 tons in 1950.

We have to obtain it from Great Britain or some of her colonies in order to build up our stock pile.

We find, in the year 1949, 400 tons of tin plate for packing 2,000 tons of canned meat for supply to the United Kingdom. This is a deal which I think would be very beneficial to Great Britain, because the tins come back filled with meat for the United Kingdom.

Then we come to subdivision (iv):

Rubber conveyor belting, 30 miles in each of the years 1949 to 1953.

(v) Shellac, 200 tons in 1949, rising to 400 tons in 1953.

(vi) Rubber tires for cars and tractors, 125,000 English pounds' worth in each of the years 1949 to 1953.

Spare parts for cars and trucks, 250,000 pounds, English money, in each of the years 1949 to 1953.

Then there are to this treaty annexes which contain a list of the articles which are to be exchanged. I think that without reading all those, or any large number of them, I may say in general that many of the items are made of steel, and we have been shipping steel to Great Britain, I understand, under the recovery program.

I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks a copy of the trade agreement between Great Britain and Poland.

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

(See exhibit 2.)

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. WATKINS. I yield for a question.

Mr. DONNELL. I notice in the trade agreement between Great Britain and Russia, in part (B), which is entitled "Long-Term Arrangements," a provision that the two Governments may appoint representatives who will meet not later than May 1948, for certain purposes, among which is the following:

To arrange for the appointment of representatives who will as often as may be necessary, but in any case not less frequently than once a year, meet alternately in London and in Moscow to discuss the progress made in fulfillment of this agreement and to make recommendations to the two Governments designed to improve, develop, and widen the basis of trade between the two countries.

I ask the Senator whether or not he has found out yet whether the meeting was held not later than May 1948, whether it is contemplated that a meeting will be held in 1949, and whether he has any information which would enable him to know whether this is intended to be, as would be indicated from its heading, a long-term arrangement.

Mr. WATKINS. I take it for granted that the British people, the English Government, will try to keep that agreement, and they probably have met and probably are meeting, and that the letter from the President of March 17 had in mind that this agreement between these two countries would be carried out as provided in the agreement. I have no reason for assuming for a moment that Great Britain will not keep its agreement under that contract.

Mr. DONNELL. The Senator referred to the expanding basis. I take it that the particular language in his mind at this time is that contained in this provision:

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics, due account being taken of other transactions which enter into the balance of payments between the two countries.

Has the Senator learned what are the other transactions which are referred to in the excerpt I have just read?

Mr. WATKINS. No; I have not learned what they are, and I am very much mystified about what they intend to do in the expanding trade they are contemplating.

Mr. DONNELL. Does the Senator think it would be an appropriate subject of inquiry by the Committee on Foreign Relations of the Senate, while it is investigating this matter, to learn something of what the other transactions are which enter into the balance of payments between the two countries, Great Britain and Russia?

Mr. WATKINS. I think it is the duty of the Committee on Foreign Relations, or of this body, if they do not do it, to ascertain what this expanding trade is, what effect it has on the recovery of Great Britain, and how it would in any way cast a further burden on us to help Great Britain in her recovery.

Mr. DONNELL. I thank the Senator.

Mr. BRICKER. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield for a question.

Mr. BRICKER. Does the Senator know whether there are any other contracts or trade agreements like this, of any kind or character, between the other ECA countries and Russia or her satellite countries?

Mr. WATKINS. I cannot answer the question; I do not know. I happened to know about these trade treaties because I saw them mentioned in the press. I asked the same question, the Senator will remember, in the address I made on March 4 in the Senate, when I called attention to many of these matters which I understood were in existence, and I wanted to know what treaties of any kind existed between the countries which intend to become a part of the North Atlantic Security Pact and those who are doing business with Russian and the satellite countries. We want to get that information.

Mr. BRICKER. Has the Senator been advised by the State Department whether they have any information in regard to that matter?

Mr. WATKINS. I have not been advised. I made that public address here, and I assume that probably these questions will be answered in time. The State Department has not advised me, and I have not put up to them a specific request for any of the trade agreements. I asked for those I have just produced for the RECORD. I think the State Department knows what I have said, and I had hoped they would volunteer. I cannot put my finger on any others, because I do not know about them.

Mr. BRICKER. Does the Senator know whether any of the ECA supplies which have been furnished by this country, or purchased by funds of this country, which have gone to England have subsequently been delivered to Poland or Russia or any other satellite country under the agreements to which the Senator has referred and produced for the RECORD this afternoon?

Mr. WATKINS. I do not know.

Mr. BRICKER. Does the Senator know of any way by which we could follow that up?

Mr. WATKINS. The only way to follow it up would be for the State Department to furnish a full statement of what is being done.

Mr. BRICKER. The Senator does not know, does he, whether the State Department has any information, as of this date, in regard to that?

Mr. WATKINS. I do not know whether they have it or not. I am certain they can get the information if they desire to get it, because I cannot conceive of Great Britain refusing to give it if the proper request were made for it.

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

Mr. WATKINS. I yield.

Mr. DONNELL. In view of the fact that in the proposed North Atlantic Treaty there is a provision that the parties to it "will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them," does not the Senator think it would be very appropriate for the Committee on Foreign Relations of the Senate to make full and thorough inquiry, in advance of any commitment or vote by the Committee on Foreign Relations, as to just what trade agreements and treaties of the type to which the Senator has referred this afternoon are in existence, or may be contemplated?

Mr. WATKINS. I think it would be very good procedure, and I think it is absolutely necessary for the committee or for some other agency to get that information. I take it for granted that if this body should instruct or request the Committee on Foreign Relations, it would get the information desired.

Mr. President, some few days ago I made on this floor two addresses with respect to questions which should be considered in connection with the North Atlantic Security Pact. I called the attention of this body to the necessity for having certain information before we could act intelligently in considering the proposal, and the necessity of determining whether our policy should be directed away from that we had followed in for some 150 years.

Later I urged the President of the United States—and I put it that way in a telegram—to make public the text of the treaty, for the information of the Senate and the general public, and also asked him to give us information supporting the reasons why we should enter into the pact so that it could be considered well in advance of the signing of the instrument. I tried to point out to the President the embarrassment which would inevitably follow if this were not done in advance of the signing, for the reason that if, after it had been signed we questioned it in this body, argued against it, and possibly in the end failed to ratify it, it would be considered by the people of the world, the peoples of Europe in particular, a great blow to the United States and the other nations in the cold war against communism which has been raging for several years. The President replied to me in his letter that he did not agree. I asked for 60 days. I thought that would be a reasonable time for the treaty to be in our possession for study before the ceremonies of signature. He pointed out in his letter to me in substance that he did not agree for the simple reason that the Senate of the United States had been in on the conception of the treaty; that there had been full and complete and detailed cooperation between the Foreign Relations Committee and the State Department from the very time it was conceived over a year ago in this body until the present time, and that by reason of that close cooperation between the Foreign Relations Committee of the Senate and the State Department, it was not necessary to have the treaty in our possession for any great length of time. In effect he said that we are already committed to the treaty, so why take a great deal of time to discuss it in advance of its signing.

Mr. President, I have heard no denials from the members of the Foreign Relations Committee on the Senate floor as to the implications of the letter of the President on this particular subject, and if the President is correct, I am at a loss to understand why it has been so difficult for Members of the Senate to obtain from the Foreign Relations Committee information about the pact, the reasons for it, and what had been written into the various texts as the programs progressed.

As I have said, I cannot reconcile the apparent inability of the committee to give us this information, with what the President has said had actually been taking place. From some private conversations I have held with members of the committee, I am convinced that the President has been misinformed, and that there was not the full and complete collaboration and detailed consultation which the President mentioned.

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

Mr. WATKINS. I yield for a question.

Mr. HICKENLOOPER. Does the Senator interpret the letter of the President to him, which he has placed in the RECORD, and to which he has referred, as indicating to him that the Foreign Relations Committee of the Senate has been fully informed upon the subject of the implementation of the North Atlantic Pact, if the pact should be ratified?

Mr. WATKINS. I would say that that would naturally follow from what the President said. I cannot conceive of men of the ability of the members of the Foreign Relations Committee, and of men in the State Department, when discussing the Atlantic pact, not taking into consideration how it would be implemented, and how it would be made to work for the protection of the democracies of the world.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. WATKINS. I yield.

Mr. HICKENLOOPER. I should like to ask the Senator if he is not aware—I am sure he is—that the North Atlantic Pact has not yet come before the Foreign Relations Committee of the Senate officially for its recommendation and ratification, and that it will come before the Foreign Relations Committee officially after it has been signed as a treaty by the administrative or executive departments of the various governments?

Mr. WATKINS. I understand that is the procedure. That is the way it will be done.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield? I merely want to develop this point for the RECORD.

Mr. WATKINS. I yield for a further question.

Mr. HICKENLOOPER. Is the Senator aware of the fact—and I am speaking as an individual now—that there has been no detailed or specific information furnished, so far as I know—and I am a member of the Foreign Relations Committee—to any Member of the Senate or to the committee, as to the details of the implementation of the North Atlantic Pact? I, as one individual member of the committee, know that some other members of the committee have been very insistent that before we are asked to pass finally on the approval or disapproval of the North Atlantic Pact we be furnished with some understandable information that will clarify what we are expected to do and what other nations are expected to do in implementing the pact, if we adopt it. Has the Senator been informed of that?

Mr. WATKINS. If I may say so, with the Senator's permission, I think this day the Senator from Iowa informed the Senator from Utah that full information, so far as he knows, has not been furnished to the committee.

Mr. HICKENLOOPER. I should like to make my own position clear as to what I have sought to do in the way of obtaining information.

Mr. WATKINS. I should like to verify that the Senator has sought to elicit information respecting the implementation of the pact; how it is going to be carried out with respect to rearmament of Europe, the cost to them, and the cost to us.

Mr. HICKENLOOPER. I think it is completely necessary in connection with the North Atlantic Pact that we know with considerable detail and specifications exactly that, and I believe it is part and parcel of the consideration of the North Atlantic Pact. In other words, what are our physical obligations by way of implementation of the pact in general? I use the words "in general" because I realize that in many fields it may not be possible to specify minutely. I think it is a vital part of the consideration of the whole proposition that we know with considerable accuracy what particular obligations we will be expected to assume, and what contributions and obligations other nations parties to the pact will be expected to assume. I say that as one who is inclined to believe that the pact is probably a step toward peace rather than a step toward war.

Mr. WATKINS. I appreciate the Senator's statement and his comment. I should like to make a suggestion to the

Senator and see if he agrees with my view. Does not the Senator believe we should have complete information in connection with the entire European program, including the ECA authorization bill which is now before the Senate? Is it not necessary to have such information now before we finally pass on what we are going to do here with respect to this particular bill?

Mr. HICKENLOOPER. In answer to the Senator's question, if I may answer his question by not asking him another, and not be admonished that I am guilty of infraction of the rule——

Mr. WATKINS. Mr. President, may I get this matter clear. The other day, when I had the floor, and was speaking, and endeavored to protect myself against losing the floor by yielding only for questions, I was informed by the majority leader that we were now back to the point at which we started before the filibuster began, and that there was no longer demand for enforcement of the ironclad rule that a speaker could yield only for a question to a Senator who wished to interrupt him. I want to know now whether the majority leader was correct in making that statement?

The PRESIDING OFFICER (Mr. HUNT in the chair). The Chair is informed that the Vice President is continuing to enforce the rule.

Mr. WATKINS. The Vice President still insists on enforcing the rule?

The PRESIDING OFFICER. The Chair so understands.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. I have known the present Presiding Officer for a good many years, and I know his genial and lenient disposition, so I presume he will not be too intolerant if I answer the Senator's question before asking him one.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa for a question?

Mr. WATKINS. I yield for a question, and I am not going to be technical respecting just how the Senator from Iowa asks the question.

The PRESIDING OFFICER. Neither is the Chair going to be too technical in his interpretation of the rule.

Mr. HICKENLOOPER. Mr. President, I shall begin my question by asking the Senator from Utah if he wants me to answer the question, as I assume he does?

I do not believe I go as far as the Senator does in assuming that the North Atlantic Pact is an integrated part of the European economic program. I believe that the economic program in western Europe, in the consideration of which we are now engaged, has already been adopted as a policy of this country, and we are committed to it separate and apart from any question of arms or armament or treaties such as the North Atlantic Pact. I believe there is a strict division between policy. On the one hand we have already adopted the policy, we are in it, and we are going forward with it. Without doubt the North Atlantic Pact has a very important relationship to the economic recovery program, because it is in the nature of a union of these countries for the purpose of preserving peace, as differentiated from the economic unity of these countries in their recovery program. They are interrelated, but I believe they can be discussed and evaluated separately. I also believe that if they are coordinated eventually that will be of great help.

Mr. WATKINS. I understand what the Senator says, and I must respectfully state that I disagree with him. In the first place, I think we have no commitment. At least, I understood last year when we adopted the European recovery program that it was on a 1-year basis, that we had no future commitments, and that we could discuss it at this time just as though we had never started the program.

I also think that the history of the last war will show completely, beyond question, that the economic output of a country is just as essential to war as are men, guns, battleships, and planes. In other words, men will have nothing to fight with unless they have weapons, and they must be produced in the industries of those countries, or some other country.

So I cannot see how it is possible to separate the two programs. I think they ought to be considered together. I think we ought to have laid before this body at this time the over-all budget of this country with respect to its world commitments—all of them—so that we can find out whether or not we are going to do what the Senator from Georgia [Mr. GEORGE] said we might do, and that is to overexert ourselves and bring on a depression.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield?

Mr. WATKINS. I yield.

Mr. HICKENLOOPER. I should like to make it clear that I do not take the position that because of any policy in connection with western European recovery we are committed to the yearly appropriation of any specific amounts of money, or any particularly specific recovery programs. I do believe that we are committed, as shown by the record and our attitude when the economic recovery of western Europe was first brought up, to do a reasonable amount of continuous assistance, provided the western European countries show a satisfactory measure of self-help and development on their own initiative. I do not mean to be understood as saying that because we voted for $5,000,000,000-plus last year we are committed to vote for $5,000,000,000-plus this year.

Mr. WATKINS. Or to vote for any amount.

Mr. HICKENLOOPER. Or for any amount, if we decide that the program is not going forward successfully or economically.

Mr. WATKINS. Suppose we decide that we do not want to do any more, that we do not have the money and want to quit. What then? Are we committed to go on? If we are, the situation is much different from the story we were told when the argument was made for the recovery program a year ago.

Mr. HICKENLOOPER. I believe that if we decide that in our own best interests and in the interest of our own economy we simply cannot afford to go on with this program, we are at liberty to discontinue assistance in western Europe.

Mr. WATKINS. Without breaking any obligation.

Mr. HICKENLOOPER. I think that is correct.

Mr. WATKINS. Moral or otherwise.

Mr. HICKENLOOPER. But if we can continue to aid the countries of western Europe when they are short of the reasonable goal of recovery which we establish, I believe we must evaluate the problem year by year, see what their progress is, see what the justification is, and then take such action as we believe we are justified in taking to aid them, based upon their past experience and their potential for future recovery up to the goals we may eventually set.

Mr. WATKINS. I agree with the Senator that that part of the program is all right. However, I want it clearly understood—and I thought that was true of the entire membership of the Senate—that we are not obligated in any way to go on with this program unless we wish to continue it. Personally I am trying to support some kind of a program, but I want to know where we are going. I want answers to some of the questions asked by the Senator from Georgia today. I want to know what this program is going to do to us. That is the reason why I am asking these questions today.

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

Mr. WATKINS. I yield.

Mr. FERGUSON. Has the Senator a copy of the pact?

Mr. WATKINS. The North Atlantic Pact?

Mr. FERGUSON. Yes.

Mr. WATKINS. I have a copy of it.

Mr. FERGUSON. I should like to ask the Senator a question. If the pact is ratified as a treaty, which I understand is the form in which it will be presented to the Senate, will article 3 legally commit the United States to carry on the Marshall plan aid, or the ERP, or whatever we may wish to call it—the aid which we are discussing today? Under the head of mutual aid, this is what we are asked to do:

> In order more effectively to achieve the objects of this treaty the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Could it not be said that this mutual aid would enable the countries which are parties to the pact to develop themselves so they could resist armed attack, and that therefore we are in duty bound to do something by way of mutual aid, either through the Marshall plan or the plan outlined in the North Atlantic Security Pact, or both of them—including mutual aid by way of arms?

Mr. WATKINS. I think it is open to that interpretation. In fact, I cannot see any necessity for article 3 if it is not

intended to bring about some aid in an economic sense to those people, to help them build up their industries so that they can manufacture weapons, and so that they will be equipped for combat not only in the field of actual fighting but also in the economic field, to provide a defense against the inroads of communism. It seems to me that that is exactly what this plan is intended to do. I think there is a commitment in it. If there is no commitment, there is no necessity for the meeting downtown on April 4. There is no necessity for all this talk about it if there is no commitment to do anything. I think it means exactly what it says.

When it comes to the question of mutual aid it is very much as was described yesterday by the Senator from Indiana [Mr. JENNER]. The "mutual" part of it will be our part. We shall be expected to give, and they will be doing the taking, for the most part. It has been claimed—and I have heard no denial of it—that they are not in a position to do very much, but we are, and they are counting on us to give most of the so-called mutual aid.

Mr. FERGUSON. Do the words "mutual aid" in article 3 relate to war matériel, or to the aid which we are giving at the present time, which we call nonwar material, but which consists of aid in building up the industry and capacity of the country to defend itself, or even to exist? Would "mutual aid" include both such aids?

Mr. WATKINS. I think it does include both economic and military aid. For proof of that we may look at the article which provides that there shall be an elimination of economic conflicts between the various nations. The last sentence in article 2 reads as follows:

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

This is not only a military pact, this is an economic pact, and that is one phase of it which is receiving very little discussion, and which should receive a great deal of attention from the American people, particularly those who work in industry.

Mr. FERGUSON. Does the sentence which the Senator has just read require other countries to do everything possible to form an economic unit such as they have been working on in London for the past few days? Is there not some responsibility on those nations to do what they are doing if this treaty is signed by all of them? Is there not some responsibility on their part to do what they are doing today in London?

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Is there not a responsibility upon them to build a united Europe and to destroy economic barriers, such as tariff barriers and others, between their countries?

Mr. WATKINS. For two reasons: First, because it is a part of the agreement under the Marshall program; and, secondly, because if they finally enter into this agreement, it appears to be an obligation of this agreement as well.

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

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. WATKINS. I yield.

Mr. DONNELL. Does not the same obligation which the Senator has just read, namely, to eliminate conflict in their international economic policies and encourage economic collaboration between any or all of them, apply to the United States as well as the other countries?

Mr. WATKINS. If we were parties, I think it is obvious that it would apply to us.

Mr. DONNELL. So we would be binding ourselves, if we went into this pact, not merely along military lines, but also, as the Senator has indicated, to the extent that we, the United States, obligate ourselves, with all the other 11 countries, to seek to eliminate conflict in their international economic policies and encourage economic collaboration between any or all of them.

Mr. WATKINS. I think so; and I may point out that it is my judgment, after going into this matter somewhat, that it is probably a commitment to take something like the International Trade Agreement, which is in the offing and is to be brought before the Senate after a while. By the way, I think we should take time to consider what that is. My objection to this matter is that these various requests are brought in on the installment plan. We are told, "Consider just this much; do not bother with all of it, but take only this one step at this time."

But after that is done, Mr. President, we shall later be presented with the implementation bills, and then later we shall have the International Trade Treaty, which must be in harmony with the proposal now before us. If we go into the agreement now requested, in effect we shall have bound ourselves to go into the other agreements or proposals. Perhaps we should do that, but the American people should know what we shall be required to do if we sign the treaty which will soon be before us.

Mr. DONNELL. Does not the Senator from Utah think that it is the function and right and duty of every Member of the Senate—not only those who are members of the Foreign Relations Committee but the other 83 Senators likewise—to have every opportunity to know fully both the military, the economic, and all other implications of this treaty before we vote on it?

Mr. WATKINS. I think so. Let me say in that connection that I have referred and shall refer again to the letter which the Senator from Missouri and I sent to the Foreign Relations Committee. I think what the Senator from Missouri has said is especially true, inasmuch as the members of the Foreign Relations Committee now, for the most part, not all its members—from what has been said by the Senator from Iowa [Mr. HICKENLOOPER], I think probably he is not a party to advocacy of the pact—seem to be advocates of the pact. As a matter of fact, after reading the President's letter—assuming that he had been correctly informed—I came to the conclusion that most of the members of the Foreign Relations Committee, insofar as it is concerned, do not need to hold hearings; they have been "in" on the matter from the very beginning, and they already know all the answers, and probably they could turn the matter over to us tomorrow without having any hearing at all. I make that assumption of course, on the theory that the President was not misinformed; but, on the other hand, I am happy to say that I think the matter has not gone that far, and that there are Senators on the committee who have not yet made up their minds about the treaty, and who can benefit from having hearings held.

Mr. DONNELL. Mr. President, does the Senator from Utah refer to the letter written by the President of the United States under date of March 17, 1949, and to be found at page 2843 of the CONGRESSIONAL RECORD for March 21?

Mr. WATKINS. Yes.

Mr. DONNELL. Does the Senator from Utah refer to the following language contained in that letter:

> In view of the importance of the present treaty there has been close collaboration between the State Department and the committee since its inception.

And also this language:

> The treaty has subsequently been negotiated in accordance with the advice contained in that resolution—

Namely, Senate Resolution 239—

> and with full and detailed consultation with the committee.

Does the Senator also refer to the further language of the letter from the President, to which I have adverted, and I read now beginning with the middle of a sentence:

> the Foreign Relations Committee has already carefully considered its provisions—

Meaning the provisions of the treaty. Is that some of the language to which the Senator from Utah has been referring?

Mr. WATKINS. I think the Senator from Missouri is pointing it out correctly. That is one reason why I became convinced—as probably the Senator from Missouri became convinced—that under those circumstances, if the President were correct, there would be only one thing to do, and that would be to permit all Senators who are not members of the Foreign Relations Committee to attend the meetings of that committee and to ask questions and receive answers to their questions. This should be done because the committee, according to the President, is a coauthor of the treaty. It is committed to it. That is no reflection upon it, I have no intention of reflecting upon the very able Senators who make up that committee. But I say that in fairness to all of us and in the interest of making all information available,

favorable or unfavorable, to the treaty, it is asking too much of them to expect them to bring before us, here in the Senate Chamber, all the material and all the facts bearing on that matter, and some of which might argue against their thinking in regard to the pact to which they now are committed.

Mr. DONNELL. Let me ask if it is correct that no reflection was intended by the letter addressed to the Foreign Relations Committee by the distinguished Senator from Utah and myself.

Mr. WATKINS. No reflection at all was intended. That letter is simply in keeping with the policy of the Senate to permit the Members of the Senate to ask questions about matters of importance to the Senate.

I know the situation has been referred to as an almost impossible one. I shall refer to that in greater detail later on.

I daresay that if the request we have made of the committee is granted, probably not more than 8 or 10 Senators will appear before the committee and will request the privilege of interrogating witnesses; and there may be not more than 5, 10, or 15 Senators, at the outside, who will have suggestions in regard to what witnesses should be called and what material should be investigated.

So I see no practical impasse, so far as that is concerned.

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

Mr. WATKINS. I yield.

Mr. DONNELL. Even if every Member of the Senate not on the Foreign Relations Committee were to avail himself of the privilege of participating in the hearings before the committee, is not the vital importance of the treaty from the standpoint of the national interest and the interest of the Republic such as to make it advisable for us to spend all the time that it is necessary to spend in order that all the other Members of the Senate, the other 83 Senators, may be able to know as much about the treaty as do the members of the Foreign Relations Committee?

Mr. WATKINS. I agree in general with the suggestion that the treaty is so important that every opportunity to obtain information should be afforded the Members of the Senate, so that when the Senate finally concludes its action on this matter the people of the United States will be united in their position regarding it. If the Senate refuses to ratify the treaty the people of the United States should be fairly well back of that position. If the Senate does ratify the treaty the people of the country should be back of that position to a man. So I think that that result, one way or the other, could possibly come as a result of carrying out our suggestion to the committee.

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

Mr. WATKINS. I yield for a question.

Mr. FERGUSON. As I understand the matter, the treaty now under consideration is proposed, just as the United Nations Charter was proposed, as a means of keeping peace in the world. If that be true, is not it advisable that the people of the United States, as well as the people of the other nations which are to become signatories to the treaty, understand all the terms of the treaty, at the time when we vote on the treaty, so that we may decide if it will keep the peace? Let us consider the last sentence of article 2 of the proposed treaty: "They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them," and, in short, to do what is provided in articles II, III, and IV of the treaty—things which, at least in the opinion of some of us, will help to keep peace among all the nations of the world. The question for us to decide is if we agree to these provisions and ratify the treaty. Will the treaty keep the peace?

Mr. WATKINS. That is what the proponents of the treaty say, and I believe they are sincere in saying it and in stating that they believe the objective and purpose of the treaty is to keep the peace. Of course, Mr. President, the question immediately arises, Will it keep the peace?

Mr. FERGUSON. Very well. In order to keep the peace, should not we be willing to ratify this treaty? In other words, should not we be willing to provide for keeping the peace and adopt the provisions of this treaty?

Mr. WATKINS. Does the Senator from Michigan mean the provisions of the treaty or the provisions of other proposals?

Mr. FERGUSON. I mean the provisions of the treaty, perhaps supplemented by other proposals if necessary.

Mr. WATKINS. Yes; we should consider whether the treaty, or proposals, will result in keeping the peace; and, if they do not violate the Constitution, we should consider whether we should be willing to adopt all the other proposals which are made in this connection.

Mr. FERGUSON. Then I come back to the question I asked the able Senator from Missouri [Mr. DONNELL] as to whether there can be an unconstitutional treaty. I am of the present opinion that there cannot be an unconstitutional treaty. The only limit on the treaty-making power is the ballot box.

Mr. WATKINS. Mr. President, let me see whether I understand what the Senator from Michigan is saying. He does not mean to say, I assume, that we can change a treaty at the ballot box; does he?

Mr. FERGUSON. I mean that is the only way the people can make their sentiments known, and if they are not satisfied with a treaty after it is ratified it may be denounced; but the courts cannot declare it unconstitutional.

Mr. WATKINS. I am not so sure about that. I should say—and this is only a curbstone opinion, for which lawyers are famous—that if a treaty should violate the Constitution, it would in effect give the Senate and the President of the United States the power to amend the Constitution; because if a treaty is unconstitutional and if it is ratified, and thus becomes the law of the land, and if it is upheld, then in effect it amends the Constitution by bypassing all the machinery set up in the Constitution itself for the amendment of the Constitution.

Mr. FERGUSON. My reason for saying that we cannot have an unconstitutional treaty is that under the *Curtiss-Wright case* (299 U. S. 304) it was stated that international sovereignty is over and above and outside the Constitution. "The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs."

The Curtiss-Wright and Holland against Missouri decisions make it clear that it is impossible to have an unconstitutional treaty, because there is no way by which the court can review a treaty.

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

Mr. WATKINS. I cannot say I agree with the Senator from Michigan. It is an interesting suggestion and I think that is one of the questions that should be explored, if I may so state at this moment, at a time and under conditions where we are not under terrific pressure to ratify a treaty. By that I mean the period after the signing.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WATKINS. I yield to the Senator from Missouri for a question.

Mr. DONNELL. Did the Senator hear, the other day, in the response that was made to the Senator from Michigan when he made the inquiry as to whether it was possible to have an unconstitutional treaty, the illustration which I mentioned, namely, this: Suppose a treaty were to be ratified providing that on the next morning after the ratification of the treaty, every third person in the United States should be taken out and shot.

Mr. WATKINS. I remember that.

Mr. DONNELL. I understood at that time the Senator from Michigan was inclined to think there might be some point in the suggestion that such a treaty might be unconstitutional.

Mr. FERGUSON. May I answer that?

Mr. DONNELL. Just a moment. If I may ask the further question: Is it not a fact that the Curtiss-Wright case, in substance, merely holds that it is not necessary in the course of the negotiation of a treaty that the President be able to point to a specific provision in the Constitution authorizing it; that there is a power under which the President can proceed in the case of external affairs, which does not exist in the case of internal affairs; in which latter case it is necessary to point to the specific provision of the Constitution? Is not that the holding in the Curtiss-Wright case? Is it not true also that the case of Missouri against Holland, which is one which would require very careful analysis, does not hold that there cannot be an unconstitutional treaty? Is the Senator

familiar with those two cases? Does he recall them at the moment?

Mr. WATKINS. I am somewhat familiar with them. I have not read them very recently, but I am familiar with the doctrine that is supposed to have been laid down in those cases, and I think I agree in substance with the suggestions of the Senator respecting those two cases. I have a strong feeling on the question whether or not a treaty that is in violation of the Constitution could be entered into, and whether it would become the supreme law of the land. I think that has not been decided. I think that is still open.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. WATKINS. I yield.

Mr. DONNELL. I ask the Senator if he has in effect said, in answering the Senator from Michigan, in his curbstone opinion, it is not possible to bypass the Constitution by means of a treaty and to enact something into a treaty which is contrary to express provision or implication of the Constitution.

Mr. WATKINS. I think that is exactly correct, and I think if the case were presented squarely to the Supreme Court, the Court would so hold, that we cannot in effect amend the Constitution by means of a treaty.

Mr. FERGUSON. Let me ask the Senator some questions. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. FERGUSON. Is it not true that when this Nation was founded it acquired or took upon itself entire sovereignty and is not that sovereignty over and above what is provided for in the Constitution, so far as domestic matters are concerned? What does the Senator say about that?

Mr. WATKINS. I would say the Constitution I think is the supreme law of the land. It is what the Senator and I are sworn to defend, and all the powers not granted in it are reserved to the people.

Mr. FERGUSON. Yes; but as I understand the case of *United States* v. *Curtiss-Wright Export Corp.* (299 U. S. 304), it said the entire sovereignty the United States Government has is not in the States so far as international law is concerned, and therefore we did not take it from the States. We took it because we became a sovereign nation. The Court said:

> And since the States severally never possessed international powers, such powers could not have been carved from the mass of State powers but obviously were transmitted to the United States from some other source.

Mr. WATKINS. If I may ask the Senator a question, were not the Thirteen Original Colonies sovereign nations before they formed the Union?

Mr. FERGUSON. No, no; they were not. They had their ties to Great Britain, which held the entire sovereignty.

Mr. WATKINS. They broke them off before they adopted the Constitution, as I remember.

Mr. FERGUSON. At least the Curtiss-Wright case says that entire sovereignty did not exist in the States, but the United States Government itself took on all powers of sovereignty, the same as that which Great Britain or any other nation possesses.

Mr. WATKINS. I appreciate the suggestion.

Mr. FERGUSON. Therefore, it is impossible to have an unconstitutional treaty.

Mr. WATKINS. I should appreciate the suggestion from the Senator from Michigan as to how we would handle the State of Texas. Texas came in as a sovereign nation, did it not?

Mr. FERGUSON. Yes; I would say that it did.

Mr. WATKINS. And all the States, other than the Original Thirteen, came in, of course, as part of the territory. But the State of Texas came in as a sovereign nation. It was the Republic of Texas, was it not?

Mr. FERGUSON. Yes. But the United States Government had full sovereignty prior to 1848 when the State of Texas became a part of the United States. If it had full sovereignty, is it not true that it can make any treaty it desires with a foreign nation—in fact, should make treaties in order to keep the peace?

Mr. WATKINS. The Senator is now speaking about the United States, I assume.

Mr. FERGUSON. I am talking about the United States of America.

Mr. WATKINS. We could make treaties. We have the power to make treaties. But I still believe treaties cannot be made in violation of the Constitution because that is the grant of power. The President derives his power from the Constitution. The Constitution is a grant of power, and all not granted remains in the people.

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

Mr. WATKINS. I yield.

Mr. DONNELL. Does the Senator recall that the case of Missouri against Holland was the migratory bird case, that no question was therein involved as to whether the President and the Senate could by treaty exceed their powers under the Constitution of the United States, and that in that case there was no question as to whether a treaty could violate a provision of the Constitution? Does the Senator recall that the question was merely one between the Nation and the States, as to whether the Nation could enter into a migratory bird treaty in view of the powers reserved to the States? And does not the Senator also recall that in the Curtiss-Wright case the point decided by the court was simply that the executive department does not in international affairs have to go to a specific provision of the Constitution for its authority, whereas in internal affairs it does have to go to a specific provision of the Constitution for its authority?

Mr. WATKINS. As I remember the case, it was to that general effect.

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

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. WATKINS. For a question? I may say that these distinguished lawyers seem to be opening their guns on me. I am just a Senator barely out of the freshman class. To have these distinguished constitutional lawyers fire these questions is giving me a good workout. But I may not be giving the right answers.

Mr. DONNELL. The Senator from Utah is doing very well.

Mr. TAFT. It seems to me that article VI of the Constitution is the whole basis of the discussion. It says:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land.

It is perfectly clear that a law must be in accordance with the Constitution. But treaties are put upon a separate and distinct basis. The Constitution says, "all treaties made or which shall be made under the authority of the United States." They are put on a parallel basis with the Constitution itself; so that there certainly is some justification for the claim, does the Senator not think, that at least there is no provision that treaties must be in accord with the Constitution?

Mr. WATKINS. In answer to that I would say there are lawyers who think a treaty should be, and there are others who think a treaty should not be, in accord with the Constitution. That presents the very problem I am trying to present here, if I am able to finish, which is that the treaty is a very important matter and should receive the utmost careful and thorough consideration before it is signed and before we are under the pressure to go ahead after we have committed ourselves by adding our signature to the treaty.

Mr. TAFT. Mr. President, if the Senator will yield, what I was going to suggest was that the limitation on treaties was not the Constitution, but the authority of the United States. It seems to me that authority in some respects may be subject to certain constitutional provisions; but, apparently, in the case of Holland against Missouri, all of the provisions of the Constitution are not a limitation on treaties. I suggest to the Senator that we can argue whether particular provisions of the Constitution limit the authority of the United States.

Mr. WATKINS. What about the Bill of Rights?

Mr. TAFT. That is one of the questions which I think the Senator should discuss.

Mr. WATKINS. All these questions point up the fact that there is a vast difference of opinion between lawyers on this question. I did not intend to discuss constitutional questions today.

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

Mr. WATKINS. I yield for a question.

Mr. BREWSTER. Has the Senator from Utah ever read the opinion of Mr. Hackworth, formerly attorney for the State Department, who advanced a very interesting theory before the Commit-

tee on Commerce, that an agreement made by the President of the United States, without any consideration by the Senate, was morally and legally binding on the United States under international law, even without any constitutional safeguards? I do not know that he found full concurrence in that view, but he earnestly advanced it before the Committee on Commerce.

Mr. WATKINS. I thank the Senator.

Mr. BREWSTER. May I add that I do not know whether the Senator is aware of the fact that Mr. Hackworth is now a justice on the World Court, where he can put his ideas into practice.

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

Mr. WATKINS. I yield for a question.

Mr. DONNELL. Along the line of the inquiry of the Senator from Ohio, does the Senator from Utah care to express himself at the moment as to whether it would be possible, in his opinion as a lawyer and former judge, for the President of the United States, by a treaty ratified by the Senate, to declare war, although under the terms of the Constitution Congress shall have the power to declare war? Does the Senator think at this moment, as he is at present advised, that a mere treaty could bypass that provision of the Constitution of the United States?

Mr. WATKINS. I certainly do not agree with that.

Mr. DONNELL. The Senator does not agree that it could bypass that provision of the Constitution?

Mr. WATKINS. No; I do not think it could bypass the Constitution. I have not made a complete study of the proposed pact or proposed treaty. We have many calls on our time. We have had the text for only a short time, and it would require a considerable period of study to go into all the legal questions involved. They are not as easy as they may seem. Curbstone opinions do not get us very far. I think there are many questions which can be legitimately raised and which ought to be considered in an atmosphere of absolute freedom from pressure, so that we can go into them and not feel, as we probably shall feel after this pact is signed, that we cannot say this or that or do this or that because we may give aid and comfort to an enemy.

Mr. President, I should like to continue some observations I started awhile ago, and of which I have almost lost track because of the questions which have been asked. I am frank to say that I have not had time, up until now, to give the necessary study to all these legal questions which are involved. What I have said is more or less in the nature of curbstone opinion in reply to numerous questions regarding the Constitution. When interrupted, I was directing attention to what the President of the United States had said to me in his letter in response to my request that we be given at least 60 days from the time the text of the treaty was made public to study it before it would be signed. The President said "No" very courteously. Some discussion has taken place since that time as to whether that has been the proper stand to take.

I wish to call attention to the fact that in Denmark and Italy, if we can credit the press dispatches, the parliaments of those two countries have been given opportunity to study the pact and to give it their approval before their ambassadors or plenipotentiaries come to this country for the ceremony of signing the pact. That might be a good precedent for us to follow, although, of course, it is not binding upon the President of the United States.

This matter has attracted some attention in the press. I wish now to read from an editorial which appeared in the Washington Star on the 23d of this month, and which reads as follows:

> President Truman has indicated that the North Atlantic Pact will be signed, as planned, on April 4, which would be 17 days after the text of that agreement was put before the people. Senator WATKINS, of Utah believes there should be an interval of 60 days between the publication of the text of the pact and its signature.
>
> It is hard to know how much importance should be attached to this disagreement. The President would have been entirely within his rights had he decided to hold up any publication until after the treaty had been signed. In fact, that is the usual procedure. But an exception has been made in this instance because, to use the President's words, "of the importance of the present treaty."
>
> There can be no question of its importance. Senator VANDENBERG has just told the United States conference of mayors that it is the most important step in American foreign policy since promulgation of the Monroe Doctrine. Senator WATKINS believes that with ratification of the treaty "we shall have become so involved in the affairs and troubles of Europe and of the rest of the world that we shall not be able to withdraw, but we shall be involved in them forever." The Star agrees with both statements, although it believes we are going to be irrevocably involved in the affairs and troubles of Europe in any event, and favors ratification of the treaty in the belief that this would mean fewer troubles, not more troubles.
>
> It is important, however, to have the largest possible measure of public support behind the treaty if and when it is ratified. Quite possibly, a majority of the people are already in favor of ratification. But if any significant minority holds a different view, it unquestionably would be desirable to win them over as proponents, if that can be done by public study and debate of the pact's provisions.

To me this last paragraph is very, very important, and especially the last sentence:

> But if any significant minority holds a different view, it unquestionably would be desirable to win them over as proponents, if that can be done by public study and debate on the pact's provisions.

I intend to come back to that section of the editorial after I have read the remainder of it. I continue:

> Senator WATKINS fears that once the pact has been signed there will be heavy pressure on the Senate to ratify it as a matter of good faith, and he does not believe this can be compensated for by full debate after signature. This probably is not an idle fear, and since it is likely that pressure of other business will prevent Senate consideration of the treaty before May or June, it is hard to see any compelling reason for signature by April 4.
>
> This newspaper is unreservedly in favor of ratification of the treaty without any material change. That is merely another reason, however, why the Star would look with misgiving on any approach to ratification which smacks of steam-roller tactics, or which could reasonably be interpreted as such. The North Atlantic Pact finds its justification in the logic of our times. And the more this logic is explored, the more compelling will be the case for ratification. If this is a sound view of the situation, then the proponents of the pact may discover that a needlessly early signing of the treaty will give its opponents a better argument than they could have found in a debate on the merits.

There is much in that editorial with which I agree, but I desire to go back to the paragraph I mentioned a few moments ago, namely, the following:

> But if any significant minority holds a different view, it unquestionably would be desirable to win them over as proponents, if that can be done by public study and debate on the pact's provisions.

I call the attention of the Senate to the fact that it has been a difficult matter to get before the people of this country any debate or the statement of any Senator or public official who raised any question about the desirability of entering into this pact.

I called attention in my address on March 8 to this very situation. In a subsequent statement to the Senate I called attention to the fact that the press of the country gave very little notice to any questions raised with respect to the pact. The newspapers in Washington, with the exception of the Star I think, did not mention the fact that any question had been raised by me or any other Senator on the floor of the Senate.

One of the leading newspapers in the United States, the New York Times, which publishes "all the news that is fit to print," ignored the first statement I made, but later, after I had made the second one, did carry a news story about it.

Then there was an observation by Mr. Arthur Krock in the New York Times, under date of March 10, 1949, in which Mr. Krock pointed out some of the questions I had raised, or at least the dilemmas we faced, and my criticism of the situation in which one certain newspaper was able to get the information when the rest of them were not, and when even the Members of the Senate not on the Foreign Relations Committee did not get the information.

Then, after he goes on with that statement, he gets to what he describes as a "paradox" which I pointed up by my address. I shall comment on this, because it is an important development in the history of the pact, and points out that I was justified in calling attention to the fact that it is difficult to get anything before the people of this country which might in any way question the desirability of entering into the pact. I am not blaming anyone in the Senate for that situation, but in this country, where we pride ourselves on the fact that we

have full information, it seems we now have an iron curtain here through which some of us cannot get through to the people with respect to certain phases of this treaty. Said Mr. Krock:

But Mr. WATKINS in the course of this same speech furnished a paradox. Though complaining that the secrecy surrounding the pact negotiations and the evolution of the text had kept the Senate in official ignorance of what it will soon be asked to approve, and cannot take effect until that approval is given, he criticized the only channel of information which provided him with the materials of his complaints and the substance of his fears. That channel is the public press.

"To be very frank about the matter," he said, after stating his belief that part of the press has become a propaganda machine to achieve the situation he opposes, "I do not like the idea of having to depend on a newspaper columnist for information which will be of help to me in making up my mind in regard to such a proposal."

I omit material in the way of explanation, not necessary to this discussion, and I come to this:

Here was a Senator calling on the Executive for information about a treaty of vast consequence, and for time to consider this information before it is signed. But here was the same Senator joining the press to the Executive as partners in an effort to make the Senate rubber-stamp a rush order, and failing to make due acknowledgment of his obvious debt to the press.

The facts would not have been overstated if that acknowledgment had far outweighed the part of Mr. WATKINS' speech which was critical of certain editorials supporting the aims of the North Atlantic Pact and of some news reports of his previous speech on the subject.

I want Senators to note this:

So far as the Washington staff of this newspaper is concerned, no greater diligence, tenacity, and knowledge of the subject were ever required in giving due information to the public—and Senator WATKINS—about a negotiation in this field and of this gravity.

During the conferences at Dumbarton Oaks, while the Charter of the United Nations was being written, the State Department imposed the same secrecy, and only by ceaseless reportorial effort were the public and Congress informed, in time to assure adequate debate, of the agreements on the veto, on the admission of White Russia and the Ukraine as separate nations, and other matters.

And note this:

But the official wall between the public and essential information on the North Atlantic pact was even higher, thicker, and more difficult to penetrate. That, however, was accomplished in a responsible manner, and that is why the Senate and the public will have had a proper opportunity to discuss the issues pro and con. That also is why Mr. WATKINS was able to come to an opinion about the official tactics to which he took exception.

I may be indebted, and probably we are all indebted, to the New York Times for giving us, I was going to say, a blow by blow account of the writing of this text, but I am somewhat intrigued by a situation created by what Mr. Krock has said and by what was said by the New York Times on January 16, 1949. I shall read what the New York Times said in the leading editorial about this situation. This was a long time before Mr. Krock wrote his article. I quote from the New York Times of January 16, 1949:

Th. State Department's review of foreign policy, published yesterday under the title "Building the Peace," would please Woodrow Wilson if he could know about it. It is in line with his declaration in favor of "open covenants of peace, openly arrived at," made 31 years ago this month. Our Government now recognizes that diplomacy is not properly a hush-hush affair to be carried on by elegantly dressed gentlemen behind closed doors. In the good old American phrase, the State Department has laid all its cards on the table.

There are a few surprises in what is now said.

Perhaps Mr. Krock is right; perhaps the ramparts they had to get over to get this information on the Atlantic Pact were much more difficult to surmount than were those in the case of the Bretton Woods agreement and the beginning of the United Nations agreement. But according to the Times editorial the State Department had laid the cards on the table, and one would be justified in asking, Were the cards on the table to the New York Times and to nobody else?

Mr. President, I say that advisedly. That paper has a perfect right to espouse any cause within the laws of this country. I have admired the New York Times for many years. When I was a student at college in New York for some 5 years I read it assiduously, and it was my daily diet in the way of newspaper reading. I admire the splendid service the paper has given to the country. But I am coming to the points that I made in my first speech; I am not backing down on a single one of them. I charged that a propaganda campaign had been entered into; that some papers got the information about the treaty and others apparently could not get it. I did not name the source of the information; I did not know its source. I could not obtain it from our own committee, the agent of the Senate, and other Senators could not obtain it. But apparently the New York Times got it from some source and it was published to the world. Mr. Krock says they had a difficult time in obtaining it, but the editor says that all the cards were laid on the table by the State Department. When Mr. Krock resolves that contradiction I shall be able to resolve the paradox he charges me with creating. I have great respect for Mr. Krock.

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

Mr. WATKINS. I shall yield in a moment.

Mr. CONNALLY. The Senator is denouncing the Committee on Foreign Relations constantly on the floor of the Senate, but then he will not listen to the truth about the matter.

Mr. WATKINS. I shall give the Senator an opportunity in just a moment.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. WATKINS. I wanted to say before I finish this particular phase of the subject, that I have great respect for Mr. Krock. He may have had to do all he says he had to do, but I say he has a contradiction to resolve just as much as I have with respect to the paradox mentioned in this article.

Now I am willing to yield to the Senator from Texas for a question.

Mr. CONNALLY. I do not care to have the Senator yield to me.

Mr. WATKINS. Very well, sir, if the Senator does not care to have me yield. We are here to discuss this matter.

Mr. CONNALLY. If the Senator cannot yield to me courteously and in good spirit, I do not want to have him yield to me.

Mr. WATKINS. I will yield to the Senator in as good a spirit as he now has been asking me to yield, if he knows what that is.

Mr. President, I should like to say now, since the suggestion has been made that I have been denouncing the committee, that I have been pointing out the situation in which we find the committee to be, and I believe there are members of the committee who realize what that situation is. I am not denouncing them for taking their stand. I say they are within their rights. But I say all Senator DONNELL and I are asking, since they have become committed in this matter, and are partisans from our point of view, is that we and other Senators be permitted to ask questions at the hearings. I have no intention to reflect on any member of the Foreign Relations Committee.

Mr. CONNALLY. The Senator has been doing it for 4 or 5 days.

Mr. President, will the Senator yield?

Mr. WATKINS. I will submit the record.

Mr. CONNALLY. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Texas?

Mr. WATKINS. I yield to the Senator for a question.

Mr. CONNALLY. Will not the Senator from Utah admit that he has made speeches on the floor of the Senate four or five different times, and that in those speeches he has claimed that the Committee on Foreign Relations was concealing something from him, and that he could not obtain the facts, and could not crawl over the breastworks? As a matter of fact, the Senator knew what was in the treaty as soon as it was released. The Committee on Foreign Relations made public the treaty as soon as it was agreed upon. The committee could not give the Senator the information as the negotiations went on, with one country insisting on this, and another country insisting on that. During that time we could not rush into the press and give the Senator the information. But when the pact was agreed upon the Senator from Utah, if he can read, knew exactly what was in the treaty. And every other Senator knew what was in it. The committee went far beyond the usual custom in advising the Senate about it.

Mr. WATKINS. Just to keep the record straight, as I recall the committee did nothing of the kind. The President

of the United States and the Secretary of State released the treaty, and not the committee.

Mr. CONNALLY. Well, they did not release the treaty until we had agreed to it in committee informally.

Mr. WATKINS. The committee may have agreed to it, but——

Mr. CONNALLY. We told the Senate that. And we told the Senator from Utah that. But he does not want to know. He wants something to complain about and to fuss about and to denounce the Committee on Foreign Relations for.

The Committee on Foreign Relations has just as high a concept of its public duty as has the Senator from Utah. The Senator from Utah, notwithstanding he got all the information that was available, now proposes to come in and take charge of the Committee on Foreign Relations. He is going to ask the questions and he is going to oust the committee from jurisdiction and take over the examination of this subject. He has been from time to time speaking on the floor of the Senate on the pact when it is not before the Senate.

Mr. President, it is time that we proceed with the business of the Senate. The Senator from Utah will have plenty of time to discuss the treaty when it comes before the Senate. He will have plenty of time in the Committee on Foreign Relations when it holds extensive hearings.

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

Mr. WATKINS. I should like to make a short statement to the Senate, in view of the charges which have been made. I think what has just been said might be considered to be an infraction of the rules of the Senate, but I shall not ask to have it expunged from the RECORD. I want to say, however, that every word of what I have stated is a matter of record in the CONGRESSIONAL RECORD. Whether or not the Senator has placed the right interpretation upon it can be easily ascertained by anyone who reads. I deny any such intent as the Senator has suggested, and I deny that my language would justify such an interpretation. What was requested of the Committee on Foreign Relations by the Senator from Missouri [Mr. DONNELL] and myself is also in writing. There can be no question about it. Now, after the Senator from Texas has made his statement, I am wondering if he has actually read our letter, because I cannot see how on earth he can gain the impression that anyone wants to take over his committee. We have merely asked to do what the Senator himself has done on numerous occasions, appear before the committee and ask some questions, and that our colleagues who are not on that committee may come before the committee and ask some questions. That is all we have done. I leave that to the RECORD.

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

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. WATKINS. I yield.

Mr. TAFT. Does the Senator from Utah understand the distinguished chairman of the Foreign Relations Committee to say that the North Atlantic Pact was approved by the Foreign Relations Committee?

Mr. CONNALLY. No; I said informally.

Mr. TAFT. The Senator said that hearings are to be held on the pact. Do I understand that the committee has already approved the pact before the hearings have been held?

Mr. CONNALLY. No. Mr. President, I ask the Senator from Utah to yield in order that I may make reply.

The PRESIDING OFFICER. Does the Senator from Utah yield for that purpose?

Mr. WATKINS. I yield to the Senator from Ohio.

Mr. TAFT. I first thought perhaps the Senator had merely said that the committee had approved the release of the treaty, but as I later understood him he said that the committee had informally approved the treaty itself.

Mr. CONNALLY. I did say informally, I but did not mean that it was an official act at all. What I meant to say was that those of us on the committee who had from day to day been in contact with the Secretary of State, who himself had been in contact with representatives of the other governments, and who submitted to us from time to time what he, the Secretary of State, proposed to do, just as a group of the members of the committee, informally agreed that we favored the language of the treaty. Now if that be a crime, if that be a sin, very well. The Senator is complaining that we did not tell him what was going on all the time, but we did tell the Senator just as soon as we were able to. We did not release the treaty. The Secretary of State released it. But he would not have released it if some of us who had been in on the negotiations indirectly had not approved what he had done.

Mr. WATKINS. And if the Senator from Utah had not asked to have it released. The Senator may add those words to his statement.

Mr. CONNALLY. What is that?

Mr. WATKINS. And if the Senator from Utah also had not requested to have the treaty released. That request was made in a telegram to the President, and in a resolution.

Mr. CONNALLY. I am sure that telegram may have moved the President. We had no desire to keep anything from the Senator. We could not give out the treaty until it had been completed. If the Senator wants to know all about this matter, if he will just wait patiently until we take it up in the committee he can have all the time he wants in the hearing. But I object to his taking up the time of the Senate from day to day talking about something that is not before the Senate and delaying the consideration of a very urgent matter, the ECA bill, which is now pending before the Senate.

Mr. WATKINS. Mr. President, if I remember correctly, about 2 weeks ago, or some time back, the Senator from Texas and some of his colleagues were talking about a number of bills which were not before the Congress, not only for 1 day, but for 2 weeks, and some of us had to sit and listen to that discussion. I believe the Senator from Texas himself talked about those bills. They were not before the body at that time either. The talk was only on a motion to take up a resolution. But that is neither here nor there.

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

Mr. WATKINS. I decline to yield. I do not intend to enter into an argument or to engage in a quarrel about this matter. I have the highest regard for the Senator from Texas, who is chairman of the Foreign Relations Committee. But I say he has overlooked the fact that what I am complaining about is that certain newspapers obtained the information, but Senators could not. I wanted to make a study of the pact sometime before it was signed. The Washington Star has pointed out, and Mr. Krock has pointed out that after the big ceremony of signing takes place at the State Department, before some 1,300 people who will be present, and when the entire world has been shown the ceremony on the movie screens, it is going to be very embarrassing later on to question the treaty. It places anyone who has an honest question to ask about it, or who may find himself inclined to oppose it, in a position where it will be immediately said, "You are aiding and assisting the Communists. Can you not stand by your country? We have signed this treaty, and see what you are doing now."

That is what is likely to happen, and that is what I am complaining about. It seems that I have not been able to make myself clear. When newspapers could get that information before the Secretary of State released a copy, I thought we ought to be able to get it from our own committee. The committee is not the Senate; and I am sure that no member of the committee has ever so claimed. On the other hand, it is an agency of the Senate. If newspapers could get the information, I felt that individual Senators could get it. I have no apology to offer for the course of action I have taken. What I have said is all in the RECORD; and if anyone wishes to challenge it, let him take the RECORD and present it to the Senate and to the country. I will stand by it and take my chances.

Mr. President, I realize that sometimes it is inconvenient to call attention to important matters which arise. Senators have things which they want to have done right away. I waited from last Friday until this afternoon to make this speech. I did not take advantage of the opportunity to get the floor at the time the rent-control bills were brought up. I stepped aside rather than take advantage of the opportunity afforded me and other Senators to present our views.

The more I listen and the more I see of the conduct of the business of the country here, the more I realize that there may be a great deal of merit in what Senators from the South have been contending about the House and the Senate. I have listened with a great deal

of respect to the arguments of the distinguished Senator from Texas on that very point. I can see now that if it is not right to bring these matters up just because a particular bill is not before us we may not have free speech in this Senate for very long.

If the Senator from Texas had been present at the beginning of my remarks, he would know that I tied these subjects in with the ECA. I wanted an over-all budget, an over-all blueprint of ECA and the implementation of the North Atlantic Pact.

The Senator from Georgia [Mr. GEORGE] brought before us very impressive information on the state of the Union with respect to our finances. That subject is tied in with the entire program, and the whole program is a part of it. That is all I have to say on that particular subject.

In connection with the request which I made of the President, I invite attention to the fact that the Washington Star thought it was a good idea to have more time allowed before the treaty was signed. It was in favor of the pact, but it thought it would be reasonable to let us have the time requested before pressure was brought on us to approve the treaty.

In my judgment the question of the rearmament of Europe and the implementation of the pact, or whatever we are going to do, is important. Something is going to be done. The State Department has announced that there will be a program of rearmament, which costs money. That program ought to be considered in connection with the entire expenditure which we are making all over the world, particularly in Europe.

There should be some delay. The programs are all tied together. I do not see how we can ratify the pact without knowing something about the general program.

I read an article in the Washington Times-Herald of March 28, under the title "GEORGE Urges Year's Delay on Arms Aid." The subhead is "Marshall plan debate will continue today."

> Senator GEORGE, Democrat, of Georgia, yesterday urged a 1-year delay in the United States program to help rearm anti-Communist Europe, lest it cause the frightful mistake of crippling the Marshall European recovery plan.

Does that tie in with what we are doing now? I think it does. The Senator from Georgia suggests a year's delay in considering that particular program. If it is necessary to have a year to study that subject, perhaps the entire program should be postponed for a year. I think we could postpone it to good advantage. It is one of the most important programs ever to be presented to this country. It commits us to important obligations. I think the Washington Star, in its editorial agreed with me that it commits us to an intervention in the affairs of Europe forever, or at least as long as this Nation endures, if we once go down this road.

I have said in my previous speeches, "Let us take a look." We went into the United Nations, and found that it did not work. This pact now practically abandons the United Nations. It is an admission on its face that the United Nations has failed to work. It is proposed as a substitute for the United Nations. Having gone that far down the road, we should take a look and see what has been accomplished. We should see where we stand. That is what I am pleading for. That is what I am urging not only Senators, but the entire citizenry of the country, to do. Unless the press is willing to give to the country information on the questions which are raised, and the arguments which are made, how can we have an enlightened people? How can they understand the program?

I invite attention to the fact that when the Senator from Missouri [Mr. DONNELL], who is admitted to be a great constitutional lawyer, made a speech on the floor of the Senate, some of the newspapers which claim to publish everything that is fit to print did not even mention what he had said. Yet a day of so before—or perhaps on the same day—the distinguished former chairman of the Foreign Relations Committee [Mr. VANDENBERG] made a speech on the same subject, and the newspapers not only gave the ordinary news story but many of them printed the text of his speech. That is what they should have done. It was a fine thing to have printed the speech of the Senator from Michigan. It was a great contribution. We should all know about it. But why, in the name of everything that is fair, should they refuse to give even one line to the distinguished former Governor of Missouri when he made a wonderful contribution on the floor of the Senate? Let anyone raise his voice praising the program, and immediately he gets the headlines. But that has not been the treatment accorded those who question the treaty.

We are spending a great deal of money to put the Voice of America overseas, to tell the people over there about America, but if this situation is to continue, and we cannot get information to our own people as to what is going on in the Senate, I do not know what the result will be.

I use another illustration. Yesterday the Senator from Indiana [Mr. JENNER] made a speech on the floor of the Senate. Some may not like it. Others may agree with it. At least the speech was made by a United States Senator, who has some responsibility in these matters. I had to hunt through the newspapers to find a line about it. In one newspaper I found four lines about this speech which occupied half the afternoon on a very important question.

Mr. President, I am trying to get light on the proposal which is now being made. I want the American people to know what they will be called upon to do if we go into this pact. Many of them will have to make sacrifices. They will have to pay higher taxes. They may have to go without things. They may have to line up in queues before the stores to get rationed food and clothing and other things, just as they did during the war, and just as the people of Europe did. The American people must be informed. I hope the American press, of which I have been a part in a very modest way, will at least give some information about the important questions which are being raised in connection with this treaty.

So far as I am personally concerned, I am a Senator from a small State. I am not a former governor. I am not a great constitutional lawyer; but I have a duty to discharge, and that is why I make this plea and why I urge that the people of the country be fully informed before we go into this pact.

It was said by the President of the United States that he acted on the advice of this body. I invite attention to the fact, as I remember—and I think I am correct—that we spent about half a day on the so-called Vandenberg resolution, with 21 Senators not answering to the roll call when the vote was called for. The President stated that the treaty had been drafted in full accordance with that advice. Was that enough time to consider it? It was before us on the 11th day of June, just before the national conventions, when the attention of Senators was distracted. According to the President, apparently we committed ourselves at that time.

In connection with what the Senator from Georgia said in urging a year's delay on arms aid, I point out that there appeared in the Washington Star of Sunday, March 27, an article by Constantine Brown under the heading "North Atlantic Pact best insurance for peace if backed up by steel." The subhead is "Agreement is worthless without armament plan. Atlantic alliance drafters and military men convinced treaty must be backed by might to be of any value."

That question has already been raised. It is in line with what the Senator from Georgia [Mr. GEORGE] said. It must be backed up. As I understand, bills are now being prepared for that purpose, and will be introduced in Congress.

Mr. President, there are many implications growing out of the pact which the people do not realize. I want to be fair. I want to get as much information to our people as I can.

Last Sunday I read an article in the Washington Star, written by the Senator from Massachusetts [Mr. LODGE], who is a member of the Foreign Relations Committee——

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

Mr. WATKINS. I yield for a question.

Mr. DONNELL. Has the Senator seen the New York Times of Sunday, March 27, in which there appears an article by Mr. Hanson W. Baldwin, under the heading "Arms to support pact an intricate problem. The $1,800,000,000 asked of Congress would be a start for program."

The article reads, in part, as follows:

> Representatives of the "Atlantic community" are converging on Washington for the formal signing of the Atlantic Pact, the first step in a system intended to provide politico-military security for western Europe.
>
> The next step is now being charted in Washington, but its general outlines were clarified yesterday with the disclosure that Congress would be asked for an initial installment of $1,800,000,000 to provide arms and equipment to the pact signatories and associated countries.

Mr. WATKINS. Yes; I read it; and it is just a sample of what is being handed out to us day after day in the newspapers. We are told that now we are to be faced with the rearmament program and its accompanying cost. So I maintain that it is material for us now, in connection with the proposed ECA program, to consider what we shall have to provide further, because all the expenditure will come out of the pockets of the taxpayers of the United States; and before we make any decision, we must consider what the over-all charges are to be.

Mr. President, I started to read the article by the Senator from Massachusetts [Mr. LODGE]. Although I do not agree with all that he says in the article, I think it throws considerable light on the problem we are discussing today. So I ask unanimous consent to have it printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 3.)

Mr. WATKINS. Mr. President, I say that the people of the United States have not understood and do not now understand, I think, the full implications which may grow out of this pact. Most of them have been converted to belief in the United Nations. They have felt that it was our best insurance for peace. I think that if we go back in the CONGRESSIONAL RECORD we can find many statements by many of the distinguished Members of the Senate who said, at the time of the consideration of the United Nations Charter, that it was our last great hope and insurance for peace.

I hold in my hand an article by Thomas L. Stokes, who is not unfriendly to the administration now in power. The article is entitled "UN Versus Atlantic Pact."

I wish to read the article. It will take a little time to read, but I know of no effective way to present the truth which the writer of this article has recognized other than to bring it to the attention of the Senate and, through the CONGRESSIONAL RECORD, to the attention of the country. The article has already received some circulation, but it should receive more.

Said Mr. Stokes:

The member of the family who indulges in occasional essays in this space on global generalities, with the apologetic timidity of the novice, was discussing the Atlantic Pact not long ago with the female member of the family who fortunately has a refreshing way of getting right down to the essentials.

She looked up, finally, and inquired with what appeared to be sheer innocence:

"Whatever happened to the United Nations?"

Whatever did? A good question. Probably millions of others in this country and the world are asking it.

And I am asking it now.

I read further:

It is noted now that there is creeping into the official campaign on behalf of the Atlantic Pact the suggestion that this regional arrangement—which, incidentally, takes in a rather diverse group of nations—may be the beginning of another United Nations. This regional pact, it is intimated, would be hooked up with the one we have already with Latin-American Republics. Then there would be a Mediterranean pact and a Pacific pact and so on until, presto, we'll have another United Nations, including practically everybody but Russia.

GOOD EXCUSE

If Russia wants to come in after it gets all fixed up, then all right. But if she doesn't, and if she wants to start anything after she gets all hemmed in, then all the rest of us will be ready for her, and she won't dare. At least that's the thesis. It may be sound, and again it may not, for there is a human tendency of those who get hemmed in to try desperately to break out.

It is a good excuse, anyhow, as history demonstrates. In starting the last two world wars Germany complained she was being hemmed in and so convinced her people. It is good psychology for those who want to expand to say they are hemmed in, and to add to that some flowery, if illogical, rhetoric about bringing together in one piece, under one cover, people who have a kinship of blood or race or ideals or economic interests or what-have-you, such as Germany did in Europe and Japan did in Asia with her talk about an east Asia coprosperity sphere or whatever the phrase was. Russia talks like that, too. Nor are we entirely guiltless, for though we have no aims whatever of expansion, we speak glibly of bringing the "democracies" under our cover, and our pact is getting beyond such, for they are not too plentiful in the world today.

The point here is not the validity of all of this, of which there is very little, but that rulers have a way of making people believe it enough so they'll fight. A fact of human nature, not theory, is involved.

Worth contemplating now, from the place we have reached, is the difference in purpose in the United Nations as originally conceived and that of the new series of regional alliances. The UN was a world organization designed to achieve peace by removing economic and social injustices and maladjustments, which start wars, and by limiting armaments with which wars are fought. The objective was bold and positive.

ALLIANCE MEANS ARMING

The aim of the projected alliances is to preserve peace by arming ourselves all over the world. It is defensive, negative, and old as man and has proved futile for centuries.

Mr. DONNELL. Mr. President, will the Senator be kind enough to read that sentence again?

Mr. WATKINS. Certainly.

The aim of the projected alliances is to preserve peace by arming ourselves all over the world. It is defensive, negative, and old as man and has proved futile for centuries. It can do nothing but start an arms race, and that is not only costly but dangerous. That is the reason for the questions raised in Congress about the proposed program, supplementary to the pact, to supply arms to western Europe, while there is general acceptance of the pact itself.

The UN was a weak sort of vessel from the start. It got stalled with the veto, which permitted big-power domination, and while achieving something in the economic and social field it has failed completely of two basic objectives. One is disarmament, including atomic control; the other, an international police force to check aggression. For all this Russia is much to blame, but not altogether.

The Atlantic Pact and the projected extension of such regional arrangements are but the inevitable result of a policy that started with the Truman Doctrine in Greece and Turkey which was thought necessary to counter Russian expansion. It established a philosophy which could lead nowhere else.

There was another direction, another choice, which was to proceed boldly to make the UN a real world government, a positive force, for which the world yearned. But nowhere in the world was there leadership for such a course, and so we find the UN disintegrating in a series of secession movements. The whole world has hemmed itself in with ancient concepts and prejudices.

Here is offered no sermon, no remedy—only an epitaph which, however, we would not dare place above the graves of those who thought they were dying for a brave new day:

"Here lie the hopes of the world."

Mr. President, it is beginning to dawn on the American people, particularly those who are thinking about this problem, that the North Atlantic Pact is the way out of the United Nations and, if adopted, will mean the end of the United Nations. I read with considerable interest a statement made by one of our distinguished Members, the Senator from Tennessee [Mr. KEFAUVER], in which he agreed in substance with that thought, and said he would welcome the change—in other words, for us to leave the United Nations and go into the North Atlantic Pact.

Although I do not wish to prolong my remarks today, I think I should present these matters, for the Senate and for the country to consider. Therefore, I have presented the articles to which I have already referred, and I now ask unanimous consent to have printed in the body of the RECORD, at the conclusion of my remarks, an article appearing in the New York Times on March 24 of this year. The article is written by Mr. C. L. Sulzberger, and it bears a date line "Paris, March 23." In the article Mr. Sulzberger points out that the Atlantic Pact may require changes in the Brussels treaty. So I ask unanimous consent to have the article printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. WATKINS. Mr. President, in my questions the first day I spoke on the Atlantic Pact, I asked for information about the treaties of alliances that had been entered into by Great Britain and Russia, and by France and Russia. I wanted to know what effect they would have on this agreement, what their provisions were, and also to have a study made as to how far they bound Great Britain and France to the support of Russia. I have here copies secured from the State Department, indirectly, of these treaties of alliances, and I ask unanimous consent to have each of them placed in the RECORD, following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

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

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. WATKINS. I yield for the purpose of a question.

Mr. DONNELL. I should like to ask the Senator if he would have any objection to the RECORD showing at this point, in regard to the remarks which I made a few days ago, about which the Senator was so kind and generous in his expressions, that I noticed a reference to it, I think in the New York Times, in a long column article, down near the bottom of the article, and I recall that the Times-Herald of Washington, D. C., made reference to it on the 21st or 25th of this month.

Mr. WATKINS. I thank the Senator for the information. I mentioned the fact that so far as I could ascertain I could not find anything in the New York Times reporting the Senator's first speech. There may have been a reference to it, as he stated, but I searched that paper and had the members of my staff search it, and they could not find it. I did that, not because I was interested to see whether what appeared to me to be the case was actually the case, but because I did not want to make any charges not founded in fact.

Mr. DONNELL. I may say to the Senator I do not recall saying anything as to the remarks made on March 21. I think the one sentence to which I referred in the column referred to the one of March 25. I do not recall whether there were any statements in regard to the remarks I made on February 14.

Mr. WATKINS. I would appreciate it if there is any information to that effect; but I have tried to make diligent search. It was not done in such a way that it was very prominent in the newspaper. If done at all—it was not given the prominence given to the case presented by those who were for the pact.

I ask unanimous consent to have printed in the RECORD following my remarks, an article from the Times-Herald under date of March 28, this year, written by Bob Considine, in which he calls attention to the fact that the Senator from Tennessee [Mr. KEFAUVER] calls the Atlantic Pact the end of America's share in the United Nations.

(See exhibit 7.)

Mr. DONNELL. Mr. President, if the Senator will yield, in the interest of accuracy, I recall that, regarding the February 14 remarks, there was quite an extended statement, including quotations from the interchange between the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] and myself. That is as to February 14. But as to March 21, I recall no mention in the New York Times; and, as to March 25, only one sentence.

Mr. WATKINS. I thank the Senator for that information.

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

Mr. WATKINS. I ask unanimous consent——

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

Mr. WATKINS. I am just about to yield the floor.

Mr. KNOWLAND. Right at that point I wanted to ask a question with reference to the matter the Senator has been discussing.

Mr. WATKINS. I yield for a question.

Mr. KNOWLAND. I should like to ask the able Senator from Utah whether the significance of his remarks is to the effect that there has been what might be called a conspiracy of silence on the part of the press. I think if that is his inference, he is doing an unfairness to the press of the country, because there are many factors which go into the coverage of the news with respect to a Senator. One of those factors may be the time of day at which a speech was delivered. It might be competing news releases which occurred on a particular day. My general observation has been, of course, that a man who has been chairman of the Foreign Relations Committee or who is the present chairman of the Foreign Relations Committee, from the point of news coverage quite properly from the national point of view, might warrant much greater coverage than some of the others of us would warrant, just as when the President of the United States makes a statement, it properly gets greater coverage than the statement of a United States Senator would get. So I think it is necessary to take into consideration the whole picture as to the situation. My own observation has been that the wire services and the newspapers have been doing a good job in covering the situation in the Senate. But in the final analysis, they have to be the ones to judge the news value of what is sent over the wires.

Mr. WATKINS. I appreciate the comment of the Senator from California and I may say that I do not charge any conspiracy. I am merely calling attention to what has happened, or has failed to happen, the omissions that have occurred. I did refer to the fact, in the beginning—and I am not backing upon it—that with respect to information about the treaty, only a certain newspaper or certain newspapers seemed to have any information about it. They scored a scoop. I was advised by Mr. Krock and the New York Times that I had created an oratorical paradox. I was indebted to them for the news. Then I called their attention to the fact that in an editorial of January 16 they said all the cards were laid on the table, so I could not reconcile those two statements.

I should like further to say that I have the utmost respect for the American press, and from what I have said today, I hope they will look into this question and see to it that there shall be better coverage for those who present divergent views.

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

Mr. WATKINS. Just a moment. I have looked over the newspapers. In a very very modest way, I have been connected with the newspaper business a part of my lifetime, and I know many of those problems. But I also know that it is possible for the newspaper to play up the matters it is interested in particularly to which it is giving editorial support. I have been around newspapers and I know it is possible for them to do that. I not only know it is possible for them to do it, I know they do it many times.

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

Mr. WATKINS. I yield.

Mr. KNOWLAND. In fairness, will the Senator not also agree that the New York Times and the Herald Tribune and other newspapers, both in this city and elsewhere, have covered stories, for instance, Henry Wallace's statement in opposition to the North Atlantic Pact? I can recall in half a dozen newspapers that I try to read every day, quite extensive coverage was given to his opposition to the North Atlantic Pact. I have seen statements in opposition to it made by the two Senators in question. But, so far as the amount of coverage is concerned, I do not think the newspapers of the country can be expected to cover each Senator's speech with the entire text. If they did that I am quite sure they would have no space left in their newspapers for any other news of the world.

Mr. WATKINS. I did not intimate that they ought to give each Senator full coverage, but they at least should have printed a reasonable summary of what was said. I think it was perfectly proper, and so I said a few moments ago, to give to the public the statement made by the distinguished former chairman of the Foreign Relations Committee. I think that was fine coverage. The New York Times has been giving the text of most of the documents and the speeches made upon important questions. I understand the reporting of what Henry Wallace said. But I could not understand why they would report what he said, a man who is not now in office and who has been repudiated by the people at the polls, why they should give space to him, and yet not give space to the speech, and the very able speech, on the law involved in this matter, made by the senior Senator from Missouri. I could not understand it. I am calling it to the attention of the newspapers of this country. We just do not get coverage. I do not say there is any conspiracy; I do not believe there is, because the newspapers are competitors.

But for some reason or other, they have not been giving space to the questions which have been raised. They ought to publish those things so that the people can be thinking about the subject. It seems to me we are trying to get our story over to Russia—and, by the way, I will say that I believe the Voice of America is carrying more copy on what the Senator from Missouri [Mr. DONNELL] and I have said than are in the newspapers of America. It might be a good idea to do a little informing in America and have the Voice of America addressed to America for a while.

I have no quarrel with newspapers. I have great respect for newspapers; they are great institutions; but sometimes, in the rush of things, some persons and causes are given a great deal of attention and others are not.

I wish to call attention to the fact that I do not think a single newspaper printed the text of the letter which the President sent to me regarding this subject, although the letter contains very important history and implications.

Usually, whatever the President does is published. If he goes bathing in Florida, and wants to wear trunks, or if he wants to sun himself under a palm tree, the newspapers tell the whole story. I cannot understand, and it has not been explained to me yet, why the President's letter was not important enough to print. It stated that he denied the request I made to extend time for the signing of the pact and gave his reasons for the denial.

As I have said, I am not quarreling with the newspapers, but I hope they will see that this is an important matter and will see to it that the American people are given information on both sides of the question, so that an intelligent decision can be made.

Mr. President, I have two or three more insertions, and I am through.

I ask unanimous consent that the entire article by Arthur Krock appearing in the New York Times of March 10, 1949, may be printed in the RECORD.

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

THE PRESS AND THE NORTH ATLANTIC PACT

(By Arthur Krock)

WASHINGTON, March 9.—Senator WATKINS, of Utah, voiced the feelings of many when he took the Senate floor to complain of the secrecy in which the State Department has shrouded the process of composing the text of the proposed North Atlantic defense pact. His fears, said Senator WATKINS, were these:

1. The text would be made public by the State Department, so near to the date fixed for signing that the Senate would not have an opportunity commensurate with the importance of the subject to study the project before it became a national commitment by the President.

2. Immediately after the parties to the contract signed it, a propaganda campaign for ratification by the United States, which Mr. WATKINS said is already under way in the press, would be intensified with a call for rapid Senate action.

3. Then every Senator who felt that his duty and the national interest required thorough study and debate, or who disapproved the text, would be bombarded with such arguments as, "If you now turn down the President the whole world will say the Communists have won a victory and you * * * are only helping the Communists." And the burden of proof that these Senators were not would be unfairly placed on them.

This is the gist of that portion of Mr. WATKINS' speech which provoked the second lively debate on the subject and more searching questions from other Senators than were asked on the previous occasion. He also informed his colleagues that, to avert the situation he feared was about to arise, he had formally asked the President to set a period of 60 days between the submission of the text to the Senate and the signing of the treaty. And he offered a resolution to this purpose.

AN ORATORICAL PARADOX

But Mr. WATKINS in the course of this same speech furnished a paradox. Though complaining that the secrecy surrounding the pact negotiations and the evolution of the text had kept the Senate in official ignorance of what it will soon be asked to approve, and cannot take effect until that approval is given, he criticized the only channel of information which provided him with the materials of his complaints and the substance of his fears. That channel is the public press.

"To be very frank about the matter," he said, after stating his belief that part of the press has become a propaganda machine to achieve the situation he opposes, "I do not like the idea of having to depend on a newspaper columnist for information which will be of help to me in making up my mind in regard to such a proposal." (He indicated that in the word "columnist" he was also covering reporters, editorial writers and other newspaper workers who have brought the news of the treaty into the open.)

Here was a Senator calling on the Executive for information about a treaty of vast consequence, and for time to consider this information before it is signed. But here was the same Senator joining the press to the Executive as partners in an effort to make the Senate "rubber-stamp a rush order," and failing to make the due acknowledgment of his obvious debt to the press.

The facts would not have been overstated if that acknowledgment had far outweighed the part of Mr. WATKINS' speech which was critical of certain editorials supporting the aims of the North Atlantic Pact and of some news reports of his previous speech on the subject. So far as the Washington staff of this newspaper is concerned, no greater diligence, tenacity, and knowledge of the subject were ever required in giving due information to the public—and Senator WATKINS—about a negotiation in this field and of this gravity.

POSITION OF STATE DEPARTMENT

During the conferences at Dumbarton Oaks, while the Charter of the United Nations was being written, the State Department imposed the same secrecy, and only by ceaseless reportorial effort were the public and Congress informed, in time to assure adequate debate, of the agreements on the veto, on the admission of White Russia and the Ukraine as separate nations, and other matters. But the official wall between the public and essential information on the North Atlantic Pact was even higher, thicker, and more difficult to penetrate. That, however, was accomplished in a responsible manner, and that is why the Senate and the public will have had a proper opportunity to discuss the issues pro and con. That also is why Mr. WATKINS was able to come to an opinion about the official tactics to which he took exception.

The State Department has good arguments for its secrecy in this and other delicate and momentous undertakings in the international field. The wishes and interests of proposed partners to a treaty must be understood and fully considered. Some officials are confident that the less the Politburo knows about the problems of negotiation and text before they are finally resolved, the more effective a North Atlantic Pact will be. Moreover, the Senate to the Department is a composite problem child which can't safely be told much, and often can't be told anything, in advance of an executive fait accompli. That opinion began with the Republic.

But if the American press in all circumstances, including periods of peace and "cold war," makes this position its own, it vacates its function as a responsible institution. Then, in many instances, it would merely serve official interests which were not necessarily those of the whole people.

Mr. WATKINS. Mr. President, I ask unanimous consent that the editorial which appeared in the New York Times of Sunday, January 16, 1949, be printed in the RECORD.

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

The State Department's review of foreign policy, published yesterday under the title "Building the Peace," would please Woodrow Wilson if he could know about it. It is in line with his declaration in favor of "open covenants of peace, openly arrived at," made 31 years ago this month. Our Government now recognizes that diplomacy is not properly a hush-hush affair to be carried on by elegantly dressed gentlemen behind closed doors. In the good old American phrase, the State Department has laid all its cards on the table.

There are few surprises in what is now said. The Department believes that strong nations can live together in peace if they are willing to do so, no matter how much they may differ in their economic and political outlook and in their national institutions. Our diplomacy since the end of the war has been based on this belief. We have been frustrated by the unwillingness of one great power to cooperate. This unwillingness, together with the Communist-inspired coup d'etat that have taken place in eastern Europe, has produced a sense of insecurity. To restore the confidence of free peoples everywhere the United States adopted the Truman Doctrine and the Marshall plan, both of which are now in operation.

But what has been done so far is obviously not enough. The interests of peace require that our European friends shall be in a position to defend themselves. If they are so situated, they are the less likely to be attacked. Consequently—and this is no secret—the United States has been consulting with western European nations and with Canada on a program of mutual protection.

In plain language, this means that the United States must furnish military equipment. But military equipment alone will not be enough. There must be a real defensive union of our friends in western Europe and a real undertaking on our part to come to their aid if they are attacked. This was the principle implicit in the Vandenberg resolution of last June, which the State Department took as its text in yesterday's statement. We cannot under the Constitution commit ourselves to go to war without a declaration by Congress. We can, however, make it clear that this country and its people will act if there is "any armed attack by an aggressor nation upon a peace-loving nation" whereby we judge our own security to be endangered.

The State Department let it be known that we would not be disposed to furnish military equipment to nations which will not come into the proposed North Atlantic defense pact. This is fair enough. Those who reap the benefits should take the risks. Another delicate problem will be the balance between economic aid and military aid. It is good to know that our Government still holds that "economic recovery is fundamental and should continue to have priority over rearmament."

As this statement was given out, Secretary Marshall, who will retain that title until next Thursday, was about to take off for a vacation in Puerto Rico. The principles announced are his and are a tribute to his intelligent and devoted service to his country. They are also the principles the prospective new Secretary of State, Dean Acheson, will uphold. We hope public opinion here and elsewhere will realize that in preparing for a united defense the democratic nations desire peace.

Nothing whatever in this new document threatens Russia or any one of Russia's allies. We are simply proposing to stand our ground and within the democratic areas build up a free and nonaggressive civilization.

Mr. WATKINS. Mr. President, I ask unanimous consent that the article by Constantine Brown, appearing in the Washington Evening Star of March 27, 1949, be printed in the RECORD.

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

AGREEMENT IS WORTHLESS WITHOUT ARMAMENT PLAN—ATLANTIC ALLIANCE DRAFTERS AND MILITARY MEN CONVINCED TREATY MUST BE BACKED BY MIGHT TO BE OF ANY VALUE

(By Constantine Brown)

Unless the Atlantic Pact, which is expected to be ratified by a substantial majority of the Senate, is implemented by appropriations for the purchase of equipment for western Europe's projected ground forces, it will remain a dead letter and simply an expression of pious wishes, just like the Kellogg-Briand Pact to outlaw war and many other treaties and agreements signed since World War I.

This is the considered opinion not only of the framers of the alliance in the White House and the State Department but also of some military men, who are skeptical of the willingness of the peoples of western Europe to use the equipment we send them.

TAXPAYERS' ANGLE

Most Members of Congress have open minds on this subject. Some hold the definite opinion that neither the Italians nor the French would make a better showing against the Russians than they made in World War II—the French against the Germans and the Italians against the Americans, British, and French.

Others consider it likely that under the weight of an invasion by Asiatics, the men of western Europe will fight better, and with more determination, than in the last war. Finally, there is a group in both Houses of Congress which hopes that the Atlantic Pact, in which America pledges itself in advance to fight a future aggressor, together with adequate military preparations, will act as a deterrent on the men in Moscow

All Members of the Senate and House, however, are concerned over how much of the taxpayers' money will be required for precautionary measures which, in the last analysis, may lead to an armed clash with the U. S. S. R. They all have a vague idea about the gigantic sums which must be expended in the event of a third world war.

For the time being there are no definite plans for the outlay of money in rearmament of western Europe. Whatever estimates exist for the size of the western European defense force, and for the time to be spent in creating a combat force, remain a military secret. But from available figures it is estimated that the cost of equipment alone for each armored division created in western Europe will be about $250,000,000.

According to unofficial reports, the high command of the Western European Union at Brussels considers that it needs at least 60 divisions in order to make a good showing against the vastly superior number of troops held in readiness by the U. S. S. R. and its satellites.

SUPPLY UNIFORMS, TOO?

Of these 60 divisions a minimum of 15 must either be armored or motorized forces. That is to say, the Amercan taxpayer will be called on to provide some $3,750,000,000 for the equipment of these 15 divisions alone. Of course, this does not take into account the gasoline needed for the training of personnel to man the tanks. The upkeep of officers and enlisted men, together with the ammunition required for training, would be paid, it is hoped, by the respective European governments.

The other 45 divisions of the western European ground forces would be provided, partially at least, with artillery and machine guns, as well as communications material, radar, and other instruments which are produced in very limited quantities on the other side of the Atlantic.

The organization of the desired force will require, under the best possible conditions, between 3 and 5 years, and a rough guess is that we will have to put up for this rearmament program of our new allies somewhere between $12,000,000,000 and $15,000,000,000.

Added to an estimated $15,000,000,000 for the balance of the European recovery program, this sum brings to nearly $30,000,000,000 the expenditure to be required of American taxpayers for western Europe's recovery and security during the next 4 years.

The first question which arises in the mind of every Member of Congress is whether the taxpayer will be able to stand the burden which the administration may feel impelled to impose—without our economic and social structure breaking down.

The second question—of equal importance—is whether, unless we accept this burden, Europe will fall prey to Russia's expansionism, and whether, if Europe does fall to Russia, our own security will be further threatened.

One other question which comes to the minds of Congressmen who in recent years have studied the international situation first hand is whether the precautions we are now planning to take against possible aggression across the Atlantic will be sufficient without taking some definite steps also to secure our defenses in the Pacific.

We are undertaking to defend our European allies not only on their own territories but also in Algeria. The western European nations which look to us for all possible assistance have not promised anything, according to the wording of the pact as it stands, to assist in defense if Russia should strike at the United States or at other nations in the Pacific and Indian Ocean areas.

It is conceded by those officials and legislators who are studying western Europe's defensive rearmament that the economy of this country will be heavily burdened by this new and inevitable expenditure. It is agreed by all those who have studied present conditions in Europe that unless we proceed to the physical rearmament of the western European Union the Atlantic Pact will be a dead letter. Our refusal to provide the necessary arms, even on a smaller scale than western Europe envisages, will play into the hands of Communist agitators better than if we had never agreed to enter an alliance.

The Communists will say not only that America is ready to sacrifice millions of lives and watch impassively the havoc of a new war in Europe, but also that the money-minded Americans refuse to give their "victims" even the most essential means of fighting in their own defense.

TREATY COULD BOUNCE

The Communists will revive the story of the real causes for the defeat of the French armies in 1940, which they ascribe solely to the lack of adequate modern military equipment, and will say that America aims to destroy Europe.

American refusal to implement the Atlantic Pact after its ratification by the Senate may cause the treaty to boomerang. It will be difficult, therefore, for Members of Congress to reject a request for appropriation for military supplies for western Europe.

What worries American military men, who are lukewarm to the idea of sending large quantities of military equipment to Europe, is whether the French and Italians who comprise the projected ground forces have enough fight left in them to make good use of costly American war material.

There seems to be no doubt among American military men that the British will make good and determined soldiers. But they seem to be uncertain about the fighting qualities of continental Europeans.

Some American military experts contend that after a perfunctory defense continental Europe will seek safety in surrender. This opinion is by no means general. Some of our high-ranking officers believe that the French, for instance, fought poorly against the Nazis not only because the latter had better armament and a devastatingly superior air force, but because the French soldiers had an inferiority complex about their German opponents.

ITALY'S CASE DIFFERENT

Conditions are different in Italy, where the soldier of modern times has fought indifferently in wars of aggression—against the Arabs in Cyrenaica, against the Ethiopians both in 1886 and 1935, and against the Greeks, the French, the British, and ourselves in World War II.

It is possible, however, that in a defensive war, in which they may have to oppose the hordes of an atheistic, totalitarian government, the Italian soldier may give a better account of himself. Whereas under Mussolini the Fascist ideology took precedence, since the war the population of Italy once more has turned strongly toward the church. This change may be an important factor in the ability of the Italians to resist the anti-Christian forces.

These are purely psychological conditions, but have to be taken into account in the general estimate as to the willingness of western European governments to make good use of American war material.

What stands out forcefully today in the minds of those who carefully analyze the pros and cons of supporting the nations of western Europe with military equipment is that if we refuse to accept what may become a dreadfully heavy burden, the Atlantic treaty will never be anything but a pious wish, and the real purpose for which it has been negotiated—the defense of Europe as a means to our own defense—will be defeated more decisively than if we had never entered such an alliance.

EXHIBIT 1

GREAT BRITAIN—U. S. S. R.

TRADE AND PAYMENTS AGREEMENTS BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Moscow, 27th December, 1947

No. 1. Protocol of Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics on Questions of Trade and Finance

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics, prompted by a sincere desire to ensure the development of Anglo-Soviet trade to their mutual advantage and attaching particular importance not only to the establishment of a short-term programme of supplies having the object of facilitating the satisfaction of current needs of both countries but also to the development of Anglo-Soviet trade on a long-term basis, have, through their respective trade delegations appointed for that purpose, reached the understandings embodied in the Annex to the present Protocol.

The present Protocol together with its Annex shall come into force on the date of signature.

In faith whereof the undersigned, duly authorized to that effect, have signed the present Protocol.

Done in Moscow, 27th December, 1947, in duplication both in the English and Russian languages and both texts being equally authentic.

MAURICE PETERSON.
A. MIKOYAN.

ANNEX TO THE PROTOCOL OF AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS OF 27TH DECEMBER, 1947

PART A.—SHORT-TERM ARRANGEMENTS

Article I

There will be made available from the Union of Soviet Socialist Republics to the United Kingdom the following goods in accordance with the terms and conditions of the contract which has been concluded between Vsesojuznoje Objedinenije "Exportkhleb" on the Soviet side and the Ministry of Food on the British side.

Grain—

Out of the 1947 harvest (for delivery during a period of eight months from 1st February, 1948, to 30th September, 1948, inclusive)—

450,000 metric tons barley.
200,000 metric tons maize.
100,000 metric tons oats.

Article II

The Government of the United Kingdom will ensure the supply from the United Kingdom to the Union of Soviet Republics of the following goods in accordance with the contracts to be concluded between Vsesojuznoje Objedinenije "Promsyrioimport" on the Soviet side and the Ministry of Supply or the appropriate British manufacturers on the British side and the agreement already reached between the two Parties in respect of prices and periods of delivery:—

Light rails with fishplates, bolts and nuts for narrow-gauge railway: 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from United Kingdom military surpluses) and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

Article III

A.—(i) The Soviet economic organisations and the appropriate British firms will conclude contracts for supplying from the United Kingdom to the Union of Soviet Socialist Republics equipment mentioned in the attached Schedules I and II. The Government of the United Kingdom has indicated in these Schedules the prospective dates of delivery of the equipment in question.

The Government of the United Kingdom recognising the importance for the economy of the Union of Soviet Socialist Republics of the equipment mentioned undertakes to afford all possible aid for ensuring that the contracts between the Soviet economic organisations and the appropriate British firms for the delivery of the equipment in question shall be signed in good time and carried out by the prospective dates of delivery specified in the Schedules. For this purpose the Government of the United Kingdom will as necessary use any of the powers exercised by it in such matters, in particular with regard to the giving of permission to the supplying firms to acquire the materials necessary for the orders.

(ii) It is understood that the buyers and suppliers may agree to earlier dates of delivery. In such an event the Government of the United Kingdom will do their utmost to apply the facilities under the preceding subparagraph in respect of the contracts concerned.

B.—(i) Both sides being desirous of extending trade between the two countries are agreed that apart from the carrying out of deliveries provided for in Article II and paragraph (A) of this Article corresponding negotiations will immediately be commenced with the object of supplying to the Union of Soviet Socialist Republics wool, rubber, aluminum, cocoa beans, coffee and other goods to be agreed.

The Government of the United Kingdom for its part declares its readiness to facilitate the supply of such goods through the appropriate trade channels.

(ii) Both Governments in the near future will enter into additional negotiations concerning the question of obtaining supplies of tin to the Union of Soviet Socialist Republics.

C. In the event that by 31st May, 1948, the total value of Soviet orders placed for equipment provided for in the above-mentioned Schedules I and II does not reach half of the whole value of this equipment, then the Government of the Union of Soviet Socialist Republics will have the right to reconsider its undertaking relating to the making available to the United Kingdom of the last 200,000 tons out of the 750,000 tons of grain mentioned in Article I. In reviewing the position on 31st May, 1948, the value of contracts actually concluded and prepared for concluding for the above-mentioned equipment will be taken into account.

PART B.—LONG-TERM ARRANGEMENTS

Article IV

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics, due account being taken of other transactions which enter into the balance of payments between the two countries.

The two Governments will appoint representatives who will meet not later than May 1948 for the following purposes:—

(i) to review the payments position between the two countries resulting from shipments made and orders placed under the preceding Articles of this Agreement and from other financial transactions between the two countries;

(ii) to draw up in the light of this review a balanced programme of shipments between the two countries consisting of—

(a) further supplies of the goods enumerated in Articles I, II and III and in the Schedules I and II mentioned in Article III; and of

(b) supplies of the following goods—

(1) from the Union of Soviet Socialist Republics to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods;

(2) from the United Kingdom to the Union of Soviet Socialist Republics: Oilwell tubes, tinplate; and of

(c) such further goods as may be agreed;

(iii) to arrange for the appointment of representatives who will as often as may be necessary, but in any case not less frequently than once a year, meet alternately in London and in Moscow to discuss the progress made in fulfilment of this Agreement and to make recommendations to the two Governments designed to improve, develop and widen the basis of trade between the two countries.

PART C.—FINANCIAL ARRANGEMENTS

Article V

I. The Government of the United Kingdom and the Government of the Union of Soviet Socialist Republics have agreed on the following amendments to the terms of the Agreement of 16th August, 1941 [1] concerning mutual deliveries, credit and methods of payment:—

(a) As from 1st May, 1947, the interest payable on the amount of the advances outstanding under the Agreement of 16th August, 1941, shall be calculated at the rate of one-half of one per cent. per annum; similarly the rate of interest on all further advances, including that of 1st August, 1947, will be one-half of one per cent. per annum.

(b) The Account mentioned in Article 5 of the Agreement of 16th August, 1941, shall be balanced as at 31st July, 1947, and at the end of every three months thereafter.

Amounts due from the Government of the Union of Soviet Socialist Republics for goods delivered and still intended for delivery from the United Kingdom under the Agreement of 16th August, 1941, will continue to be dealt with through this Account.

Any debit balance shall be discharged in sterling, to be paid to the Account by the Government of the United Kingdom by way of advances to the Government of the Union of Soviet Socialist Republics.

(c) As from 1st May, 1947, repayment of 50 per cent. of the amount of the advances then outstanding under the Agreement of 16th August, 1941, shall be made in twelve equal yearly instalments of which the first shall be paid at the end of the fourth year and the last at the end of the fifteenth year counting in each case from 1st May, 1947.

(d) The advance being made available as on 1st August, 1947 (in connection with the settlement of the Account on 31st July, 1947), as well as all advances to be made available in connection with future settlements of the Account under the Agreement of 16th August, 1941, shall be repayable in twelve equal yearly instalments of which the first shall be paid at the end of the fourth year and the last at the end of the fifteenth year, reckoned in each case from the date on which the advance was made.

(e) The Government of the Union of Soviet Socialist Republics shall have the right at any time to make repayments of advances before the due date of any instalment or instalments.

Except as modified by this Article the provisions of the Agreement of 16th August, 1941, shall remain in force.

II. The Government of the United Kingdom agrees to waive its claims for the repayment of the costs of all supplies and services to the Government of the Union of Soviet Socialist Republics during World War II, other than those arising out of the Ships' Expenses and Freights Agreement, as set out in the Exchange of Letters of 22nd June, 1942, between the British Embassy in the Union of Soviet Socialist Republics and the People's Commissariat for Foreign Trade in the Union of Soviet Socialist Republics.

PART D.—TRANSPORT ARRANGEMENTS

Article VI

Having regard to the considerable expansion of trade between the two countries which will result from the present Agreement and with a view to facilitating the transport of the goods concerned both Governments have agreed—

(a) to give their fullest support and cooperation in fostering the development of the shipping trade between the two countries and to refrain from actions tending to hinder arrangements to enable the shipping of each of them to participate on an equitable basis in the trade between the two countries.

(b) to grant facilities to enable their respective shipping organisations to engage immediately and thereafter periodically in direct negotiations in order to put into effect the principles set out in paragraph (a) of this Article.

These organisations will meet alternately in London and Moscow or as otherwise mutually agreed but not less often than once a year to consult in accordance with the needs of the trade.

MAURICE PETERSON.
A. MIKOYAN.

---

[1] See Appendix.

Schedule I (to article III of the annex)

EQUIPMENT FOR DELIVERY FROM THE UNITED KINGDOM TO THE UNION OF SOVIET SOCIALIST REPUBLICS

Item No.	Description of equipment	Quantity or amount	Prospective period of delivery
1	Narrow Gauge 750-mm. Locomotives	1,100	75 in first two years from placing of order, 350 per annum thereafter. Complete in 3¾ years from commencement of delivery.
2	Flat Trucks, 750-mm	2,400	Commence 18 months after placing of order at 25 a month. This rate will increase to 100 a month and the delivery period will cover approximately 2¼ years.
3	Winches (2 and 3 Drums)	2,400	Commence 12 months after placing of order. Delivery at rate of 1,000 units in 1949 and 1,400 units in 1950. One-half will be fitted with electric motors.
4	Excavators	210	In 1948, 30 units; in 1949, 60 units; in 1950, 120 units.
5	Caterpillar loading cranes (Diesel types in substitution for equivalent number of excavators).	54	In 1948, 4 units; in 1949, 20 units; in 1950, 30 units.
6	Auto timber carriers	250	2 a week commencing 18 months after placing of order.
7	Tugs	14	In 1948—4 from surplus, 10 from new building starting 18 months after placing of order. Delivery one per month.
8	Dredgers	4	First—24 months after placing of o der. Remainder at rate of 1 every 3 months.
9	Locomobiles	200 units	Commence delivery in 21 months from placing of order and complete in further 18 months.
10	50-K. W. Mobile Diesel Electric Generators	150	15—4 months from placing of order. 135 in further 12 months.
11	Steam Power Turbine Stations, 500 K. W	24	First set would be delivered in 2½ years from placing of order and thereafter 1 set per month.
12	Plywood Equipment	£1,050,000 value	1949, £100,000 per annum; 1950, £200,000 per annum; 1951, £200,000 per annum, and after at the rate of £200,000 per annum.
13	Timber Mill Equipment	£400,000 value	1949, £50,000; 1950, £100,000; 1951, £100,000, and after at the rate of £100,000 per annum.

(Intld.) M. P. (Intld.) A. M.

Schedule II (to article III of the annex)

EQUIPMENT FOR DELIVERY FROM THE UNITED KINGDOM TO THE UNION OF SOVIET SOCIALIST REPUBLICS

Item No.	Description of equipment	Quantity or amount	Prospective period of delivery
1	Scientific and Laboratory Apparatus	£150,000 value	In 1948-49.
2	Pile Drivers mounted on Pontoons	4	Deliver first one in 2 years after placing of order and then one every 5 months.
3	Winding Gear	4 sets	Start in 2 years after placing of order and complete in further 6 months.
4	Electro Dredger	1	Delivery 2½ years after placing of order.
5	Ball Mills for Copper Ore Grinding	18	Start 2¼ years after placing of order. Deliver 4 mills a month.
6	Ball Mills for Grinding Apatite	8	Start 2¼ years after placing of order. Deliver 4 mills a month.
7	Rod Mills for Grinding Ores	3	Deliver in 2¼ years after placing of order.
8	Spiral Type Classifiers	8	Deliver in 2½ years after placing of order.
9	Gyratory Crushers	2	Deliver in 2 years after placing of order.
10	Railway Steam Cranes	3	Delivery 2 years after placing of order.
11	154-K. V. Voltage Transformers	48	Delivery to commence 2½ years after placing of order and complete in further twelve months.
12	Complete Distributing Sets (13.8 K. V.)	6	Delivery to commence 2½ years after placing of order and complete in further six months.
13	Isolating switches (154 K. V.)	45	Delivery to commence 2¾ years after placing of order and complete in further six months.
14	Oil Purifying Apparatus	10	Delivery to commence 2 years after placing of order and complete in further six months.
15	100-K. W. Electric Motors	300	Delivery to commence 2 years after placing of order at rate of 150 a year.

(Intld.) M. P. (Intld.) A. M.

NO. II. PAYMENTS AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

(1)

Sir Maurice Peterson to M. A. Mikoyan

BRITISH EMBASSY,
Moscow, 27th December, 1947.

Monsieur MIKOYAN,

With reference to the recent consultations which have taken place between representatives of our two Governments, I have been instructed by my Government to propose that the following procedure relating to payments between the Union of Soviet Socialist Republics and the "Scheduled Territories" as defined in paragraph 6 (i) below and the use of sterling for payments between the Union of Soviet Socialist Republics and other countries should apply:—

1. All payments between residents of the Union of Soviet Socialist Republics and residents of the Scheduled Territories shall continue to be settled in sterling.

2. (a) As from 15th January, 1948, the existing Account at the Bank of England called the "State Bank of the Union of Soviet Socialist Republics No. 1 Account" shall be designated "State Bank of the Union of Soviet Socialist Republics No. 2 Account."

(b) As from 15th January, 1948, the existing "ordinary" undesignated accounts of the State Bank of the Union of Soviet Socialist Republics at the Bank of England and at the Moscow Narodny Bank, London, shall each of them be designated "State Bank of the Union of Soviet Socialist Republics No. 1 Account." Each of these accounts shall be a transferable account and they are hereinafter jointly referred to the "Transferable Accounts."

3. The Government of the United Kingdom shall not restrict—

(a) The availability of sterling standing to the credit of "Transferable Accounts" for making payments for current transactions to residents of such countries outside the Union of Soviet Socialist Republics and the Scheduled Territories as may be agreed between the Bank of England and the State Bank of the Union of Soviet Socialist Republics acting as agents for their respective Governments.

(b) The availability of sterling standing to the credit of the "Transferable Accounts" and of any Union of Soviet Socialist Republics Account as defined in paragraph 6 (ii) below for making payments to other residents of the Union of Soviet Socialist Republics or to the residents of the Scheduled Territories.

4. The Government of the Union of Soviet Socialist Republics shall not restrict the acceptance by residents of the Union of Soviet Socialist Republics of sterling at the disposal of residents of such other countries outside the Union of Soviet Socialist Republics and the Scheduled Territories as may be agreed between the Bank of England and the State Bank of the Union of Soviet Socialist Republics acting as agents for their respective Governments in settlement of payments for current transactions.

5. All transactions authorised by the State Bank for payment through the "Transferable Accounts" shall be in respect of current transactions.

6. For the purpose of these arrangements the expression—

(i) "The Scheduled Territories" shall have the meaning from time to time assigned to it under the United Kingdom Exchange Control Act, 1947.

(ii) "Union of Soviet Socialist Republics Account" means any account so designated by the Bank of England under the United Kingdom Exchange Control Act, 1947.

I have the honour to suggest that the present letter and your reply should be regarded as constituting an agreement between the two Governments in this matter with effect from 15th January, 1948.

I avail, &c.

MAURICE PETERSON.

(2)

[Translation]

M. A. MIKOYAN TO SIR MAURICE PETERSON, MINISTRY OF FOREIGN TRADE OF THE U. S. S. R.

Moscow, 27th December, 1947.

M. l'Ambassadeur,

Acknowledging receipt of your letter of to-day's date, I have the honour to inform you that the Government of the U. S. S. R. accepts the proposals set forth in that letter relating to payments between the U. S. S. R. and "the Scheduled Territories" and the use of pounds sterling between the U. S. S. R. and other countries.

Your letter and this answer will be considered as constituting an agreement between the two Governments, coming into force as from 15th of January, 1948.

I take this opportunity, &c.

A. MIKOYAN.

APPENDIX

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS CONCERNING MUTUAL DELIVERIES, CREDIT AND METHODS OF PAYMENT

(Moscow, 16th August, 1941)

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of the Union of Soviet Socialist Republics, desiring to arrange for mutual deliveries and to provide for the associated payments, have agreed as follows:—

Article 1

(a) The Governments of the United Kingdom and of the Union of Soviet Socialist Republics have agreed to deliver goods to one another. Such mutual deliveries of goods shall be regulated by special lists to be agreed upon between the two Contracting Parties. Such lists may be supplemented or modified by agreement between the two Contracting Parties.

(b) In the event of either Contracting Party requesting the other to act as its agent in the purchase of any goods in third countries, such transaction shall not fall within the scope of this Agreement.

Article 2

Unless otherwise agreed in writing delivery of goods in accordance with Article 1 of this Agreement shall be taken:—

(a) in cases where shipment is made in vessels other than those of the seller, at the port of shipment; and

(b) in cases where shipment is made in the vessels of the seller, at the port of discharge.

Article 3

(a) The prices to be charged by the seller to the purchaser for the goods to be delivered in accordance with Article 1 of this Agreement shall be based on world prices. However, in regard to the price of any commodity in respect of which the Government of the United Kingdom have or shall have an agreement with the Government of any foreign country concluded after 2nd September, 1939, the Union of Soviet Socialist Republics shall receive treatment at least as favourable as that country.

(b) Prices shall in every case be calculated f. o. b. port of shipment, and the buyer shall pay the freight from such port onward and shall bear the risks of maritime transportation.

(c) All contracts shall be concluded in sterling, and prices which are normally quoted in United States dollars shall be converted into sterling at the official middle rate of exchange for United States dollars in London on the day on which the contract is concluded.

Article 4

The British Government War Risks Insurance Office and the Trade Delegation of the Union of Soviet Socialist Republics in the United Kingdom shall negotiate the insurance against marine and war risks of the goods purchased by Soviet organisations under the present Agreement, of the Soviet ships effecting the transportation of such goods, and also of gold and of such other cargoes and ships effecting the transportation of these cargoes belonging to the Union of Soviet Socialist Republics as may from time to time be agreed upon between the two Contracting Parties.

Article 5

(a) All payments between the United Kingdom and the Union of Soviet Socialist Republics for the deliveries provided for in this Agreement shall be made, upon receipt of advice that the delivery of the goods has been taken, in sterling through an Account in the name of the State Bank of the Union of Soviet Socialist Republics to be established at the Bank of England (hereinafter referred to as "the Account"). For this purpose, the Bank of England and the State Bank of the Union of Soviet Socialist Republics shall agree together upon the necessary technical measures for effecting payments hereunder.

(b) Repayment by the Government of the Union of Soviet Socialist Republics of existing indebtedness under the 1936 Export Credit Guarantee Agreement may also be made in each three-monthly period through the Account, up to the value of their deliveries of goods hereunder during that period.

(c) Such other payments may also be made through the Account as the two Banks, with the approval of their respective Governments, may from time to time agree.

Article 6

The Account shall be balanced on 31st October, 1941, and at the end of every three months thereafter. Any debit balance shall be discharged as follows:—

(a) As to 40 per cent. by sterling received by the State Bank of the Union of Soviet Socialist Republics from the sale to the Bank of England of United States dollars or of gold to be delivered at centres agreed upon between the Bank of England and the State Bank of the Union of Soviet Socialist Republics; or by delivery of platinum up to such amounts as the Government of the United Kingdom may from time to time specify, the sterling value of such platinum to be agreed between the two Governments.

Sales of United States dollars to the Bank of England shall be made at the official middle rate of exchange for United States dollars in London on the day of sale.

Unless otherwise agreed between the Bank of England and the State Bank of the Union of Soviet Socialist Republics, sales of gold to the Bank of England shall be made at the official price of gold in the United States of America on the day of sale, and the United States dollars shall be converted into sterling at the official middle rate of exchange for United States dollars in London on the day of sale.

(b) As to 60 per cent. in sterling to be paid to the Account by the Government of the United Kingdom by way of advance to the Government of the Union of Soviet Socialist Republics.

Any credit balance shall be at the free disposal of the State Bank of the Union of Soviet Socialist Republics.

Article 7

(a) The total of the advances outstanding made hereunder by the Government of the United Kingdom to the Government of the Union of Soviet Socialist Republics shall not exceed the sum of 10 million pounds. When the total of the advances outstanding approaches the said 10 million pounds the Contracting Parties shall enter into negotiations for a further credit to be granted on the same terms and to be used for the same purposes as are laid down in this Agreement.

(b) The amount of each advance so made shall be repayable in sterling or United States dollars, at the option of the Government of the Union of Soviet Socialist Republics, in five equal yearly instalments, of which the first shall be paid at the end of the third year and the last at the end of the seventh year, reckoned in every case from the date on which the advance was made.

(c) Interest, reckoned in every case from the date on which the advance was made, shall be payable on the amount of the advances outstanding, half-yearly on 30th April and 31st October, at the rate of three per cent. per annum in sterling or United States dollars at the option of the Government of the Union of Soviet Socialist Republics.

(d) The conversion of sterling into United States dollars for the purpose of calculating payments under this Article shall be effected at the official middle rate for the United States dollar in London on the day on which payment falls due.

Final article

This Agreement shall come into force on the date of signature, and shall remain in force for the whole period of the utilisation of the credits and of the effecting of deliveries under this Agreement.

In witness whereof the undersigned, duly authorised by their respective Governments for that purpose, have signed the present Agreement and have affixed thereto their Seals.

Done at Moscow, in duplicate, the sixteenth day of August, nineteen hundred and forty-one, in English and Russian, both texts having equal force.

On behalf of the Government of the United Kingdom of Great Britain and Northern Ireland:

R. STAFFORD CRIPPS.

On behalf of the Government of the Union of Soviet Socialist Republics:

A. MIKOYAN.

EXHIBIT 2

GREAT BRITAIN–POLAND

TRADE AND FINANCE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF POLAND

Warsaw, 14th January, 1949

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Poland prompted by a sincere desire to ensure the development of Anglo-Polish trade to their mutual advantage and attaching particular importance to the development of Anglo-Polish trade on a long-term basis and to a settlement of the financial questions outstanding between the two countries have agreed as follows:—

Article 1

The Polish Government undertake to make available for export to the United Kingdom in the five-year period 1949 to 1953, and the Government of the United Kingdom undertake to purchase or to permit the import of, as the case may be, the quantities of foodstuffs set out in Schedules I to IV of Annex A to the present Agreement in the years specified therein.

Article 2

(a) The Polish Government undertake to make available for export to the United Kingdom in the year 1949 and in the three-year period 1949 to 1951, and the Government of the United Kingdom undertake to purchase or to permit the import of, the classes and quantities of timber specified in Annex B (1) to the present Agreement. The contracting Governments will consult together in the autumn of 1949 and 1950 for the purpose of determining the quantities to be supplied in the years 1950 and 1951 respectively.

(b) The contracting Governments agree to facilitate and encourage the trade in timber between the United Kingdom and Poland so that Poland shall regain her traditional position as exporter of timber to the United Kingdom.

(c) In particular the Polish Government shall use their best endeavours to supply to the United Kingdom over the five-year period 1949 to 1953, out of the total quantities available for export or re-export, the classes of timber specified in Annex B (2) up to the quantities shown.

(d) The Government of the United Kingdom undertake to grant for the year 1949 import quotas to a value of £600,000 for Polish furniture and other wooden articles to be agreed between the contracting Governments. They will also ensure that the internal regulations in force in the United Kingdom governing the manufacture and sale of furniture and other wooden articles of the classes which shall have been agreed by the contracting Governments shall not discriminate against such goods when of Polish origin.

Article 3

The undertakings set out in Articles 1 and 2 of the present Agreement are subject—

(a) to price, type, specification and quality being satisfactory;

(b) to the terms of any contracts that may have been or may be concluded between the contracting Governments;

(c) in the case of foodstuffs to compliance with any health regulations in force in the United Kingdom where they are applicable; and

(d) in the case of goods imported otherwise than through Government channels, to application being made for an import licence.

Article 4

The quantities or values shown in the Annexes referred to in Articles 1 and 2 (a) of the present Agreement are minima unless otherwise specified and they may be increased from time to time by agreement between the contracting Governments.

Article 5

(a) The Government of the United Kingdom shall facilitate the supply to Poland of the following goods through the appropriate trade channels up to the quantities stated below and subject to agreement on prices:—

(i) Raw wool—£10 million in each of the years 1949 to 1953. In regard to this figure of £10 million any supplies which the Polish Government may purchase from other parts of the Commonwealth shall be taken into account. The Polish Government shall use their best endeavours to ensure that purchases are reasonably distributed over all qualities and types of wool.

(ii) Crude rubber—3,000 tons in 1949 increasing by 500 tons yearly to 5,000 tons in 1953.

(iii) Tinplate—300 tons in the period April to December 1949 and 300 tons in 1950, and in addition—

(a) in the year 1949, 400 tons of tinplate for packing 2,000 tons of canned meat for supply to the United Kingdom, and

(b) in each of the years 1949 to 1953 tinplate for packing frozen eggs for supply to the United Kingdom in the proportion of 300 tons of tinplate to 3,500 tons of frozen eggs.

(iv) Rubber conveyor belting—30 miles in each of the years 1949 to 1953

(v) Shellac—200 tons in 1949 rising to 400 tons in 1953

and in addition, the following goods assuming that Polish buyers are able to place orders for suitable types to meet their requirements.

(vi) Rubber tyres for cars and tractors—£125,000 in each of the years 1949 to 1953.

(vii) Dyestuffs of types for which United Kingdom export licences are normally granted—£250,000 in each of the years 1949 to 1953. In addition, the Government of the United Kingdom shall facilitate the supply of such dyestuffs to Poland during this period to the maximum extent possible within the available types and grades.

(viii) Spare parts for cars and trucks—£250,000 in each of the years 1949 to 1953.

(ix) Semi-manufactured copper goods—8,000 tons in each of the years 1949 to 1953 provided that purchases are reasonably distributed over the whole range of semi-manufactured cooper goods.

(x) Wool rags for the textile industry of types for which export licences are normally granted—6,000 tons in each of the years 1949 to 1953.

(b) (i) The Government of the United Kingdom shall place no obstacles in the way of the supply to Poland of 180,000 tons of crude oil f. o. b. Middle East during 1949 rising by regular quantities to 250,000 tons in 1953. They will raise no objection to the supply of additional quantities of such oil, if they are commercially available, in the second half of 1949 and in the succeeding years up to and including 1953. The supply of such oil shall be in accordance with contracts to be arranged by the appropriate Polish organization and the United Kingdom oil companies.

(ii) The Government of the United Kingdom shall place no obstacles in the way of the Polish Government ordering in each of the years 1949 to 1953 reasonable quantities of sisal, manila and electrolytic nickel through London merchants, provided that payment is made in accordance with the normal United Kingdom exchange control procedure.

(iii) The Government of the United Kingdom shall place no obstacles in the way of the Polish Government obtaining in the year 1949 through the appropriate trade channels reasonable commercial quantities of ferro-tungsten, ferro-vanadium and refined ferro-manganese.

(c) (i) The Government of the United Kingdom undertake that within such allocation as may be made to Poland for each of the years 1949 to 1953 by the Combined Tin Committee they will facilitate the supply to Poland of a quantity of tin not exceeding 1,000 tons per annum from sources within the Scheduled Territories within the meaning assigned from time to time to that expression under the United Kingdom Exchange Control Act, 1947.

(ii) The Government of the United Kingdom undertake that within such allocation as may be made to Poland by the International Emergency Food Council for each of the years 1949 to 1953 from sources within the Scheduled Territories (within the meaning assigned from time to time to that expression under the United Kingdom Exchange Control Act, 1947) they will facilitate the supply to Poland through the appropriate trade channels of cocoa, copra and oil seeds.

Article 6

The Government of the United Kingdom shall not prohibit the export to Poland of capital equipment produced in fulfilment of orders placed by or on behalf of the Polish Government with United Kingdom firms on or before the date of signature of the present Agreement.

Article 7

(a) The Government of the United Kingdom undertake to issue in the year 1949 licences upon application for the import from Poland of goods to be agreed from among those specified in Annex C to the present Agreement up to a total c. i. f. value of £2 million. This total shall include the quotas for Polish furniture and other wooden articles established in accordance with the provisions of Article 2 (d) of the present Agreement. The contracting Governments agree that the individual quotas within this total shall be determined in London not later than 1st March, 1949.

(b) The Polish Government undertake to issue in the year 1949 import licences and to make available the requisite foreign exchange for the import from the United Kingdom of the goods specified in Annex D to the present Agreement up to the c. i. f. values shown.

(c) The contracting Governments agree that the import quotas referred to in paragraphs (a) and (b) of this Article shall come into operation simultaneously on a date not later than 15th March, 1949.

(d) (i) The contracting Governments have agreed to effect in each of the years 1950 to 1953 an exchange of miscellaneous goods of classes corresponding to those specified in Annexes C and D to the present Agreement, with additions or deletions to be agreed. For this purpose they shall enter into negotiations in the last three months of each of the years 1949 to 1952 with a view to making arrangements for such an exchange of goods for entry into force on 1st January of each of the years 1950 to 1953 respectively.

(ii) The quotas for Polish goods imported into the United Kingdom shall amount to a total of £9 million for these years but no quota for any one year shall exceed £2.4 million.

(iii) The quotas for United Kingdom goods imported into Poland shall amount to a total of £5.25 million for these years.

(e) The Polish Government shall authorise the purchase from the United Kingdom in 1949 of cured herrings to a value of not less than £400,000 and if possible to an increasing value in each of the years 1950 to 1953, in accordance with the requirements of Poland, the actual quantity to be negotiated by the contracting Governments each year. The contracting Governments agree that if the value of such purchases in any 1 year exceeds the value of Polish landings of white fish and sales of Polish frozen salmon in the United Kingdom in that year, the excess shall be taken into account as soon as possible in the fixing under the provisions of paragraph (d) of this Article of the Polish import quotas for United Kingdom goods.

Article 8

(a) The Polish Government place on record their intention to continue to purchase on at least the same scale annually as hitherto United Kingdom industrial products such as are specified in Annex E to the present Agreement.

(b) It is also their expectation that with the improvement in the economic situation of Poland they will be in a position to authorize within the arrangements provided for in Article 7 of this Agreement the import into Poland on an increasing scale of United Kingdom miscellaneous consumer goods.

Article 9

The Government of the United Kingdom take note of the wish of the Polish Government to place orders for capital equipment to the extent of £20 million beyond their current programme. They will continue to take whatever steps are open to them in the light of their general export policy to facilitate the placing of Polish orders for such capital equipment and are prepared to arrange for discussion with the Polish Commercial Counsellor in London or with the Polish Purchasing Mission in London of any particular order which the Polish Government wish to place.

Article 10

(a) In order to facilitate the purchase by the Polish Government of raw materials (mainly wool) on terms of payment not exceeding 90 days' credit, the Government of the United Kingdom undertake to raise no objection to arrangements being made in London for the grant or renewal of a revolving acceptance credit or credits up to a limit of £2.5 million, to be fully repaid by 31st December, 1949. The Government of the United Kingdom, through the Export Credits Guarantee Department, shall arrange that

guarantees on normal terms as hitherto are given for this credit.

(b) The Government of the United Kingdom will be prepared to consider favourably the possibility of facilitating the renewal of this arrangement after 31st December, 1949.

(c) The Government of the United Kingdom undertake to raise no objection to the extension of the credit arrangements for the purchase of capital equipment which are now in force between the Polish Government or Polish financial institutions and London financial institutions, so as to provide that the credit permitted shall become a revolving credit within the existing limits of £6 million available up to 30th June, 1955, in addition to the revolving credit or credits up to a limit of £2.5 million referred to in paragraph (a) of this Article. The provisions of this paragraph shall not apply to orders placed after 31st December, 1951.

Article 11

In view of the facilities afforded to Poland under Article 5, 7, 9 and 10 of the present Agreement, and of the new possibilities for the import into the United Kingdom of Polish agricultural products under Article 1, the Polish Government have agreed with the Government of the United Kingdom upon the provisions of Articles 12 to 17 of the present Agreement.

Article 12

(a) Not later than 15th February, 1949, discussions shall begin in London between the Polish Government and the Government of the United Kingdom, together with representatives acting on behalf of the United Kingdom interests concerned and approved in that capacity by the Government of the United Kingdom.

(b) The purpose of these discussions shall be—

(i) to consider the possibility of replacing the arrangements set out in the Anglo-Polish Minute of 31st October, 1947,[1] concerning compensation for British interests, confirmed by the Exchange of Notes of 24th January, 1948,([1]) by provision for the payment of a sum in sterling in satisfaction of the claims of British claimants as defined in Article 1 (b) of that Minute; and to determine the amount of that sum, and the dates on which it shall be paid;

(ii) to determine the sterling amount to be paid, and the dates on which it shall be paid, in respect of all forms of pre-war debts, public and private, in connexion with which it will be agreed that a liability of the Polish Government exists.

(c) The meeting-place for further discussions concerning the settlement of matters referred to in paragraph (b) (i) and (ii) shall be determined during the preliminary stages of the London discussions.

(d) The contracting Governments shall use their best endeavours to ensure that these discussions result in agreement by 30th September, 1949.

Article 13

(a) The Polish Government shall ensure that the National Bank of Poland instructs the Bank of England within thirty days of the date of entry into force of the present Agreement to open in the name of the National Bank of Poland an account at the Bank of England denominated "National Bank of Foland No. 3 Account."

(b) This account shall receive moneys provided under Articles 15 and 17, and out of this account shall be made such payments in respect of United Kingdom claims as may be agreed in pursuance of Article 12.

(c) The Polish Government shall arrange at the time when the National Bank of Poland No. 3 Account is opened that the Bank of England be given irrevocable instructions, in a form satisfactory to the Government of the United Kingdom, so as to secure the making of the payments mentioned in paragraph (b) of this Article.

Article 14

(a) The Custodian of Enemy Property in the United Kingdom (hereinafter referred to as "the Custodian") shall, on the request of the Polish Government, communicate to them as soon as possible after 1st June and 1st December in each year, until a date to be agreed in accordance with the provisions of Article 16, the Custodian's estimate of the value of the money and property released by him in the preceding six months in accordance with the Anglo-Polish Money and Property Agreement[2] signed this day.

(b) The Custodian, in estimating the value of the money and property released by him shall use, and the Polish Government shall accept—

(i) in respect of all moneys held by the Custodian in his own account, the actual amount released by him;

(ii) in respect of bank balances held to the order of the Custodian, the actual amount of the bank balance on the date of release, as reported by the holding bank;

(iii) in respect of securities quoted in the London Stock Exchange Daily List of Officially Quoted Securities the mean of the quotation for each such security on the date of release by the Custodian, or if there is no quotation on that date, then on the next date on which there is a quotation;

(iv) in respect of gold coin and bullion, and of any foreign currency, the buying prices quoted by the Bank of England, and in respect of silver, the London market price quoted at the daily fixing, each on the date of release by the Custodian, or, if there is no such price or quotation on that date, then on the next date on which there is such a price or quotation.

(c) The Custodian, in estimating the value of the money and property released by him shall use—

(i) in respect of commercial debts, the amount of the debt as reported to him;

(ii) in respect of all other money and property released, except money and property of the kinds referred to in the preceding paragraph (b), the value as reported to him.

(d) The Polish Government may question any estimate made in accordance with the preceding paragraph (c) on the following grounds, evidence of which they shall communicate to the Custodian—

(i) in respect of commercial debts, either—

(a) that the debtor is bankrupt; or

(b) that the debtor is no longer in business; or

(c) that the debtor disputes his obligations;

(ii) in respect of other money or property released, except money and property of the kinds referred to in the preceding paragraph (b), that the value reported to the Custodian is greater than a reasonable estimate of the market value on the date of release.

(e) If the Polish Government produce evidence that the value of the money and property referred to in the preceding paragraph (c) which the Custodian used in his estimate was incorrect, his estimate of the value of the money and property released shall be reduced by an amount to be agreed between him and the Polish Government.

(f) If the Polish Government produce satisfactory evidence that any money or property referred to in the preceding paragraphs (b) and (c) released by the Custodian has not passed under the control of the Polish Government or of a person subject to Polish exchange control regulations, then the amount payable by the Polish Government under the provisions of Article 15 of this Agreement shall be reduced accordingly.

Article 15

On receipt of the estimate to be communicated by the Custodian under the provisions of Article 14 (a) the Polish Government shall pay into the National Bank of Poland No. 3 Account—

(i) forthwith, subject to the provisions of Article 14 (f), the equivalent of the total sum estimated by the Custodian to be the value of the money and property of the kinds referred to in Article 14 (b) released by him in the preceding six months;

(ii) immediately after agreeing with the Custodian any necessary adjustments in accordance with the provisions of Article 14 (e) and (f) the equivalent of the total sum then estimated by the Custodian to be the value of the money and property of the kinds referred to in Article 14 (c) released by him in the preceding six months.

Article 16

The obligations of the Custodian under the provisions of Article 14 (a) and those of the Polish Government under Article 15 shall continue until the Custodian has released all money and property which he has reason to believe may belong to Polish persons within the meaning of the Anglo-Polish Money and Property Agreement signed this day, or until the contracting Governments agree that these obligations shall cease. The contracting Governments shall discuss not later than 30th June, 1951, the possibility of terminating these obligations.

Article 17

(a) In each of the years 1951 to 1953 the Polish Government shall pay into the National Bank of Poland No. 3 Account three and three-quarters per cent. of the sterling proceeds based on the f. o. b. value of all retained imports from Poland into the United Kingdom during those years plus 10 per cent. of the sterling proceeds based on the f. o. b. value of all retained imports from Poland into the United Kingdom during those years of the goods referred to in Annex F.

(b) Payments under paragraph (a) of this Article shall be made by the Polish Government by quarterly instalments on 31st March, 30th June, 30th September and 31st December of each of the years 1951 to 1953 in accordance with the provisions of paragraph (c) except that on 31st March, 1951, the payment to be made to the said account by the Polish Government shall be £400,000 which sum shall be taken into account in determining the total amount for 1951 due in accordance with paragraph (a) above.

(c) The amount of each quarterly payment to be made under paragraphs (a) and (b) of this Article shall be calculated upon the basis of the figures for the quarter immediately preceding that in which payment is due to be made as prepared by the Government of the United Kingdom and extracted from the declared value of the United Kingdom imports from Poland as published in the Accounts relating to the Trade and Navigation of the United Kingdom and supplemented where practicable by a detailed analysis of such figures, less a deduction of ten per cent. for freight and other appropriate charges. The amount so calculated shall be communicated to the Polish Government not less than fourteen days before it is due to be paid under paragraphs (a) and (b) of this Article.

(d) In the first quarter of each of the years 1952 and 1953 the final amount due in respect of each of the years 1951 and 1952 respectively shall be determined by agreement between the contracting Governments and the difference between the amount so determined and the amount actually paid under paragraphs (a) and (b) of this Article shall be compensated accordingly by increasing or

[1] "Treaty Series No. 23 (1948)," Cmd. 7403.

[2] "Treaty Series No. 10 (1949)," Cmd. 7627.

reducing the payment to be made in the second quarter of each of the years 1952 and 1953 respectively. In respect of the amount due for the year 1953 the adjustment shall be made by agreement between the contracting Governments one month after the final statement of declared value in accordance with paragraph (c) of this Article has been communicated to the Polish Government.

Article 18

In the event of the denunciation or expiry of the Anglo-Polish Payments Agreement of March 1948[3] and of no agreement being reached for its replacement by a new Payments Agreement, the contracting Governments will review the position as it affects the present Agreement.

Article 19

(a) The contracting Governments agree to refrain from discriminatory action and unnecessary restrictions affecting shipping engaged in international trade.

(b) If a multilateral agreement aiming at the removal of discriminatory action and unnecessary restrictions affecting shipping engaged in international trade to which the contracting Governments are parties comes into force the provisions of the foregoing paragraph (a) shall be regarded as superseded by the provisions of any such multilateral agreement.

(c) The contracting Governments agree that at the request of either of them, officials of the two Governments shall meet in order to determine whether the shipment of goods by sea between the two countries has been carried on in accordance with the principle of non-discrimination between their two flags and to take any measures which may be necessary with a view to avoiding the recurrence of any difficulties which may have occurred.

Article 20

The contracting Governments agree that during the period of validity of the present Agreement meetings of a committee of officials representing the two Governments shall take place by agreement as may be necessary for the purpose of reviewing the progress of the trade between the two countries, of examining any difficulties which may arise and of suggesting solutions for their removal. Such meetings shall be supplementary to, and are not intended to replace, the existing channels of communication between the two Governments on matters arising out of the present Agreement.

Article 21

(a) The present Agreement shall come into force on the date of signature and subject to the provisions of paragraph (b) of this Article shall continue in force until 31st December, 1953.

(b) Articles 13, 15 and 17 shall remain in force until the obligations thereunder have been fulfilled. The date of termination of these Articles shall be decided by agreement between the contracting Governments.

In faith whereof the undersigned, duly authorised to that effect, have signed the present Agreement.

Done in Warsaw, 14th January, 1949, in duplicate in the English and Polish languages, both texts being equally authentic.

D. ST. CLAIR GAINER.
H. MINC.

ANNEX A

SCHEDULE I—*Ministry of Food purchases for which contracts will be negotiated to the end of 1953*

[Figures in thousand long tons throughout]

	1949	1950	1951	1952	1953
1. Bacon*	20	30	40	50	60
2. Eggs—shell—(boxes)*	(435,000)	(620,000)	(860,000)	(1,110,000)	(1,200,000)
frozen*	3.5	5	7	8	8
3. Cheese†	.3	1	2	3.5	5
4. Butter†	----------	.5	2	5	10
5. Lard†	----------	.5	.6	.8	1

* The Heads of Agreement to be in accordance with the terms of letters exchanged between the two Governments.
† Target figures only: the contracting parties will discuss further when export surpluses arise.

SCHEDULE II—*Items on which individual minimum import quotas will be granted up to the end of 1953, or where appropriate, for which the Ministry of Food will contract annually*

[Figures in thousand long tons throughout]

	1949	1950	1951	1952	1953
6. Frozen salmon	0.5	0.7	0.8	0.9	1
7. Fruit pulp	.9	1.5	2	2.5	3
8. Onions	25	35	45	50	60
9. Canned meat	2	2.5	3	3.5	4
10. Bacon factory products—					
Maws and chitterlings	1.65	1.87	2.1	2.27	2.45
Hog casings	.2	.23	.25	.28	.3
11. Canned fish (in varieties to be agreed)	.1	.13	.16	.18	.2
12. Poultry—					
Turkeys	.8	1.1	1.5	1.7	2
Geese, ducks, hens, and chickens	5.5	6.6	7	8.1	8.1
Years beginning 1st April					
13. Pulses	3	5	5	5	5
14. Starch	15	10	10	10	10‡
Years ending 30th September					

‡A similar figure is agreed for the 1953 campaign.

[3] "Treaty Series No. 12 (1948)," Cmd. 7352.

SCHEDULE III—*Items for which a minimum over-all import quota of £500,000 will be given for each of the 5 years subject to upward revision annually*

	Figures in £'000 throughout 1949
(a) Items for which individual minimum quotas within the over-all total are established for 1949:	
15. Bilberries (including red and dried)	[1] 250
16. Game	[2] 5
17. Canned peas and beans	[2] 12
18. Tomato powder	[2] 11
19. Preserved and salted mushrooms	[2] 10
20. Fruit juices	[2] 40
21. Vodka, liqueurs	[1] 17
22. Sugar and chocolate confectionery	[2] 30
23. Seasoned meat	[2] 75
(b) Items without individual minimum quotas but which may be imported within the total for this group:	
24. Miscellaneous—specified below [3]	[2] 140
25. Miscellaneous—not specified elsewhere	[2] 10
Total	600

To the extent that licenses are under-applied for on some items, the value of licenses for other items may be increased by mutual agreement.

[1] Per annum 1949–53. [2] 1950–53 for annual negotiation.
[3] Agricultural seeds. Fresh vegetables—cauliflowers, cucumbers, horse radish, asparagus (subject to seasonal limitations). Frozen vegetables—peas and beans, onions, pickles, small pickles. Canned vegetables—other than cucumbers. Fresh fruit—cherries, strawberries, wild berries. Frozen fresh fruit—cherries, strawberries, raspberries. Fruit salads—peaches, pears, cherries. Frozen eels. Dried mushrooms. Cucumbers in barrels in brine. Pro Memoria: Canned hams (for annual consideration; no imports in 1949).

SCHEDULE IV—*Items subject to annual and ad hoc arrangements*

(a) Minimum quantities now established for 1949:

	Tons
26. White fish	5,000
27. Feed barley (ex-1949 crop)	30,000
28. Malt (ex-1949 crop)	[1] 4,000

(b) No minimum quantities established:

29. Oats—The Ministry of Food may be a buyer of Polish oats and will be willing to consider samples and availabilities after each harvest.

[1] Licenses will be granted on application in the ratio of 1 ton for every 7 tons of feed barley contracted by the Ministry of Food.

ANNEX B (1)

(SEE ARTICLE 2 (A))

Imports of timber from Poland

	1949	1949–51
Softwood ('000 standards)	70	270
Sleepers ('000 pieces) (redwood, to usual British Railways specification)	50	50
Pitprops ('000 fathoms)	30	200
Oak staves (cubic meters)	300	1,400
Plywood (cubic meters)	300	900
Hardwood (cubic meters)	10,000	23,000
Pulpwood ('000 fathoms) (white wood, fully barked and basted)	25	120

ANNEX B (2)

(SEE ARTICLE 2 (C))

Target deliveries of certain classes of timber from Poland in the 5-year period, 1949–53

Softwood ('000 standards)	450
Pitprops ('000 fathoms)	275

ANNEX C

(SEE ARTICLE 7 (A))

I. Textiles: Cotton fabrics (book cloth and mattress ticking included), woolen fabrics, rayon fabrics, plush and hangings, ready-made clothes (workers' clothes, trousers, shirts, etc.), carpets, woolen covers and rugs, hand-made cloth (home-spuns); woolen yarn worsted and carded, haberdashery, curtains.

II. Chemicals: Sodium chloride, calcium chloride, caustic potash, charcoal, arsenic (white), thallium sulfate, montan wax, turpentine.

III. Wood and wood manufactures: Joinery furniture, joinery chairs, bentwood chairs and armchairs, bentwood coat stands, chair seats, plywood wet glued, plywood dry glued, block boards, joiners' work for buildings (flush doors and block-board doors), ready-made parquet and flooring strips, oak barrel sets and staves, redwood barrels for herrings, boxboard sets, picture frames gilded and silvered, wooden fancy goods, domestic woodware (kitchen and household articles, dowels, and bungs, etc.), baskets (for soft fruit), wood wool of softwood, willows, willow goods.

IV. Metals and manufactures: Enamelware, galvanized buckets, cast-iron enamel goods, zinc containers for small batteries, zinc sheets.

V. Glass, china, cement: Window glass, carboys, bottles, table glassware, lighting glass, table china, cement.

VI. Miscellaneous: Bristles, feathers and down, medicinal herbs, matches, buttons, Christmas-tree ornaments, toys, fancy art goods, gloves, casein.

And other items to be agreed.

ANNEX D

(SEE ARTICLE 7 (B))

	£'000
1. Private motorcars	50
2. Mechanical handling trucks and equipment	50
3. Commercial vehicles (special types)	100

ANNEX D—Continued

	£'000
4. Garage servicing equipment	30
5. Trailers	10
6. Motorcycles	25
7. Cinematograph equipment	60
8. Still cameras and accessories	5
9. Drawing instruments, mathematical instruments, and slide rules	10
10. Calculating and adding machines	10
11. Duplicators	40
12. Clocks and watches	5
13. Road rollers	10
14. Industrial laundry machinery	10
15. Industrial sewing machines	10
16. Domestic sewing machines	
17. Clothing-cutting machines	5
18. Cloth spreaders	5
19. Domestic refrigerators	5
20. Small tools	65
21. Portable power tools	80
22. Grinding wheels	10
23. Silk yarn, threads, and fabrics	10
24. Waterproofs	5
25. Tobacco pipes	2
26. Sports equipment	25
27. Sensitized photographic material	20
28. Artists' materials	5
29. Books, dictionaries, and encyclopedias	20
30. Maps	5
31. Newspapers and periodicals	10
32. Cutlery	5
33. Razors and blades	3
34. Toilet preparations	10
35. Pharmaceuticals and alkaloids	75
36. Proprietary remedies	15
37. Dental equipment and deaf aids	25
38. Polishing rouge	5
39. Musical instruments and gramophone records	10
40. Bakelite and Trolit powder	5
41. Laminated plastic materials	10
42. Moulded plastic goods (industrial and domestic)	25
43. Linoleum and felt base	25
44. Paints	15
45. Printing inks	5
46. Special varnishes	30
47. Cotton yarns and wool tops (except merino)	25
48. Canvas hose pipes	10

ANNEX E

(SEE ARTICLE 8)

Small pumps (standard); gages and measuring instruments; divers' equipment; concrete mixers and vibrators; agricultural tractors; machinery for ink, paint, and varnish manufacture; electrical measuring instruments; fire-fighting equipment; lighthouse equipment; pesticides and disinfectants; hoists and winches; commercial refrigerators; brake bands, linings, and parts; ship's measuring equipment; standard laboratory instruments and apparatus; radio equipment, parts, and industrial electronics; rubber hoses, sheets, and tubes.

ANNEX F

(SEE ARTICLE 17)

1. The goods specified in schedule III of annex A.
2. The goods specified in annex C.
3. Farina.
4. Onions.
5. Fruit pulp.

EXHIBIT 3

[From the Evening Star of March 27, 1949]

NEW POLICY LEADS AWAY FROM PAST INDIFFERENCE—SENATOR LODGE BELIEVES CONSULTATIVE PLAN OF SIMILAR NATURE WOULD HAVE DISCOURAGED KAISER AND HITLER

(By Senator HENRY CABOT LODGE, JR., member of the Senate Foreign Relations Committee)

There is no use in blinking the fact that the North Atlantic security treaty represents a new departure for the United States. It not only commits us to a policy, which, though moderate, is new. It also takes us away from a very definite old policy of disinterest in the affairs of Europe.

But when we look at the facts of life how can we doubt the wisdom of proclaiming a change which history itself has made inevitable? Until the development of high-powered aviation, an attack on the United States had to be made by sea and could therefore be thwarted by the Navy, which in a very real sense was the first line of defense. Also there used to be a large number of real military powers in Europe. This is not true in the same sense today. The wall between us and the Soviets does not consist of large military establishments of European states.

DOES NOT INCREASE RISK

What can we lose by embarking on this North Atlantic Pact and these schemes for military aid to western Europe? Obviously we lose the time and treasure which all these efforts cost. But do we in any way increase the risk of war when we say that we will consult with each other if armed attack begins? Clearly we do not. I submit that if there was an armed attack on western Europe that we would not, could not, and should not sit idly by. We would, I am sure, react, and I hope, react with effect.

When we agree to consult, therefore, and to take "such action as we deem necessary, including the use of armed force," we add nothing to what we would have to do in case of an armed attack which might occur without a treaty being in existence.

To put it another and a better way, the North Atlantic Pact and the proposed measures for military aid may make it unnecessary for us ever to use this "uniforce" about which we talk, think, and work so much. I do not believe I am being visionary.

Moreover, I believe that if such a consultative arrangement had been in existence in 1914 that the Kaiser would not have started what we call World War I. I believe that if such an arrangement had been in existence in 1939 Hitler would not have started World War II. I submit that the arrangement (the North Atlantic security pact) which we are now considering, would not only make it far more likely that we would win a new war, if, tragically, it did occur, but that it very much lessens the likelihood that some one will start World War III.

If it has this consequence, it will indeed have been the cheapest bottle of preventative medicine that the American people ever bought.

MARSHALL AWAKENED US

It is almost 4 years since the fighting in Europe stopped. Unfortunately, the ability which produced those armed forces and gained a victory was not equaled by our preparedness for the end of hostilities. Our unpreparedness for peace, coupled with a nearly complete prostration of Europe, created a vacuum. Into that vacuum stepped the gaunt figure of communism, apparently determined to set up a godless world dictatorship.

General Marshall's speech at Harvard in 1947 awakened us. We began to take the lead. It has become an accepted bipartisan American policy to favor the integration of the countries of western Europe. Those are the countries in which the individual is considered to be worth while, and to be the master, rather than the servant, of the state. We favor the integration by economic, by military, and by political methods. We encourage the elimination of tariff barriers in Europe. We speak favorably of setting up a unified European armed force. We dream of a United States of Europe. The order in which I have stated these steps represents, I think, the order in which they will come. Certainly the political integration epitomized by a United States of Europe is far in the future.

Recent steps have been taken looking toward both economic and military integration in western Europe. It is to the latter that I wish particularly to direct attention. We Americans support this movement toward integration, because we think it is best for the nations of Europe, best for us, and, in the long run, best for the world if there arises a third force of approximately equal population and strength with the two great world powers of today—the United States and Soviet Russia—such a third force would contribute greatly to world stability. The alternative—a Balkanized Europe—is certain poverty and misery for the Europeans and the likelihood of war. As separate little countries they are at the mercy of an invader. United they would be a prosperous and powerful organization of human beings.

IMPORTANT QUESTIONS

The whole policy of our country is directed toward avoiding war. But if war should come it is only natural and proper for us to hope that we would have some friends, some allies who would be fighting on our side. We shall not shirk our duty or evade the obligation of giving everything we have to any future conflict if it comes. But, candidly, we simply have not the manpower to carry the whole burden of a future war alone.

We in the Senate are, therefore, considering a treaty—the North Atlantic security treaty—pledging consultation in the event of an armed attack. This will be followed by a bill providing practical means for strengthening the capacity to resist aggression leveled against the signatory states. This means helping the development of a western European armed force. Without committing myself to any particular bill, it can be said it would be strongly in the interests of the United States and of world stability for us, under the proper conditions, to give help to such a force.

There are questions to which satisfactory answers must be given, however. First, is the proposed pact a device to spread war by providing that if one country gets into war it automatically pulls all the other nations in with it? The answer is "No." The pact calls for consultation, which is all that any country can honorably promise. The second question is whether American military leaders enthusiastically vouch for the pact. The answer to that is "Yes."

Still another question is whether we are ready to meet reaction to such a pact in nonparticipating countries. I believe we are. A fourth question arises over a supreme command on which all the member nations can agree. I think such a command is to be seen in the development of Uniforce—that western European army with headquarters at Fontainebleau in France, which has made encouraging progress.

WILL OF THE SOLDIER

We must be sure, too, that the governments involved in setting up this armed force be free from Communists insofar as top secret military matters are concerned. We must know that these same governments are strong enough to provide the foundation of civil and economic power which is essential to a healthy military organization. Such strength is gaining, thanks in large part to the Marshall plan. There must be complete proof that the participating nations are willing to pledge their manpower in regularly organized military units.

It is essential that we know how much we can afford to send abroad in relation to our own Military Establishment and our own solvency. Let it be set down that there is not one word or sentence in the Atlantic Pact which commits the United States to the ruination or militarization of our own economy by incurring armament expenditures either for ourselves or for other nations.

The final question is the will to fight of the individual soldier in these western European countries. This will to fight is at the bottom of every good military organization. In Europe this will to fight depends fundamentally on the extent to which Europe unifies itself. I believe that this quest for unity in the military sense is off to a good start and that we can have great expectations for the future.

I do not believe that all our hopes for the human race can be stated in military terms. The Communist philosophy cannot be defeated with bullets. Nor can mankind find a way out of its misery by economic aid alone, marvelous and hopeful though the Marshall plan may be. It is to the everlasting credit of mankind that it cares about that for which it lives more than it cares about the mere act of keeping alive. We must therefore make our Christian doctrine of the dignity of man an article of export. It is the most thrilling doctrine in the world if we would only take the trouble to state it to ourselves and others as earnestly as the Communists have done with their 10-cent, tin-horn doctrine.

EXHIBIT 4

[From the New York Times of March 24, 1949]

ATLANTIC PACT MAY REQUIRE BRUSSELS TREATY CHANGES—TWO DEFENSE ACCORDS CALL FOR DIVERGENT OBLIGATIONS ON WESTERN UNION RULES

(By C. L. Sulzberger)

PARIS, March 23.—Although the North Atlantic defense pact is not yet a binding document, its strongest European supporters already are legally bound to defend each other against aggression under the Brussels Treaty, which created the western union.

As a result of that alliance an integrated headquarters modeled on Gen. Dwight D. Eisenhower's supreme headquarters of the Allied Expeditionary Forces has been established in Fontainebleau by the Army, air, and naval staffs of Britain, France, Belgium, the Netherlands, and Luxemburg.

It is purely a planning body. Its function is to ascertain how best to defend the continental territories of the participating powers—four of which incidentally are possessors of large overseas empires—with the military potential available to them.

No hint has yet reached this headquarters concerning the alterations to this planning function that may be required by the obligations assumed under the Atlantic Pact by the Brussels powers.

OBLIGATIONS OF PACTS DIFFER

These powers will now become members of two alliance networks with the same fundamental defensive philosophy, but with certain potentially different types of obligations.

The Brussels Treaty provides for automatic action. An attack against one member immediately obligates the signatories to military action defending the victim. The Atlantic Pact specifies no such clear-cut automatic action in article 5.

The Brussels Treaty concerns only the continental territories of the signatory powers and the United Kingdom. The Atlantic Pact includes French Algeria.

There is some speculation now as to whether in the future it may be found convenient to amend some aspects of the Brussels Treaty or at least to expand the membership of the Western Union to include future continental members of the Atlantic Pact.

One technical point may have to be ironed out. By reading articles 2 and 4 of the Atlantic Pact in conjunction with each other it is possible to deduce that the signatory powers are obliged to protect each other's democratic institutions by consulting with a view to action if internal aggression threatens a member's security.

BRUSSELS PACT NONPOLITICAL

The Brussels Treaty, considering no such indirect threats, is strictly nonpolitical. Thus, theoretically, Britain would be in a dual position vis-à-vis France if the latter were menaced by a Communist coup along the Czechoslovak lines.

Because of these complexities it would appear essential that the western-union nations must review their mutual continental obligations after the Atlantic Pact has been signed. Uniforce, as the Fontainebleau planning headquarters is known, would then presumably have to review its plans in light of the new conditions.

As it is, the officers of five nations gathered here are still concerned only with drawing up defense programs in terms of the available force. This force is limited at present, according to London reports, to 7 combat divisions but it is hoped to raise this number to 36.

If Italy or other proposed Atlantic Pact members eventually joined the western union it would completely alter the present plans by expanding the geographical pledges. Presumably something also would have to be done to bring together the differing commitments with respect to Algeria under the two treaties.

Even before these problems descend upon Fontainebleau, this headquarters has enough long-term headaches. For example, no French Government appears yet to have faced the issue of whether it will be worth reconstructing at least part of the expensive Maginot line.

With the existing commitments of France in north Africa and above all in French Indochina it is difficult to envisage any speedy increase in the number of divisions France can promise the western union for continental use.

EXHIBIT 5

TREATY OF ALLIANCE IN THE WAR AGAINST HITLERITE GERMANY AND HER ASSOCIATES IN EUROPE AND OF COLLABORATION AND MUTUAL ASSISTANCE THEREAFTER CONCLUDED BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

His majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, and the Presidium of the Supreme Council of the Union of Soviet Socialist Republics;

Desiring to confirm the stipulations of the agreement between His Majesty's Government in the United Kingdom and the Government of the Union of Soviet Socialist Republics for joint action in the war against Germany, signed at Moscow on the 12th July, 1941, and to replace them by a formal treaty;

Desiring to contribute after the war to the maintenance of peace and to the prevention of further aggression by Germany or the States associated with her in acts of aggression in Europe;

Desiring, moreover, to give expression to their intention to collaborate closely with one another as well as with the other United Nations at the peace settlement and during the ensuing period of reconstruction on the basis of the principles enunciated in the declaration made on the 14th August, 1941 by the President of the United States of America and the Prime Minister of Great Britain to which the Government of the Union of Soviet Socialist Republics has adhered;

Desiring, finally, to provide for mutual assistance in the event of an attack upon either High Contracting Party by Germany or any of the States associated with her in acts of aggression in Europe.

Have decided to conclude a treaty for that purpose and have appointed as their Plenipotentiaries:—

His Majesty The King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India,

For the United Kingdom of Great Britain and Northern Ireland: The Right Honourable Anthony Eden, M. P., His Majesty's Principal Secretary of State for Foreign Affairs;

The Presidium of the Supreme Council of the Union of Soviet Socialist Republics:

M. Vyacheslav Mikhailovich Molotov, People's Commissar for Foreign Affairs,

Who, having communicated their Full Powers, found in good and due form, have agreed as follows:—

PART I

Article I

In virtue of the alliance established between the United Kingdom and the Union of Soviet Socialist Republics the High Contracting Parties mutually undertake to afford one another military and other assistance and support of all kinds in the war against Germany and all those States which are associated with her in acts of aggression in Europe.

Article II

The High Contracting Parties undertake not to enter into any negotiations with the Hitlerite Government or any other Government in Germany that does not clearly renounce all aggressive intentions, and not to negotiate or conclude except by mutual consent any armistice or peace treaty with Germany or any other State associated with her in acts of aggression in Europe.

PART II

Article III

(1) The High Contracting Parties declare their desire to unite with other like-minded States in adopting proposals for common action to preserve peace and resist aggression in the post-war period.

(2) Pending the adoption of such proposals, they will after the termination of hostilities take all the measures in their power to render impossible a repetition of aggression and violation of the peace by Germany or any of the States associated with her in acts of aggression in Europe.

Article IV

Should one of the High Contracting Parties during the post-war period become involved in hostilities with Germany or any of the States mentioned in Article III (2) in consequence of an attack by that State against that Party, the other High Contracting Party will at once give to the Contracting Party so involved in hostilities all the military and other support and assistance in his power.

This Article shall remain in force until the High Contracting Parties, by mutual agreement, shall recognise that it is superseded by the adoption of the proposals contemplated in Article III (1). In default of the adoption of such proposals, it shall remain in force for a period of twenty years, and thereafter until terminated by either High Contracting Party, as provided in Article VIII.

Article V

The High Contracting Parties, having regard to the interests of the security of each of them, agree to work together in close and friendly collaboration after the reestablishment of peace for the organisation of security and economic prosperity in Europe. They will take into account the interests of the United Nations in these objects, and they will act in accordance with the two princi-

ples of not seeking territorial aggrandisement for themselves and of non-interference in the internal affairs of other States.

Article VI

The High Contracting Parties agree to render one another all possible economic assistance after the war.

Article VII

Each High Contracting Party undertakes not to conclude any alliance and not to take part in any coalition directed against the other High Contracting Party.

Article VIII

The present Treaty is subject to ratification in the shortest possible time and the instruments of ratification shall be exchanged in Moscow as soon as possible.

It comes into force immediately on the exchange of the instruments of ratification and shall thereupon replace the Agreement between the Government of the Union of Soviet Socialist Republics and His Majesty's Government in the United Kingdom, signed at Moscow on the 12th July, 1941.

Part I of the present Treaty shall remain in force until the re-establishment of peace between the High Contracting Parties and Germany and the Powers associated with her in acts of aggression in Europe.

Part II of the present Treaty shall remain in force for a period of twenty years. Thereafter, unless twelve months' notice has been given by either Party to terminate the Treaty at the end of the said period of twenty years, it shall continue in force until twelve months after either High Contracting Party shall have given notice to the other in writing of his intention to terminate it.

In witness whereof the above-named Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in duplicate in London on the 26th day of May, 1942, in the English and Russian languages, both texts being equally authentic.

ANTHONY EDEN.
V. MOLOTOV.

EXHIBIT 6

TREATY OF ALLIANCE AND MUTUAL ASSISTANCE BETWEEN THE USSR AND THE FRENCH REPUBLIC

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the Provisional Government of the French Republic, determined to prosecute jointly and to end the war against Germany, convinced that once victory is achieved, the reestablishment of peace on a stable basis and its prolonged maintenance in the future will be conditioned upon the existence of close collaboration between them and with all the United Nations; having resolved to collaborate in the cause of the creation of an international system of security for the effective maintenance of general peace and for insuring the harmonious development of relations between nations; desirous of confirming the mutual obligations resulting from the exchange of letters of September 20, 1941, concerning joint actions in the war against Germany; convinced that the conclusion of an alliance between the USSR and France corresponds to the sentiments and interests of both peoples, the demands of war, and the requirements of peace and economic reconstruction in full conformity with the aims which the United Nations have set themselves, have decided to conclude a Treaty to this effect and appointed as their plenipotentiaries:

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics—Vyacheslav Mikhailovich Molotov, People's Commissar of Foreign Affairs of the USSR

The Provisional Government of the French Republic—Georges Bidault, Minister of Foreign Affairs

Who after exchange of their credentials, found in due form, agreed upon the following:

ARTICLE I

Each of the high contracting parties shall continue the struggle on the side of the other party and on the side of the United Nations until final victory over Germany. Each of the high contracting parties undertakes to render the other party aid and assistance in this struggle with all the means at its disposal.

ARTICLE II

The high contracting parties shall not agree to enter into separate negotiations with Germany or to conclude without mutual consent any armistice or peace treaty either with the Hitler government or with any other government or authority set up in Germany for the purpose of the continuation or support of the policy of German aggression.

ARTICLE III

The high contracting parties undertake also, after the termination of the present war with Germany, to take jointly all necessary measures for the elimination of any new threat coming from Germany, and to obstruct such actions as would make possible any new attempt at aggression on her part.

ARTICLE IV

In the event either of the high contracting parties finds itself involved in military operations against Germany, whether as a result of aggression committed by the latter or as a result of the operation of the above Article III, the other party shall at once render its every aid and assistance within its power.

ARTICLE V

The high contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high contracting parties.

ARTICLE VI

The high contracting parties agree to render each other every possible economic assistance after the War, with a view to facilitating and accelerating reconstruction of both countries, and in order to contribute to the cause of world prosperity.

ARTICLE VII

The present treaty does not in any way affect obligations undertaken previously by the high contracting parties in regard to third states in virtue of published treaties.

ARTICLE VIII

The present treaty, whose Russian and French texts are equally valid, shall be ratified and ratification instruments shall be exchanged in Paris as early as possible. It comes into force from the moment of the exchange of ratification instruments and shall be valid for 20 years. If the treaty is not denounced by either of the high contracting parties at least one year before the expiration of this term, it shall remain valid for an ulimited time; each of the contracting parties will be able to terminate its operation by giving notice to that effect one year in advance.

In confirmation of which, the above plenipotentiaries signed the present treaty and affixed their seals to it.

Done in Moscow in two copies, December 10, 1944.

On the authorization of the Presidium of the Supreme Soviet of the USSR

MOLOTOV

On the authorization of the Provisional Government of the French Republic

BIDAULT

EXHIBIT 7

[From the Washington Times-Herald of March 28, 1949]

KEFAUVER CALLS ATLANTIC PACT END OF AMERICAN SHARE IN UN

(By Bob Considine)

Side glances at celebrities:

Senator KEFAUVER, the scholarly young man who beat the Crump machine and won a seat in the upper House, tells friends that the impending Senate ratification of the Atlantic Pact will be the most important step this country has ever taken in a time of peace and will mark our abandonment of the UN.

"It is an infinitely more important document than the covenant of the League of Nations and the Charter of the United Nations," he says. "It means that isolation is no longer a policy of the United States. It is our final recognition that we cannot stay out of European wars.

"By signing it we are abandoning the United Nations Organization, but I feel no especial regret. UN just isn't enough to preserve the peace. Nor should we worry about Russia's criticism of the pact on the ground that it is inconsistent with the promises we made as a UN signatory. It is inconsistent, but we should remind Russia of the 22 pacts it has made which are equally inconsistent."

He will plug for all-out endorsement of the pact, or none at all. KEFAUVER predicts that Russia will attempt to take over control of UN by watering down its use of the veto and making overtures to pro-United States nations not invited to join in the pact.

"You can say what you want about the pact," the Tennessean says, "but if one like it had been in existence 10 years ago Hitler would not have dared to make his move."

WARTIME RECORDS OF THE COMMODITY CREDIT CORPORATION

Mr. LUCAS. Mr. President, I ask unanimous consent that a letter dated March 29, 1949, from Secretary Brannan, of the Department of Agriculture, addressed to me, dealing with the colloquy that has been going on recently in the Senate concerning the Commodity Credit Corporation, be printed in the RECORD.

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

UNITED STATES
DEPARTMENT OF AGRICULTURE,
Washington, March 29, 1949.

Hon. SCOTT W. LUCAS,
United States Senate.

DEAR SENATOR LUCAS: I wish to give you a brief statement of facts on the allegations made by Senator WILLIAMS on March 25 concerning the Commodity Credit Corporation. The Senator's comments refer to a report on the audit of the Commodity Credit Corporation as of June 30, 1945, which I understand the Comptroller General intends to make available to the Congress in the very near future.

Unfortunately, the statements made by the Senator are fragmentary in character and do not reflect the more complete discussion of these matters which, I am informed, will be contained in the audit report. Some of the most pertinent facts, from the point of view of the public interest, are not recognized by the Senator.

1. The $350,000,000 was accounted for. It was a net book figure representing the results of some 2,000,000 transactions. The program was liquidated in accordance with plans known to and having the concurrence of GAO auditors, and resulted in a profit to the Corporation. It was not possible,

however, because of wartime backlogs to furnish the auditors a detailed listing of amounts due the Corporation by name and address of debtors as of June 30, 1945. This apparently is what the Senator refers to.

2. There has been no charge or intimation of fraud or dishonesty on the part of any employee, or of loss to the Government.

3. The period covered by the report ended nearly 4 years ago, while the country was still at war.

The facts regarding these wartime problems are, of course, not new to the Congress. They were thoroughly covered in investigations conducted by Judge Tarver pursuant to House Resolution 50 in the spring of 1945, and they were dealt with again before the Senate Committee on Agriculture and Forestry in connection with hearings on S. 1322 a year ago.

Senator WILLIAMS is now, therefore, bringing up matters which have already been thoroughly investigated and on which full corrective action has already been taken.

I am enclosing a brief discussion of the facts about each of the points, as definitely as we can identify them, which have been raised by Senator WILLIAMS. We shall be glad to furnish any further information which may be desirable.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Mr. LUCAS. Mr. President, I also have comments by persons in the office of the Secretary of Agriculture with reference to the statements made by the distinguished Senator from Delaware [Mr. WILLIAMS].

I ask unanimous consent that these matters be printed in the RECORD.

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

ATTACHMENTS TO SECRETARY BRANNAN'S LETTER OF MARCH 29, 1949, TO SENATOR LUCAS

LACK OF SUPPORT FOR GCP RECEIVABLES—SENATOR WILLIAMS' STATEMENT (CONGRESSIONAL RECORD, MARCH 25, 1949)

"It has been reported to me, from sources which I consider very reliable, that over $350,000,000 of receivables in the general commodities purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures" (p. 3254).

"I think it is well to know whether we can get an accounting of the $350,000,000 which it is reported the books are out of balance" (p. 3255).

"Four years have elapsed, and if the Corporation cannot make a determination today closer than $350,000,000 it is time the country knew about it. I desire to know as one, why that cannot be done" (p. 3255).

Comment

These statements pertain to operations under the general commodities purchase program conducted by the Corporation for the War Food Administration, which was subjected to a complete investigation under House Resolution 50 in December 1944. The report submitted by Mr. Tarver from the Committee on Appropriations on June 27, 1945 (Rept. No. 816, Union Calendar No. 238, 79th Cong., 1st sess.), contained a full disclosure of the condition of the records and financial statements of these operations.

These receivables largely represented unbilled deliveries under the lend-lease program, and were payable from Federal funds appropriated during the emergency period to the Lend-Lease Administration and its successor agencies. Shortly after July 1945, the Corporation undertook the task of liquidating the program on a reasonable and practicable basis. It was determined that due to the volume of transactions and the administrative costs involved, and since there would be no effect on the over-all interests of the United States Government, intragovernmental receivables would not be reviewed in detail by the Corporation. Other transactions were reviewed in detail. This determination was made following an interchange of correspondence with representatives of the General Accounting Office and discussion with various investigators from the House Committee on Appropriations during hearings on administrative expenses for lend-lease liquidation. The GCP program was liquidated with a net gain to the Corporation. A report as of June 30, 1947, on those actions was submitted to the General Accounting Office on September 24, 1947, and again on December 26, 1947 and in accordance with the request of the GAO, has been supplemented from time to time to show the progress in liquidating claims.

(The attachment referred to follows:)

DECEMBER 26, 1947.

Mr. CLARK L. SIMPSON,
Assistant Director,
Corporation Audits Division,
General Accounting Office,
Washington, D. C.

DEAR MR. SIMPSON: In discussions as early as April 1946 with your office you concurred in our general approach to the problem of liquidating account balances reflecting GCP payables and receivables; and in your letter of April 16, 1947, you concurred in our proposed plan to make no further investigation of transactions representing deliveries (1) under the lend-lease program prior to September 2, 1945 (VJ-day) and (2) under procurements made for other agencies of the United States Government, provided that it could be demonstrated that there will be no over-all loss to the United States Government.

A comprehensive report was forwarded to you September 23, 1947, with respect to the liquidation of the GCP accounts payable and accounts receivable and the adjustments in the accounts incident thereto. However, in view of our previous discussions and understandings, it is believed appropriate to also briefly summarize the project and its results.

As you know, the total activity during the period under discussion amounted to approximately $8,000,000,000 and involved individual transactions running into the millions. The unit for inventory and accounting purposes was usually a carload of the commodity involved, so that when such unit is multiplied by the purchase, movements, storage, cost determination, sale, billing, and collection transactions which must be recorded in each instance, the magnitude of the total undertaking almost defies comprehension in terms of usual commercial undertakings.

During the war period and for some time thereafter it was not possible to maintain the accounting operations, including the accounts payable and accounts receivable, of the GCP program on a current basis. With respect to payables, deliveries by vendors and payments therefor based upon documentation called for by the contract were usually recorded currently as each event occurred but were not related to each other for the purpose of ascertaining and recording the normal adjustment for differences between estimated charges based upon shipping information and actual payments based upon certified documentary evidence of delivery.

With respect to receivables much the same situation existed, i. e., liftings based upon shipping information and bills and collections based upon certified documentation were each recorded as currently as possible as the events transpired but were not related to each other for the purpose of ascertaining and recording normal adjustments for differences between estimated lifting values and actual bills and collections. Since there were several million transactions involved in these accounts, it can readily be seen that by not making such adjustments currently the differences accumulated in the accounts and eventually grew into large dollar amounts, although perhaps not disproportionate to the billions of dollars of activity involved.

In order to determine the amount of these differences to be adjusted and also in order to determine as at June 30, 1947, the outstanding payables and receivables with respect to the GCP program, the procedure as outlined in our report of September 23, 1947, and as briefly summarized hereinafter was followed.

With regard to accounts payable, an abstract showing the detail of each delivery by the vendor and each payment by the Corporation was prepared for each contract. If this indicated deliveries which had not been paid for, the data were reviewed and audited with the documents and records reflecting the shipment and storage of commodities. Following this examination, the contracts which still appeared to reflect open items were forwarded to the field fiscal office which had made the payments for further reconciliation and verification. After this work was performed, current liquidations (payments) were verified with the remaining contracts. As of June 30, 1947, there remained only 42 contracts with balances totaling $11,676,960.68 out of the billions of dollars of contracts involved on which it was necessary to undertake a final verification for the purpose of determining the validity of the amounts carried as payables. The balance of the accounts payable reflected in the general books at June 30, 1947, prior to adjustment was $72,843,595.19. Thus the net adjustment required to properly state the accounts was made in the amount of $61,166,634.51 by reducing accounts payable with a corresponding reduction in cumulative cost of sales.

Should there be claims subsequently submitted by vendors for deliveries which were not included in the amounts established as payables, a complete examination will be made to assure the validity of such claims prior to payment. Also, in collaboration with the Office of Audit, Production and Marketing Administration, and your office a further verification is being completed with respect to the $11,676,960.68 remaining on the books as of June 30, 1947.

With respect to the accounts receivable liquidation it was necessary to first balance the detail representing lot-by-lot shipments, invoices, and collections to the general ledger control accounts for the period March 1, 1944, through June 30, 1947. After the detail was balanced the transactions were segregated into groups so that detail verification could be made for the purpose of establishing amounts due from commercial customers, foreign governments, and lend-lease deliveries after VJ-day. In accordance with our plan concurred in by your office, we did not examine in detail the transactions representing lend-lease deliveries prior to VJ-day or deliveries to other government agencies since, as previously discussed, any overcharges or undercharges in lend-lease billings and collections prior to VJ-day will not affect lend-lease settlements with foreign governments and since any overcharges or undercharges to other government agencies will not result in any loss or gain to the Government as a whole. However, test checks were made in conformity with generally accepted audit principles, and the results of such test checks revealed that the invoicing and collection operations of the Corporation were generally satisfactory. In addition to the analysis and verification of outstanding accounts receivable which were developed from the detailed entries to the accounts, all shipments (involving over $2,000,000,000) to cash-paying foreign governments and UNRRA were reconciled with the quantities invoiced and paid, in order to

independently establish that any amounts owing and due to Commodity Credit Corporation from these claimants were billed and collected. The status of each contract balance was verified with the accounts prior to the closing of the books as at June 30, 1947, excepting for minor differences which were examined and adjusted in the books subsequent thereto. The results of this work were made available to your office for confirmation with the debtor or creditor in conjunction with your audit.

Adjustments were made as of June 30, 1947 of $64,627,243.64 and $31,842,483.09, respectively, to the general books to properly state accounts receivable—unbilled and accounts receivable—billed. Again, although the dollars amounts involved are large, they must be related to the billions of dollars of activity to get a perspective.

Abstracts of the accounts, work papers, supporting documents and files were accumulated during the progress of liquidation of the payables and receivables of the GCP program so as to provide your office with such data as required to verify the adequacy and accuracy of the work involved in this project. Also, the Office of Audit, PMA, is making an examination of the audit of UNRRA and Cash-Paying Foreign Government accounts referred to for the purpose of determining the accuracy of the work performed.

Consequently, we believe the action which was taken by the Corporation was in conformity with our mutual objective of seeking to avoid the incurring of unjustifiable administrative expense by the Corporation and the Government in the correction of wartime accounting deficiencies, but to exert all reasonable efforts in the collection of amounts from sources outside the United States Government.

Very truly yours,

K. A. BRASFIELD,
Treasurer.

VERIFICATION OF INVENTORIES—SENATOR WILLIAMS' STATEMENT (CONGRESSIONAL RECORD, MARCH 25, 1949)

"The book value of the inventories held by the Corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has been reported to me that it was not possible to verify that amount physically" (pp. 3254–3255).

"Mr. President, the book value of the inventories held by the Corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has been reported to me that it was not possible to verify this amount physically."

"My experience in business has been that when the Government agent comes around to audit my account, I must verify every item. I see no reason why we should extend special exemption to the Government Corporation. If they cannot verify the inventory, let us find where the money went. If they can verify the inventory, the matter can be cleared up rapidly. If the charge is unfounded, I shall be the first to place that fact in the RECORD. I feel we should know the truth. I received this information from persons whom I believe to be reliable, and I believe the report to be correct. If I did not believe it to be correct, I would not be standing on the floor of the Senate at this time asking for the facts" (p. 3253).

Comment

The complexities of making a physical verification of approximately $1,000,000,000 of commodity inventories as at any specific date during the war period is readily understandable in view of the nature of the Corporation's operations. A large volume of commodities held in inventory was evidenced by warehouse receipts issued by bonded warehouses. With respect to fungible commodities such as grain, oilseeds, etc., stored in public warehouses it would be impossible to take physical inventories as at any specific date of the portion against which receipts were held by the Corporation. In the case of processed and packaged commodities, purchases by the Corporation from the commercial vendors were delivered f. o. b. railway cars at shipping point or f. a. s. vessel. Therefore, huge quantities were always in transit to port, in pier storage, located on wharves for lifting, or in process of being lifted or aboard vessels, as of any specific date.

On March 12, 1945, the President of the Corporation, pursuant to a resolution approved by the Board of Directors on March 10, 1945, requested the General Accounting Office to take a physical inventory of processed commodities. This request was prompted by the realization of the Corporation that serious deficiencies existed in inventory-control procedures, which was indicated by the findings included in the report of the Committee on Appropriations on the investigation of the War Foods Administration, made in June 1945 to the Congress. The effectiveness of this endeavor was materially impaired by the factors explained above.

In the conduct of its day-to-day operations at the present time, the Corporation controls its inventory of all processed commodities on a lot-by-lot basis, and makes periodic verifications with respect to individual commodities, as conditions warrant. Generally such verifications are made when commodity movements permit or at the end of the fiscal year. In the case of fungible commodities and other nonprocessed commodities, evidence of ownership is periodically verified through confirmation with warehousemen.

ACCURACY OF AMOUNT OF COTTON LOANS—SENATOR WILLIAMS' STATEMENT (CONGRESSIONAL RECORD, MARCH 25, 1949)

"In the case of certain other programs it was also impossible to support the recorded balances of receivables, particularly in the case of claims in the case of cotton loans held by the Corporation. It had made no effort to prove the accuracy of the total amount of loans and, therefore, I understand that the total amount of loans reported by the Federal Reserve banks, as custodians, could not be reconciled with the records of the Corporation. At least one duplication of over $2,000,000 has been reported to me" (p. 3254).

Comment

The books of the New Orleans office of the Corporation did reflect $2,329,485 as loans held by lending agencies as of June 30, 1945, in error, since these loans had previously been purchased by the Corporation. This error, of course, was subsequently corrected. The comment regarding the reconcilement of individual loan account balances refers to the inability of the New Orleans office to perform as of June 30, 1945, a reconciliation between punch-card cotton-loan records in that office, the records maintained by the Federal Reserve banks acting as custodians of cotton-loan documents, and the general ledger control balances of the New Orleans office. This situation existed as of the date stated over 3½ years ago, but has been corrected since.

The individual IBM bale card system was established primarily to facilitate the physical handling of the huge volume of cotton involved in the CCC loan and purchase programs, and worked well for tha purpose. The CCC made loans on approximately 14,000,000 bales of 1940–44 crops of cotton, bought 2,600,000 bales of 1944 crop cotton, and acquired or pooled for producers approximately 9,500,000 bales of loan cotton after August 1, 1939. The problems involved in the record keeping as well as the physical handling of this volume of cotton were tremendous.

During the war the New Orleans office was handicapped by a limited number of trained personnel and inadequate acounting machine equipment. Consequently, some auditing and accounting functions, including the comparison and reconciliation of loan and accounting records of the New Orleans office and the Federal Reserve banks were not currently performed.

After 1945, concerted effort was expended toward eliminating all backlogs and balancing all accounts with related subsidiaries. Also, a detailed survey of the accounting system and procedures used was undertaken and a new over-all system was devised and placed into effect. This system worked satisfactorily under the tremendous work load of a 5,000,000-bale loan this year.

Mr. WILLIAMS. Mr. President, I wish to congratulate the Senator from Illinois for cooperating with me and procuring some of the information which I was seeking. I am glad the Secretary of Agriculture is cooperating with us and giving us an accounting in connection with the $350,000,000 which has been discussed. I wish it had been done 4 years ago, so that the reports could have been submitted to the Congress in accordance with the law. It would have saved me a great deal of trouble. I am glad that they are now going to make an effort to account for it.

I notice, on the first page of the letter offered for the RECORD by the Senator from Illinois that they claim the $350,000,000 has been accounted for. I am not saying it has not, but I wish the Secretary of Agriculture would tell the General Accounting Office of this alleged fact because as of 2 o'clock yesterday afternoon I was told by them that it was not accounted for, and that they could not support all the vouchers. The General Accounting Office is the agency of the Government which audits books, and that is the agency of Congress which has told me that their auditors had not been able to reconcile the items with the proper vouchers. This is March 1949, and we are speaking of what occurred in 1943, 1944, and 1945. The law provides that the records should be submitted on January 15 following each fiscal year beginning June 30. If the Secretary of Agriculture does have information as to how this $350,000,000 was spent then let him convince the General Accounting Office. The information being inserted by the Senator from Illinois—a copy of which I have—certainly does not contain the information. All that is contained in these insertions is the opinion only of the Department of Agriculture and not of the General Accounting Office, whose responsibility, I repeat, is to audit these accounts and report to Congress.

I hope that the Department of Agriculture can give us an accounting for each and every item involved, and convince the General Accounting Office to that effect.

I notice that the Secretary claims on the first page of his letter, that the $350,000,000 was accounted for, but that it "was not possible because of wartime backlogs, to furnish the auditors a detailed listing of amounts due the Corporation by name and address of debtors as of June 30, 1945."

This part of his statement, if I can understand the English language, contradicts itself.

On the second page of the Secretary's letter I notice a criticism of the fact of our bringing this matter up after it had been investigated 4 years ago. In other words, he does not deny it but implies the time limit should protect him. I was not a Member of the Senate 4 years ago. I have found out about this matter since I have been here, in the past 2 years. He should have convinced the General Accounting Office 4 years ago, because they have been working 4 years trying to get the answers, and still have not completed the task.

With reference to the lack of support for receivables amounting to over $350,000,000 I notice that the Secretary says:

These receivables largely represented unbilled deliveries under the lend-lease program, and were payable from Federal funds appropriated during the emergency period to the Lend-Lease Administration and its successor agencies.

If that is true, they should very easily be able to reconcile those accounts. If it is a transfer from one Government agency to another Government agency, it should not be too much trouble to reconcile them.

The Senator from Illinois stated last night that possibly some of the shipments had been sunk. Surely there is a record of the sinking, if that be the case. It would be very simple to complete the transaction by charging it off accordingly.

In regard to the physical inventories, it was pointed out by the Accounting Office that the book value of the inventories of over a billion dollars in 1945 could not be reconciled with the physical inventory of that date. I read from page 5 of this insertion which the Senator from Illinois just put in the RECORD which gives the Secretary of Agriculture's explanation:

The complexities of making a physical verification of approximately $1,000,000,000 of commodity inventories as at any specific date during the war period is readily understandable in view of the nature of the corporation's operations.

In other words, because there was a war going on, they claim they did not have a chance to reconcile the inventories. That is a very poor excuse for lack of accounting of the taxpayers' money. The taxpayer himself was held responsible when he could not always reconcile his accounts, war or no war. But we find the Government pleading that they could not reconcile their accounts because there was a war going on. They did not deny my statement.

I now read from page 7 of the Secretary of Agriculture's statement regarding the $2,000,000 which was reported out of line. He explains that item as follows:

The books of the New Orleans office of the Corporation did reflect $2,329,485 as loans held by lending agencies as of June 30, 1945, in error, since these loans had previously been purchased by the Corporation.

They proceed to say:

This error, of course, was subsequently corrected.

I call attention to the fact that prior to the time the War Food Administration took this Corporation over it was still the Commodity Credit Corporation, and had been such since 1933. Why had not this error been picked up and corrected before the War Food Administration took over? The mere fact that it was under other management prior to this error, is no answer. It is still not straightened out according to the General Accounting Office as of yesterday. They still do not have the full vouchers to follow through the transaction as required by the law.

I repeat, as I said before, that I am not making any accusation that there is anything wrong, because I am not in a position to do so. I am merely saying that the records have not been reconciled in the amount of over $350,000,000 according to the General Accounting Office's own statement.

Mr. President, while we are dealing with explanations, I have another matter which I should like to straighten out with this corporation. I noticed that all during the last 12 months, when we were conducting a rather active political campaign, it was the boast of the administration that the Commodity Credit Corporation was operating at a profit. For instance, in a speech made on October 1, 1948, in Chicago the Secretary of Agriculture, Charles Brannan, made this statement:

The Government has not only lost nothing on the total of price supports during the past 15 years but has shown a net gain of $250,000,000 on wheat, cotton, and corn.

In addition, the Department of Agriculture circulated bulletins throughout the country giving the impression that the Commodity Credit Corporation was making a profit on its operations. I shall read to the Senate a sample of this propaganda taken from a widely circulated Department bulletin dated September 1948, which says:

Recent Government losses and expenditures that have the effect of supporting prices are extremely small in relation to cash farm income—too small to have any appreciable effect on the inflation problem. Incidentally, Commodity Credit Corporation shows a lifetime profit rather than a loss.

I read another statement which was put out by the Department:

Support prices do cost some money sometimes, even though it is true that CCC at present has a lifetime profit rather than loss on this type of operation.

I now read another statement put out by the Department during this same period:

So far this discussion has centered chiefly on support prices of food commodities. Cotton and tobacco are basic agricultural commodities and the Department is also directed to support the price of wool. Support-price activities on recent crops of cotton have been minor and the net result of Commodity Credit Corporation price-support and export operations from 1933 through June 30, 1948, has been a gain of about $183,000,000.

From these quotations I think it is clear that it was the intention of the Administration to give the American people the impression that in administering its agricultural programs through the CCC, it was actually making a profit for the taxpayers.

From my experience with the operations of this Corporation I could not understand that, because I knew that the Corporation was not set up to make a profit. It has been given a job to do by the Congress upon which it cannot make a profit, and if it conducts its operations properly I am not criticizing it. However, I think it is unfair to the American people to tell them the programs do not cost money, when in reality they are costing billions of dollars.

Knowing these statements were not true, I directed an inquiry to the Director of the Bureau of the Budget, as follows:

Would you please furnish me the net results, from a taxpayer's standpoint, of the operations of the Commodity Credit Corporation, since its inception in 1933 to the latest date you have available. * * * It is not necessary that this information be broken down in any manner, since the only answer I am interested in at this time is the net profit or loss sustained by the Commodity Credit Corporation during its lifetime.

This is the reply from the Bureau of the Budget:

In answer to your letter of February 1, 1949, the net loss sustained by the Commodity Credit Corporation from its organization on October 17, 1933, through December 31, 1948, was $2,146,930,367.

The Bureau of the Budget, in the same letter, called attention to the fact this above amount did not include the $1,743,960,803 which the Corporation spent on section 32 funds, which made the total loss to the taxpayers for their 16 years' operations, $3,880,891,170. This stupendous loss is quite a contrast to the untrue statements they made.

Mr. President, I ask that at this point there be printed in the RECORD the letter which I received from Mr. F. J. Lawton, Assistant Director of the Bureau of the Budget, confirming these figures.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 16, 1949.

Hon. JOHN J. WILLIAMS,
United States Senate, Washington, D. C.

MY DEAR SENATOR WILLIAMS: In confirmation of the telephone conversation with your office relating to your letter of February 9, you are correct in your understanding that the $2,146,930,367 designated as the loss sustained by the Commodity Credit Corporation from the date of its organization through December 31, 1948, does not include the $1,743,960,803 mentioned in the second paragraph of our letter as expenditures under section 32.

Yours sincerely,

F. J. LAWTON,
Assistant Director.

Mr. WILLIAMS. Mr. President, the only way in which the Department of Agriculture can justify its statement that the Commodity Credit Corporation has, during its lifetime, operated at a profit is on the basis that it has counted as income the billions which have accrued to the Corporation either as direct appropriations or cancellation of notes. As proof of this statement I quote from the letter of explanation which I received from the Bureau of the Budget:

Because corporate funds have been replenished by congressional appropriations, the records of the Corporation show a surplus of $52,544,719 on December 31, 1948.

I call these discrepancies, relating to the over-all costs of the agricultural program, to the attention of the Senate and the American people in order that when we consider the enactment of any new legislation we might have the true facts before us. When these false statements are known to the taxpayers I am sure they will remember and condemn the administration for misleading them upon such a vital issue affecting their welfare.

Mr. LUCAS. Mr. President, I desire to say that I want to congratulate the Secretary of Agriculture for getting up this information in order to satisfy the extraordinary curiosity of the distinguished Senator from Delaware.

Mr. WILLIAMS. I should like to say to the Senator from Illinois that I may yet have a little remaining curiosity, and shall continue to demand a full accounting.

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

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Delaware yield to the Senator from Vermont?

Mr. WILLIAMS. I yield.

Mr. AIKEN. The Senator does not want to leave the impression, does he, that the loss to the Commodity Credit Corporation, which was quite large, was due wholly to the price support program?

Mr. WILLIAMS. No, definitely not.

Mr. AIKEN. That amount included the direct subsidies which were authorized by the Congress, and which, by cancellations of notes of the Treasury, accounted for a loss of $800,000,000?

Mr. WILLIAMS. I am not sure the Senator's figures are correct.

Mr. AIKEN. I agree with the Senator from Delaware that that was not the way to do it. It should have been a direct appropriation by the Congress.

Mr. WILLIAMS. That is correct. But from a taxpayer's standpoint the over-all net result was the loss. What I said was that in the future, when making reports of this nature to the farmers and to the American people, I think the Secretary of Agriculture should tell them exactly what it is costing, so they will know the price tags on these programs when they are going out, because many farmers have told me, "You need not be too concerned about the support programs, because the Commodity Credit Corporation has made a lot of money, and you fellows in Congress have not had to appropriate the money."

When statements are made that the Commodity Credit Corporation has made a profit rather than a loss, they are misleading. I hope the Secretary will clear that matter up, and make the situation plain to the American people.

Mr. AIKEN. I think the Senator will probably agree that a good share of this loss, possibly as much as $2,000,000,000 of it, could more properly have been regarded as a consumer subsidy than as a loss incurred in farm operations. In other words, the payments were made to farmers and to processors while a ceiling was on their products in order to hold down costs to the consumers.

Mr. WILLIAMS. A good bit of it was paid that way, but regardless of which way it was paid, viewing the operations of the Commodity Credit Corporation from the taxpayers' standpoint—and the taxpayers are the stockholders of the Corporation—the over-all net results of the 16 years' of operation was definitely not a profit, it was a loss of well over $3,000,000,000. The Senator from Vermont will agree with me on that.

Mr. AIKEN. The over-all result, of course, was a loss.

Mr. WILLIAMS. I am not entering into any criticism of any of the Corporation's operations by items. I am just talking about the net results. Let us put out the facts in a plain manner so the American people will understand. I think the Senator will agree with me that the impression was given that it was not quite as expensive a program as perhaps it has been.

Mr. AIKEN. I think the Senator from Delaware is correct in saying that some of the precampaign oratory and literature was perhaps——

Mr. WILLIAMS. A little off base.

Mr. AIKEN. Perhaps it gave that impression.

Mr. WILLIAMS. Yes.

Mr. AIKEN. But I still want to say that the total cost should not be charged to the farmer, because a considerable share of it was incurred in holding down prices to the consumers.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

The PRESIDING OFFICER. The question is on the amendment offered by the senior Senator from Ohio [Mr. TAFT] in behalf of himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. WHERRY. Mr. President, I believe it would be in order to establish the presence of a quorum at this time. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Clerk will call the roll.

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

Aiken	Holland	Morse
Anderson	Humphrey	Mundt
Baldwin	Hunt	Murray
Brewster	Ives	Myers
Bricker	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Reed
Chavez	Kem	Robertson
Connally	Kerr	Russell
Cordon	Kilgore	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Downey	Lodge	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Ferguson	McCarran	Taylor
Frear	McCarthy	Thomas, Okla.
Fulbright	McClellan	Thomas, Utah
George	McFarland	Thye
Gillette	McGrath	Tobey
Graham	McKellar	Tydings
Green	McMahon	Vandenberg
Gurney	Magnuson	Watkins
Hayden	Malone	Wherry
Hendrickson	Martin	Wiley
Hickenlooper	Maybank	Williams
Hill	Miller	Withers
Hoey	Millikin	Young

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. BREWSTER. Mr. President, I wish to discuss as briefly as I can an amendment which I intend to offer to the ECA bill, dealing primarily with the so-called Indonesian situation, although the amendment, in form, is not confined to that subject.

I have been associated with a number of Senators on this side of the aisle in a resolution which was calculated to serve the same purpose. Other Senators associated with me were the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Nebraska [Mr. BUTLER], the junior Senator from Nebraska [Mr. WHERRY], the Senator from Nevada [Mr. MALONE], the Senator from Connecticut [Mr. BALDWIN], the Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Maine, my junior colleague [Mrs. SMITH], and the Senator from Wisconsin [Mr. McCARTHY]. There were also, I think, 10 or a dozen Senators on the other side of the aisle who had given this question careful consideration, and who I think are still inclined to support it, in spite of the strong representations which have been made.

The amendment proposes to add at the end of the bill the following new section:

> No funds authorized for the purposes of this act shall be allocated to or expended for any foreign government which fails to comply with the orders or requests of the Security Council of the United Nations until such times as the Administrator is advised, in writing, by the President of the Security Council that such compliance has been effected.

That might seem to be a rather simple solution of one of the problems with which the United Nations is faced, although the amount of discussion it has occasioned and the amount of disagreeing opinion would indicate that there may be more in it than meets the eye. It would not appear, from the discussions we have had on the United Nations, that anyone would desire to give aid and comfort to those who were defying the decrees and decisions of the United Nations or its Security Council; and yet the suggestion that we should not extend aid in very substantial amounts—the particular amounts here involved are probably around $350,000,000—is an indication of the degree to which the United Nations is sinking in international prestige, unless some drastic action is taken. The fact that this deals primarily with the Indonesian situation leads me to discuss it on that basis, although, as indicated by the terminology, it is by no means confined to that. There have been several other cases where this would have had a very pertinent bearing in the past, and may well have in the future. It is a fundamental declaration of the great moral principle upon which the United Nations is founded. I speak of this as one of those who followed the course of the League of Nations to its disastrous end, after the Manchurian controversy when Secretary Stimson pleaded with the other nations of the

world to stop the Japanese action at that time by some concerted action; and later on, in the Ethiopian crisis, when we sought to stop the shipment of arms and ammunition to Italy, but the other countries of the world still let oil flow freely to oil the Italian war machine, and thus laid the foundation for the Second World War, by steadily diminishing the prestige of the League of Nations; and I speak of this with a certain amount of interest and emotion, because, when fresh from the First World War, in 1920, I organized in the State of Maine the League To Enforce Peace, which was calculated to encourage our participation in the League of Nations. It was a matter of profound regret to me at that time that the country did not seem to be prepared to take that great cooperative step toward the dream of mankind, a cooperative association of nations; and it was a matter of even more profound regret to me to see, as time passed on, the League of Nations lose its standing among mankind, as a result of its failure to grasp the opportunities which came along, by which it could have contributed to the pacification of the world and the settlement of the world's problems.

So much for the interest which I know many of the Members of this body, and I think probably all of them, have had throughout the course of their service, not only as Senators but in other positions in public life, and, certainly, the emotions of every mother and of every other citizen of the United States in desiring to have our country take whatever steps may be feasible to preserve the peace of all the world.

Coming down, now, more particularly to the problem of Indonesia, about which I shall speak, let me point out that our country in its attitude toward Cuba and the Philippines offered one of the most remarkable examples of the application of moral law in the relations of the people of one country with other peoples, and laid broad and deep the foundation by which to establish in mankind the confidence that we in the United States do not desire aggression of any character to give us strength and might. Cuba, after being freed from the Spanish yoke, was given its freedom by us, in accordance with our pledge; and a few decades later, the independence of the Philippines was granted freely, without the firing of a shot—one of the greatest examples in all history of the generous and moral attitude of one people toward another people. The reputation which we thus established as revealing our character, in the case of Cuba and the Philippines, was of immeasurable value to the United States in recent decades because of the extent to which it had captured the imagination of mankind; and it seems to many persons to be of supreme importance that we shall not forfeit that good opinion of mankind by failing to fortify with all the power and resources at our command and with every proper source of action the one great hope of mankind for the preservation of peace.

The particular situation in Indonesia is not one which has not hitherto engaged the attention of the world. It came to my attention first before we entered the Second World War, when we were seeking to stock pile the strategic materials which seemed vital to the preservation of democracy. At that time, before the War Investigating Committee, of which the present President of the United States was then chairman, we had very extensive hearings concerned with the difficulties which Mr. Jesse Jones was experiencing in seeking to secure rubber from that area. Mr. Jones appeared repeatedly before our committee and denounced the interests in control of that area, the rubber and oil cartels, which even in the very hour of our greatest need, when we already had embarked upon a program of lend-lease to try to give some aid and assistance to the beleaguered democracies, were even then refusing to accord to us a share of their rubber supplies, except upon terms which Mr. Jones considered so exorbitant that he refused to comply. His Yankee instinct which led him to refuse to be held up, even in the face of the great crisis of those days, led him to make continuing and constant complaints, as revealed in the records of our committee, about the unreasonable demands of the groups in control of those strategic and critical materials. They were demanding 20 or 22 cents a pound for the rubber which had previously been sold for 7 cents a pound, and which, in his judgment, should not have cost us more than 12 or 15 cents a pound. That was my first introduction to the fact that considerations other than the welfare of the people of those areas were governing the action of those who controlled the Dutch East Indies at that time.

Subsequently, in 1943, under the direction of the chairman of the committee, five Senators journeyed around the world. Finally, after a flight across the Indian Ocean, we came to Australia, and there found the Consul General of the United States who had served for 20 years in the Dutch East Indies. It was my fortune to spend some time with him in a survey of the East Indian situation. This is the story he told: Having had that long experience there, upon the invasion by the Japanese he immediately came to Washington and made an extended report, which I assume is still in the files of the State Department and is available to the Foreign Relations Committee. In that report, as he related it to me, he pointed out the utterly unconscionable advantage which those interests in the Dutch East Indies, controlling the great rubber supplies, had taken of the United States, as well as of the other powers in need; he further pointed out that upon the conclusion of the war—in which at that time we anticipated we would ultimately be successful—it was imperative that those interests should not be reestablished in a position to dominate the vital rubber supplies on which we must depend; and he further pointed out that any action calculated to reestablish those interests in the Dutch East Indies and thus to prevent those vital and critical strategic supplies from being subject to the free interplay of economic forces would be a disaster to the United States.

Mr. President, I regret to speak in these seemingly selfish terms; and yet I think it is proper and important that we should bear in mind that we have in this matter a vital national interest as well as the very much broader interest in the welfare of the peaceful relations of the countries of the world.

Now I come down to this: In his story to me, he told me of the great rubber plantations there and of the development of rubber trees by the natives; he said that in order to prevent the native rubber groves from being properly cultivated and used in the development of their rubber trade, the government in control had imposed export taxes and monopolistic cartels which had made it extremely difficult, if not impossible, for their normal development to be carried on. I speak of this only as background for the realization that my interest in this matter is not of a recent date.

Now I come to the present time. The Republic of Indonesia has been recognized by the United Nations as entitled to survival and continuance. The Security Council of the United Nations has taken cognizance of the controversy which now prevails in the Dutch East Indies, and has repeatedly found in the attitude and action of the Dutch Government a violation of the plain principles of the Security Council's action.

I find considerable difficulty in comprehending how the Netherlands Government is coming here to Washington next week to sign the Atlantic Pact, when I read the first article of the Atlantic Pact, as follows:

> The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

That seems to be a very clear and a very mandatory provision, and yet if we are to believe the solemn decrees of the Security Council, if we are to believe the utterances of our own representatives before the Security Council during the past 10 weeks, by Ambassador Jessup, representing our Government before the Security Council, on January 11, and by Ambassador Austin before the Security Council, within the present month, the Netherlands Government is in plain and repeated violation of the solemn decisions of the decrees of the Security Council of the United Nations. If there is any question about it I may quote from the Netherlands Ambassador himself, Mr. E. N. van Kleffens. I quote from his statement in the Washington Post of March 1, as follows:

> Envoy hits UN policy on Indonesia.

This is from the Washington Post, Tuesday, March 1.

> The Netherlands Ambassador, E. N. van Kleffens, said yesterday that his country could not abide by the recent decision of the United Nations Security Council to reinstate the Indonesian Republican Government immediately. And he also stated that his country does not recognize the authority of the Security Council to intervene in the Indonesian problem since it does not concern two sovereign states.

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

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Washington for a question?

Mr. BREWSTER. I am happy to yield for a question.

Mr. CAIN. I find it somewhat difficult to reconcile what the Senator has stated thus far with what I have heard. I should like to reconcile those matters, by asking the Senator, with his permission, two questions. The first question is, how true is the prevailing Dutch claim that they have maintained an open-door policy in Indonesia for many years? My second question is, are they maintaining that open-door policy at the present time?

Mr. BREWSTER. I hold in my hand a very authoritative account of that very matter from the New York Times of December 24, 1948, written by James S. Conroy, their reporter, who I think is recognized as an authority in this field, regarding the extent to which the East Indies trade has been the subject of a monopoly. The heading is East Indies Trade Held a Monopoly—United States Merchant Exporters Say Quota Regulations Barred All But Netherlands Concerns.

Announcement by Economic Cooperation Administrator Paul Hoffman cutting off ECA assistance to the Netherlands Indies tended to focus attention last week on a problem which has bothered American merchant exporters during the postwar years. This was the difficulty that United States exporters have had in trying to do business with the Netherlands Indies, with the charge being made that such trade was being monopolized by Netherland Indies concerns which have opened offices here.

That is, in New York.

Actually, according to exporters here, Mr. Hoffman's action will mean almost nothing so far as the American merchant exporter is concerned, because he has had practically no share of this lucrative market.

In 1946 exports from the United States to this market were more than $73,000,000. In 1947 they reached a figure in excess of $103,000,000, and in 1948 through October the Department of Commerce reported exports to the Netherlands Indies of almost $71,000,000. But the quota regulations set up by the Netherlands Indies Government, it was asserted by exporters here, have almost completely barred the American exporter from enjoying any portion of this business. Prewar shipments to the Netherland Indies rose from $25,000,000 in 1937 to $124,000,000 in 1941.

NO POSITIVE ACTION TAKEN

It is understood that representations on this situation have been made to the State Department from time to time. Although the State Department has appeared sympathetic to the protests, it has not yet seen fit to take positive action.

But exporters here now feel that, should ECA authorizations be reinstated, it would be in line with American economic policy that the Netherlands East Indies be informed that our Government disapproves of the exclusion of American merchant exporters in the trade with the Netherlands East Indies.

It was explained for background that a number of Dutch East Indies official, semi-official, and private purchasing missions have been established in the United States through which the business has been channeled. Under the set-up it was said, the establishment of New York offices of Netherlands Indies concerns was encouraged and stimulated.

Buying orders received from the Indies, these exporters continued, were divided by the buying office here of the Nigieo import organization, set up shortly after the Japanese surrender, among the New York branches of the Netherland Indies concerns and each was said to receive a buying commission in dollars on all purchases.

In addition, the head offices of these companies in the Netherlands East Indies were credited with receiving an additional buying commission payable in guilders in proportion to the historical import record of each firm.

It was indicated that the official explanation given by the Netherlands Indies authorities for the monopolistic structure was that the Indies importers had stock piled goods in excess of normal needs at the request of the government before the outbreak of the war in the Far East. Hence, the government felt it was duly bound to put these importers back on their feet. "How far this has been accomplished can be judged from the figures of postwar trade" was one comment.

It was added that the Nigieo has recently been abolished and a semblance of private trade restored, but it was reported that quotas are still being given out in Batavia, Java, on the basis of historical record of imports for each commodity and buying commissions are still paid. It was also indicated that to avoid the appearance of monopolies as well as for political reasons, some concession has been made to newcomers.

However, it was asserted that the bulk of all import quotas are given to the so-called Big Five who were the five leading importers in the Netherlands Indies before the war, all of whom established offices here during or since the war.

Exporters here said it has been made plain by Government officials in the Netherlands Indies that they would not consider American concerns as newcomers; only bona fide Indonesian companies would fit into this category.

As an illustration, it was claimed that a typical allotment of $100,000 for the purchase of steel products, for example, would find $80,000 going to the members of the Big Five and allotments of $1,000 to $2,000 each to 10 or 15 small importers. Frequently, it was remarked, these allotments have been found insufficient to be worth handling by the small importers.

I think that answers pretty well the question as to the effect upon American exporters, who it says are greatly concerned with the practical effects of this policy, whereby they have been short-circuited by the establishment of branches of the Netherlands Indies firms in New York, and are thus unable to perform their customary and necessary functions in export trades. I think that covers the question of what the policies have been.

Mr. CAIN. The Senator has added to my information on his present subject, and I am very grateful.

Mr. BREWSTER. I have spoken about the United Nations, the defiance of it by the Netherlands Ambassador, and about the Atlantic pact. I quote also from the Washington Post of March 10, where Warren Austin, former United States Senator, and our present representative at the United Nations, was reported as follows in the Associated Press:

The United States called on the Netherlands today to put the Indonesian Republic back in power and then talk peace.

The United States voiced its new demand on the Dutch in the Security Council after hearing a Dutch representative say his Government has refused to restore the Indonesian Republic to authority because it feared violence and chaos would result.

* * * * *

Warren R. Austin, chief American delegate, said the United States is unable to understand why the Netherlands cannot restore the republic to authority.

"Is it entirely consistent, moreover, to propose as the Netherlands proposes, a transfer of sovereignty 3 or 4 months hence to an Indonesian government which will include the republic as a member state while at the same time maintaining that immediate restoration of the republic in the limited area of Jogjakarta would result in chaos?"

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

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield for a question.

Mr. MALONE. What proposition did the Dutch Government make to the Indonesian Government for such transfer?

Mr. BREWSTER. The answer to that is, they made a variety of propositions. In 1947 they made an agreement which was supposed to cover this, known as the Linggadjati agreement, which was supposed to contemplate the transfer of sovereignty to the establishment of the Republic. Subsequently, a year later, in January 1948, they made the so-called Renville agreement, which was made on an American warship, and which again was calculated to cure this problem. Both those agreements, which agreed to observe the deliberate findings of the Security Council, have been repeatedly violated, culminating in December, when the Netherlands Government launched its armed forces in an utterly secret and sneak attack, seized the President and the Prime Minister of the Republic, interned them on an island, and killed many hundreds, if not thousands, of the Indonesian subjects.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. Yes.

Mr. MALONE. What type of government were they to set up in the interim period before turning over the government to the Indonesians proper? Was there any date ever set to end the interim period?

Mr. BREWSTER. They have had various dates set. The latest one, I believe, is in July. But the methods by which they are proceeding with an invitation to a round table in the Netherlands, which was issued very recently, was not one which either the Security Council or the Indonesian Republic felt they could, with any propriety, accept. So that armed strife continues there.

There was another proposal by the Netherlands-Indonesian Union which would have left them still under the restraint of the Netherlands Government, to which they desire not to be subjected.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. MALONE. Was it not, as a matter of fact, a federation of states that the Netherlands Government suggested

they would build up in Indonesia, keeping control of the police power and the money exchanges, and of the imports and exports, for an interim period with no definite termination?

Mr. BREWSTER. I shall certainly recognize the Senator from Nevada in this matter, as I want later to summon him as a witness, because of his own personal experience after having visited that area. I know there has been great controversy about the form of the government which is to be split up, the Republic of Indonesia being apparently the dominant factor. But there was an attempt of the Federal Union to vitiate the prestige and influence of the republic through the control of their foreign trade.

Mr. MALONE. I was very much interested in the Senator's outline of how imports and exports were handled. I think it is entirely true that the imports are handled through the favored five. At least, there are approximately five importers, and all Americans are entirely restricted to a very small amount of imports. The Dutch Government says that over a long period the five have handled the business of the Government. Those five are connected with the Government in such a way that imports are entirely controlled.

If the Senator will yield for another question, is it not a fact that the money exchanges are entirely controlled by the Dutch, that there has never been any relaxing of that control, and that when an Indonesian merchant or producer sells a dollar's worth of goods, the dollar goes into exchange; that he does not get the dollar, but is paid in Indonesian guilders to the extent to which the Dutch at the moment say the dollar is worth?

Mr. BREWSTER. That is correct.

Mr. MALONE. At the time I happened to visit there, the exchange was fixed at 2.63 guilders to the dollar. That was the official rate. On the street, or in the ordinary market in the area, 13½ guilders could be exchanged for $1. That meant they actually gave the Indonesians approximately 20 cents on the dollar.

Mr. BREWSTER. Which is about one-fifth of what they would have been entitled to under normal exchange.

Mr. MALONE. That is correct. The holder of an Indonesian guilder could expend it only in Indonesia. It was said the guilder was worth approximately the same as a Holland guilder, if one traded with Holland. It compared favorably with the Australian pound as contrasted with the English pound. Approximately 20 percent of the income from exports would find its way to the producer. The rest went as tithings to the Government. Is that correct?

Mr. BREWSTER. That has been my understanding of it. I have been very much interested in the discussion of the matter with the Senator from Nevada, who has given a great deal of attention to the subject.

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

Mr. BREWSTER. I yield.

Mr. CAIN. Could one reasonably conclude from what the Senator from Maine has very recently read and stated, that the Dutch might withdraw from the Atlantic alliance; and if they were to withdraw, what difference, in the opinion of the Senator from Maine, would their withdrawal make?

Mr. BREWSTER. There would be raised a very interesting point. Of course I cannot undertake to say what the Dutch Government would do. But I think we have been very adequately briefed on the idea that our strategic spot is in Europe, that that is where we are mobilizing our forces. Some of us have felt we were somewhat neglecting the Far East, China, and other spots. Here is an example of where we are reversing our field, so to speak, as we are, indirectly. I think there is no question that we are actually supporting an army of 150,000 Dutch in Indonesia to suppress the Republic of Indonesia which we claim is entitled to its freedom and independence. It costs $1,000,000 a day, or approximately $350,000,000 a year. That is approximately the amount we have turned over to the Dutch during the period since the war. We have turned over to the Dutch approximately $700,000,000, close to $1,000,000,000. The $700,000,000 we have supplied has made it possible for the Dutch to maintain their forces in Indonesia carrying on a war which we say is an utterly unjust and illegal one, in defiance of the Security Council. I suggest that one of the best things the Dutch could do would be to bring their 10 divisions back to the Netherlands, and there would be a nucleus, if they are equipped, and are capable of fighting. They have approximately $75,000,000 worth of American arms which we turned over to them after the war. Another $100,000,000 has been made available. They have some very well-equipped divisions comparable with our marine divisions. Under the Atlantic Pact, according to rumors, they are to have two divisions in the Netherlands. That is supposed to be the number allotted them for their contribution. There are approximately 10 divisions which, if we would simply recognize the policy which we are laying down in every other field, that Europe is a matter of our prime concern, would be a tremendous contribution. All they would have to do would be to give up their unwarranted and defiant war on the Indonesians, and, incidentally, we would have an army ready to go.

Mr. CAIN. Mr. President, will the Senator permit me to ask one or two more questions?

Mr. BREWSTER. I perhaps did not answer the Senator's question as to whether the Dutch would stay out of the Atlantic Pact. I am very sure that if this amendment is adopted, the Indonesian war will cease, and the Atlantic Pact will be in no way affected. That is my expression of opinion. I was in the Netherlands last fall. I spent some time there, but not sufficient to become an authority. They are very thrifty people. I have had some correspondence with some of them. Some members of the Dutch Parliament have written me, and there is a very strong difference of opinion among the Dutch themselves regarding the matter. I have no question that our action in this matter would be a decisive factor in determining what the Dutch would do.

Mr. CAIN. One other question, if I may.

The VICE PRESIDENT. Does the Senator yield?

Mr. BREWSTER. I yield for a question.

Mr. CAIN. Present conditions being what they are, is it likely that we might be encouraging most of Asia to look to Moscow for help, guidance, and assistance by continuing our present support of the Dutch Government?

Mr. BREWSTER. The eastern countries were called together in New Delhi by Nehru, the Prime Minister of India, 17 of them, I believe, at the time of the inception of this Indonesian affair, when they were profoundly disturbed over it because it seemed to present a contradiction of our policy in Cuba and the Philippines. We were following a course which seemed to contradict some very brave words we were saying in the Security Council. These eastern people are realists, and how could they reconcile our statements before the Security Council, when the war was in progress with the fact that we were giving the Dutch $350,000,000 or $400,000,000? It is the greatest possible incentive for them to consider that they need not look to us for aid.

Mr. CAIN. Perhaps the Senator would agree it is such a contradiction in itself that it lends encouragement——

Mr. BREWSTER. To the Russian propaganda?

Mr. CAIN. Yes.

Mr. BREWSTER. Beyond any question.

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

Mr. BREWSTER. I yield.

Mr. MALONE. I should like to inquire of the Senator, if he is familiar with the information, whether it is a fact that the Government of the United States furnished certain equipment, and even as a matter of fact trained some of the Dutch troops which are now in Indonesia?

Mr. BREWSTER. That is correct, and we furnished $75,000,000 of our equipment at the close of the war, which they have over there, so that probably many of the bullets which are going into the Indonesians today, in defiance of the Security Council, are American bullets.

Mr. MALONE. Is it not a fact also that there is a unit of marines there, who have been specifically trained in America, and have special equipment, even above and beyond the equipment that is ordinarily found with our own marine divisions?

Mr. BREWSTER. I think there are two divisions there, and they have very special equipment, such as we had in the most modern form supplied for our own troops in the marine divisions.

Mr. MALONE. It is really called a reinforced unit?

Mr. BREWSTER. That is correct. At the time this matter first came up I put into the RECORD various items bearing on this matter, and I shall quote from the CONGRESSIONAL RECORD of February

7, 1949, at page 832 from material which I inserted in the RECORD at that time for the information of the Senate.

I shall quote as briefly as I may from the statement by Ambassador Jessup before the United Nations in order to establish beyond any question what is the precise attitude of our Government in this affair. This was a statement by Mr. Jessup on January 11, 1949:

The United States Government can find no adequate justification for the military action taken by the Netherlands in Indonesia. In many important respects, the reasons put forth by the Netherlands representative at the meeting of the Security Council on December 22 in Paris and again here last Friday as to the justification for their action are not supported by the reports of the Committee on Good Offices.

The Committee on Good Offices I believe at that time was headed by the newest Member of this body, the junior Senator from North Carolina [Mr. GRAHAM], who is perhaps more familiar with the problem we are discussing than is anyone else in the Senate, and perhaps than anyone in the State Department, because of his service for the United Nations in this particular position.

In our view, the Netherlands military action is in conflict with the Renville agreement and with the Security Council's resolutions of August 1 and November 1, 1947.

As the United States delegation has frequently made clear, it is our opinion that these two Security Council resolutions were adopted under the provisions of article 40, chapter VII of the Charter—

The Charter of the United Nations—

and that, therefore, in accordance with article 25 of the Charter, the Netherlands Government was and is under obligation to comply.

I cite that in order that there may be no question as to the position which the Netherlands Government occupies at the present time.

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

Mr. BREWSTER. I yield for a question.

Mr. AIKEN. Has the Senator knowledge as to what has quieted down the American Government's protest over the Dutch exploitation in Indonesia?

Mr. BREWSTER. There have been various explanations in the press, how authoritative I do not know, and 10 or a dozen Senators on the other side of the aisle who were going forward with this resolution were quieted down by some very effective protests. It has been whispered that the North Atlantic Pact was the vital factor in the decision, and unless we went forward with this grant of funds they would not join the Atlantic Pact.

Mr. AIKEN. What good would the Atlantic Pact be in promoting the safety and security of the United States if by winking at the Dutch actions in Indonesia we forced a billion Orientals to look elsewhere for friendship and even trade?

Mr. BREWSTER. That is a tragic aspect of the affair.

Mr. AIKEN. Did not the Dutch claim that one reason why they went into Indonesia was to prevent Communists from obtaining a foothold there?

Mr. BREWSTER. That has also been wrispered about the corridors. As a matter of fact, the Republic of Indonesia suppressed a Communist uprising last spring with a very firm hand, thus showing their attitude.

Mr. AIKEN. Does the Senator believe that the actions of the Dutch are playing directly into the hands of the Communists, and increasing the likelihood of communism overruning other countries?

Mr. BREWSTER. That is the opinion of many Members of this body.

Mr. MALONE. Mr. President——

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield.

Mr. MALONE. I know the Senator from Maine has been a student of Far East affairs, and I should like to inquire of him if there is not evidence to support the thought that the same condition, to a greater or less extent, a matter of degree, obtains not only in Indonesia, but the Malayan states, Indochina, Burma, and other nations of the Near East? That in effect to get away from the oppression such as that the Senator has been describing, they will lean toward any kind of offered security, regardless of what it is, including communism, to relieve them from the long oppression?

Mr. BREWSTER. That is a very natural tendency of humankind. The whole question of colonial imperial policy is to my mind what is evolving out of this situation, and whatever may have been the justification or the wisdom of the course of the governments of the great colonial empires of the last century it seems to me obvious that in the present day, with the development of communication and education, it is no longer feasible for that sort of thing to be perpetuated, and that the attempt to perpetuate it upon these people is going to cause much trouble.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. MALONE. Is it not a fact that over the years, and especially during the time when the Indonesians had control of their own country following World War II, before the Dutch moved back into the country following World War II, many of the younger people had gone to school in other countries and the same obtains in the Malayan States and Indochina and of course naturally they have radios, newspapers, and better communications, and they now know what is going on in the outside world? And are not many of these people, like Dr. Hatta and Mr. Soekarno, the President of the Indonesian Republic and others, a really high type people? In other words, they are not savages, they are not just ordinary jungle folk, but really understood government and knew what they wanted and knew how to run a government. Is not that true?

Mr. BREWSTER. I have not had the pleasure of meeting these gentlemen myself, but I shall quote from the statement of Ambassador Jessup as to that. Certainly that is the position of the Security Council of the United Nations in the decision it has made.

The development of the idea of freedom among these people is not of recent origin. It has been in process of development for half a century, and it finally has reached fruition at this time. I think it is recognized by all that if the British had not moved in following the end of the war and prevented them from asserting their independence there would have been no doubt about the result.

Mr. MALONE. I had the pleasure of meeting the cabinet, and Soekarno, the President of Indonesia, before the Dutch moved in the last time, and it was my considered judgment that they were very capable, highly educated, and understood government.

Mr. BREWSTER. The Senator from Washington, I think, or perhaps it was the Senator from Vermont, spoke about the attitude of the State Department. It is a very curious and anomalous position when we have Ambassadors Austin and Jessup presenting their position before the Security Council and insisting upon the observance of its decrees, and at the same time taking the position of very firmly opposing, as I think it is clear they have before the Committee on Foreign Relations, the adoption of my amendment which would be the most persuasive argument that the Dutch should cease their utterly unjustified action.

Following the presentation of my amendment there was a good deal of flurry in this country, as well as abroad. I received many communications about it. The most interesting happening, and one which I assume could not have taken place without the approval of the State Department, was what Mr. Alan Valentine, who is reported as the head of our ECA mission in Holland, did. Following the statement that I proposed to present this amendment and start off with a resolution, on February 10, 3 days after I had submitted the resolution, Mr. Valentine submitted a long statement to the Dutch Aneta, which is a news agency comparable with our Associated Press, giving his reason for thinking that stoppage of the ECA aid to the Netherlands would be unfortunate. That might be considered as a proper expression of his opinion on the subject, but I go a little further. He was in Washington at the time he made this statement, which I think indicates that he must have discussed it with the State Department.

But then he flew back to Holland and arrived there a couple of weeks later and made a further statement to the Dutch press. There was then going on in the Netherlands Parliament a very earnest discussion about the whole problem of their policy toward Indonesia. Mr. Valentine, our ECA representative, after he had flown back to Holland, said this:

If Congress planned to stop aid to Holland I would not have returned today.

I wonder how Mr. Valentine knew that Congress was not going to stop aid to Holland? Did he have any mysterious power of prophetic vision to tell what the Senate and the House would do? Would

he have dared make that statement unless it had been previously cleared by the State Department? Yet if that is correct, they were deliberately defying the legislative processes of this Government, when an amendment calculated to bring this about was pending, and when their own representatives in the Security Council were denouncing the actions of the Dutch. How far would that go in persuading the Dutch Government to comply with the demands of Mr. Austin and Mr. Jessup?

Mr. MALONE. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield.

Mr. MALONE. In the Senator's opinion is there evidence—and I have reason to believe there is such evidence—to support the conclusion that while the Security Council was communicating these orders and conclusions of the Council to the Dutch in the matter of withdrawing and releasing President Soekarno and Dr. Hatta and others—is there evidence to support the thought that the State Department was at that time secretly encouraging the Dutch and giving assurance that nothing would happen, and just to sit tight?

Mr. BREWSTER. I shall not undertake to bring it in as a secret file, but I think that the statements I have just read by our ECA representative in Holland is the best evidence. If he made statement without authority, then he certainly should be called to book. Certainly the Dutch assume that he was the authorized spokesman of the American Government. They were have a closed discussion in the Netherlands Parliament as to whether they should continue the policy there. There was considerable contention about it. Nothing was more nicely calculated to fortify the group who said, "Do not worry about that. Go right ahead and kill the Indonesians. There will be no difficulty so far as the Americans are concerned."

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. MALONE. In November, or early December, when I was in Indonesia, Mr. Merle Cochran was there as a member of the three-man board appointed by the United Nations to try to bring the opposing factions together. I have not seen Mr. Cochran's report. But I think I am betraying no confidence—it was at least well known in Batavia at that time, where the Dutch headquarters were located, that Merle Cochran and his associates were about to conclude that there were no grounds upon which to get together simply because the three things the Dutch wanted—the money exchange, the police power, and the import and export controls—gave them complete control of the Indonesian Republic and left no grounds for compromise.

To understand the procedure, when a product is sold by an Indonesian to any nation—let us say to our own—for dollars, then the Indonesian does not receive the dollars—they go into the exchange pool. The dollars do not go to the seller. Then Indonesian guilders are paid to the seller in the amount that the Dutch say that the dollar is worth.

They retained the police power and the import and export control through the favored five. I think that is a good expression. Some said six at that time, but the "favored five" was an expression well accepted in Batavia.

Of course, all the Indonesians wanted was some control of their business affairs including their money exchanges, and the police power of their country, including, of course, control of their exports and imports.

As a matter of fact I think the Senator would be familiar with the fact—and he has very well and clearly outlined the situation—that $350,000,000 or $400,000,000 was the current cost of keeping 120,000 soldiers, sailors, and marines of the Dutch Government in Indonesia, with their patrol boats patrolling the harbors.

Their business was to keep any exports from going out. Copra was piling up. Tin was piling up. Spices were piling up by the thousands of tons.

Mr. BREWSTER. And rubber.

Mr. MALONE. And including rubber, all of which we needed desperately. But they would not allow those goods to go out until the Indonesians agreed to allow them to go out through the money exchange controlled by the Dutch. As a matter of fact, the three controls was all that the Indonesians wanted, control of the money, control over the police power, and the control over imports and exports. The Dutch did not give an inch on any of those matters and the Indonesians could not give in and run the government.

I am not quoting Mr. Cochran directly, but at least it was generally understood that that was the situation, and Mr. Cochran was just about as disgusted as a human being could be, as well as his associates, and was about ready to leave. Everyone understood there were no grounds for a common agreement, no grounds to talk about or approach a common agreement. At that time it was proposed by the Dutch to speed up the federation of states organization to take the place of the United States of Indonesia, where they, the Dutch, would retain control of the three arms of the government just mentioned and described, through an interim period, with no definite date set, or no indication of a date when the interim period would end. It was generally assumed that things would continue as before, and that the interim period would never end, but finally continue as before.

Mr. BREWSTER. I think it is very interesting as a laboratory case, to demonstrate how we shall apply the principles of the United Nations to the economic and governmental controls over a people who we have declared are entitled to their freedom.

I continue with the quotation from Ambassador Jessup. Having established that the Netherlands Government, as he says, was and is under obligations to comply, now let us see what they have done. I quote:

> The Netherlands representative has assured the Council that his government has complied with the cease-fire and release-of-prisoners order of the Council. Neither my government nor the Committee on Good Offices consider they have done so. * * *
>
> The orders noted respectively that hostilities had terminated on December 31, 1948, in Java and on January 5, 1949, in Sumatra, and charged the troops to—

This was the order to the Netherlands troops after they had said they had ceased fire—

> To carry out action against roving groups, bands of individuals, who attempt to cause unrest or, as was stated by our representative to the Security Council, to act against disturbing elements, who either individually or collectively endanger public security or interfere with or prevent the supply of food and other essential commodities to the needy population.

And the Security Council is quoted as follows:

> The orders permit the continuation of the very type of military action that would be required against the guerrilla resistance likely to be offered by regular or irregular Republican forces.
>
> As a result of the immobilization of its military observers the committee has no first-hand information as to the effect of the order discussed above. So far as the committee is aware, President Soekarno, Vice President Hatta, and the other members of the Republican Government, who were captured by Netherlands forces on December 19, are still under detention.

That is still true at the present time, so far as any reports we have received are concerned.

> It has been heard unofficially and informally that certain military and naval liaison officers attached to some of the consular officials in Batavia took advantage of a Netherlands offer to conduct them on a tour of some of the military areas on January 5–6. These officers are not the military observers of the Committee of Good Offices and their observations are not available to the committee, even if their tour was the type of field investigation and observation required by the functions of the committee.
>
> The continuance of military action of the Netherlands authorities after the Security Council resolution of December 24 was clearly an act of defiance on the part of the Netherlands authorities. No excuses offered by the Dutch Government can conceal the fact that they have failed to comply with the Security Council demands, both in refusing to cease-fire immediately and in refusing to release the political prisoners immediately. In the opinion of the Government of the United States, the representative of the Netherlands has failed to relieve his Government from the serious charges that it has violated the Charter of the United Nations.
>
> * * * * *
>
> The continuance of military action by the Netherlands forces until all military objectives have been taken cannot be regarded as compliance with the cease-fire order.

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

Mr. BREWSTER. I yield.

Mr. VANDENBERG. As the Senator goes through this record, in order to make it complete, if he has the information, will he indicate for the record what action, if any, the Security Council itself takes each time this question is raised?

Mr. BREWSTER. I have only the record of the repeated votes which have been taken in regard to the matter, accepting the report of the committes of the United Nations which have jurisdic-

tion. The membership of the Council have never passed any resolution, so far as I know, condoning, or doing otherwise than condemning the action of the Dutch Government. I shall, of course, defer to the much more adequate sources of information possessed by the highly respected senior minority member of the Committee on Foreign Relations.

Mr. VANDENBERG. Mr. President, will the Senator further yield?

Mr. BREWSTER. I yield.

Mr. VANDENBERG. I think the Senator's record is entirely accurate as he is reading it. I am simply wondering whether he has any record of any movement by the Security Council itself to implement its orders or to bring to a conclusion, by way of sanctions, any of the criticisms which have been made.

Mr. BREWSTER. If the Senator means by that whether they have ever taken any action to implement it by sanctions, I do not think they have.

Mr. VANDENBERG. Have they not in each instance—and this is not in controversy with the Senator's position at all, because I am simply trying to keep the record straight—left the whole matter still in the field of negotiation, apparently still hoping for the process of negotiation to produce an ultimate satisfactory result? Is not that the record?

Mr. BREWSTER. I think that is probably a fair statement of the attitude which they have taken. Whether that is adequate to cover our interest or obligations is something else again.

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

Mr. BREWSTER. I yield.

Mr. AIKEN. I ask the Senator from Maine what steps the Security Council could take that would be effective in correcting the situation if the Dutch simply refused to withdraw from their operations.

Mr. BREWSTER. I think one of the grave difficulties has been the position of the Russian with their veto, as that has entered into the picture. I shall read, when I have opportunity, from a statement by Ambassador Jessup with respect to the attitude of the Soviet Government, who have been inclined to block any action looking to this end.

Mr. AIKEN. Would that indicate in the mind of the Senator from Maine that the Soviet Government thought it was distinctly advantageous to the spread of communism to let the Indonesian campaign continue?

Mr. BREWSTER. That is certainly the opinion of Ambassador Jessup, who states it in unequivocal terms. I shall read what he had to say as to the attitude of the Soviet Government, and why they had paralyzed the action.

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

Mr. BREWSTER. I yield.

Mr. MALONE. I should like to ask the Senator a question. Is there any action which the Security Council could take beyond a request which faced an obvious Russian veto?

Mr. BREWSTER. I suppose they could impose sanctions.

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

Mr. BREWSTER. Certainly.

Mr. VANDENBERG. There are other actions which it could take. The treaty spells out a series of steps to be taken whenever the Security Council finds its orders resisted. There is a series of specific steps under one chapter, until they finally reach the use of force under a subsequent chapter. The only question I was raising, in order to keep the record quite straight, was that the Security Council has never yet proceeded beyond the first step, which is the step of negotiation under the chapter dealing with pacific settlements. While there may be a fear of a Russian veto, it has never been tested out, as a matter of fact, has it?

Mr. BREWSTER. I shall read what Mr. Jessup says on that score, as to his estimate of the Russian attitude and action.

Mr. VANDENBERG. Again, I am not arguing with the Senator on the merits of the question, and I am certainly not quarreling with him with respect to his view about Indonesia. I want to be sure that the record itself is straight. Am I not correct in saying that the Security Council has never put the matter to a vote in respect to any of these opportunities—to put it mildly—which are offered to it in the Charter, if it wishes to proceed to action?

Mr. BREWSTER. I should like to read what Ambassador Jessup has to say.

Mr. MALONE. Mr. President——

Mr. BREWSTER. Just a moment. I should like to reply to the Senator from Michigan. Mr. Jessup says:

> Every other member of the Council attended the meeting on December 20 except the two Soviet representatives.

They blocked action by refusing to attend.

> The United States also took the initiative in conjunction with the representatives of Colombia and Syria in proposing a resolution to the Security Council to deal with the situation, but the Soviet representative refused to support this resolution. He later tried to cover up this further attempt to prevent the Security Council from acting by introducing a resolution of his own which he knew could not be adopted by the Council.
>
> More fundamental, however, than these obstructionist tactics in the Security Council is the fact that the Soviet Union is fundamentally opposed to the Government of the Republic of Indonesia and has itself through the Communist Party, which is, of course, its mouthpiece throughout the world, sought to undermine and overthrow this government. No one doubts that the Communists in Indonesia like the Communists throughout the world are responsive to and act in accordance with instructions from Moscow. The Communist revolt against the government of President Soekarno and Premier Hatta was thus an effort on the part of the Soviet Government to overthrow the Indonesian Republic. Furthermore, when the resumption of hostilities by the Netherlands Government against the Indonesian Republic took place, the official Communist line as printed in the Communist press instead of deploring this action, openly gloated that this action was a punishment for the government of President Soekarno and Premier Hatta who had successfully put down the Communist revolt. The Communist line, which I again repeat means the line of the Soviet Government, accused that distinguished statesman of the Indonesian Republic, Dr. Hatta, of being a traitor to his country. At the very time when editorials were appearing to this effect in the Communist Party organ in Paris, the Soviet representative on the Council sought to cover up the actual policy of his government by identifying himself with the Council's endeavors to insure the release of Dr. Hatta and other political prisoners.

Again showing the same devious course of Soviet diplomacy.

> These are the facts on the record which are known to the world and which reveal that the Soviet Government has no interest in supporting the government of the Indonesian Republic or of restoring peace to Indonesia.

There is some question whether we want to do it, when we are doing what we are, but certainly Ambassador Jessup is very clear that the Soviet Government does not desire it.

> On the contrary, it is following its familiar tactics which it has used in Korea, in Greece, and Berlin, and again now in Indonesia, and which have been described in the speeches of many delegates in the last session of the General Assembly, namely, seeking to overthrow a lawful democratic government and to undermine its authority.

That is precisely what I feel we are doing by the contribution of $300,000,000 to a government which is trying to crush that very government.

Mr. VANDENBERG. The Senator from Maine is not arguing with me in respect to the statements he is reading. Nothing he is reading even bears upon the question I discussed with him, which was simply the bare question of whether the Security Council had ever taken action.

Mr. BREWSTER. I was trying to apply it to the statement about whether it had ever taken action. Perhaps I should have paused and should have called more loudly. The words were that—

> The United States also took the initiative in conjunction with the representatives of Colombia and Syria in proposing a resolution to the Security Council to deal with the situation, but the Soviet representative refused to support this resolution.

Is not that definite enough for the Senator from Michigan?

Mr. VANDENBERG. The only point the Senator from Michigan is trying to make perfectly plain the record, because ultimately it will become of importance in the argument——

Mr. BREWSTER. Yes.

Mr. VANDENBERG. Is that the Security Council has never undertaken to implement the various decisions it has made, as correctly reported by the Senator from Maine, in respect to the Indonesian situation.

Mr. BREWSTER. How does the Senator from Michigan interpret the statement about which I have raised the point, in referring to the Soviet attitude? What does this language mean:

> but the Soviet representative refused to support this resolution.

It was a resolution which Ambassador Jessup said was calculated—

> to deal with the situation.

Mr. VANDENBERG. Whatever the procedure was, nothing happened.

Mr. BREWSTER. Nothing happened because the Russian veto was imposed.

Mr. VANDENBERG. I am not arguing as to why or how it happened. I am saying there was no order at any time from the Security Council. I simply wish to make that plain. Perhaps there should have been and perhaps I am just as sorry as the Senator from Maine is that there was not. But the fact I am trying to establish is, purely as an abstract fact—without any challenge to the enthusiastic sympathies of the Senator from Maine in this matter—simply the fact that it has been, let us say, impossible for the Security Council to issue an order under any of the sanctions available to it, or at least it has not done so.

Mr. BREWSTER. My reply to the Senator from Michigan was that I thought it was a result of a Russian veto. If that were the case, if Ambassador Jessup is correct when he says the Soviet representative blocked the resolution proposed to deal with it, it seemed to me that the Senator from Michigan was seeking to establish this as a basis for later saying that we should not do anything about it because the Security Council did nothing about it.

If I am correct that the Soviet representative blocked the Security Council from doing anything, I do not think that is an answer as to what we ourselves should do if there is anything appropriate and proper that we can do.

Mr. VANDENBERG. I am not arguing that with the Senator from Maine at all.

Mr. BREWSTER. I think the Senator from Michigan will argue it.

Mr. VANDENBERG. I simply wish to establish a fact for the record.

Mr. BREWSTER. I have undertaken to establish the fact that the reason why the Security Council did nothing—and I gather the impression that to the Senator from Michigan that was a very important fact to establish, because he is not accustomed to wasting his ammunition on mosquitoes [laughter]——

Mr. VANDENBERG. Mr. President, if the Senator from Maine is referring to himself and to me in that connection, I can assure him that there is no mosquito and no ammunition. [Laughter.]

Mr. BREWSTER. Mr. President, if I am correct in saying that the reason why the Security Council has taken no action is, as Mr. Jessup states, that the Soviet representative refused to concur, then it seems to me that we enter another field, to which I shall seek to address myself in a moment—namely, the question whether there is anything we can do about it, or whether we are absolutely paralyzed by the action of the Soviet Government.

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

Mr. BREWSTER. I yield for a question.

Mr. MALONE. I think the Senator from Maine is establishing beyond all doubt that the Security Council either has gone as far as it felt it could go with a veto staring it in the face, or else it was considering the double-barreled proposition that the Council itself wanted to make a showing and still wanted the Dutch to continue to control the Indonesians. Does the Senator agree with that line of reasoning?

Mr. BREWSTER. That is what seems to me to be indicated by this record.

Mr. MALONE. I think the record is clear.

Mr. BREWSTER. Mr. President, I resume reading the statement by Ambassador Jessup, speaking on January 11:

> The Soviet Union does not want an independent Indonesia. It wants an Indonesia under the domination and control of a Communist minority taking its orders from Moscow. Anywhere in the world when a Communist government climbs in through the window, independence is kicked out of the door.

I am sure we shall not quarrel about that.

Then he states our position now:

> The Government of the United States on the contrary has viewed with admiration the efforts of the Indonesian people both in the Republic and elsewhere to gain their independence and has steadfastly sought to support them.

Mr. President, I wonder what an Indonesian who had been killed with a bullet furnished by the United States would think about that statement—"has steadfastly sought to support them."

I read further:

> It still takes that position and it is for this reason that it has taken the lead in endeavoring in the Security Council and in the Good Offices Committee to bring about a peaceful adjustment of the difficulties between the Indonesian Republic and the Netherlands Government and to establish the United States of Indonesia as one of the fully sovereign and independent peoples of the world.

That, Mr. President, it seems to me, establishes very clearly what is our position on the record.

Now I wish to quote the following:

> Probably the most striking and clearest disregard of the orders of the Security Council is to be found in the refusal of the Dutch authorities to release President Soekarno and Prime Minister Hatta and the other leading officials of the Government of the Republic of Indonesia.
>
> * * * * *
>
> The Republic of Indonesia represents the largest single political factor in the projected federation and should therefore have a voice in the formation of the federation. The Republic has a twofold nature. Firstly, it is a political entity and secondly, it is the heart of Indonesian nationalism. This latter attribute cannot be eliminated by any amount of military force. The Netherlands Government may find that far from assuring law and order in the Indies the action they have embarked upon may instead let loose forces of terror, chaos, and sabotage. It may well be that the only victory will be that of the forces of anarchy.

That is the considered opinion of our own representative in the Security Council, within the past 2 months, as to what is the wise course so far as this situation is concerned.

Now, Mr. President, I come to the position of the Security Council and its relationship to the Soviet Government:

> It cannot be denied that despite the efforts of some governments of states which are members of the Security Council, this body has not yet succeeded in overcoming the obstacles which have been placed in the path of achieving a peaceful settlement in Indonesia. The responsibility of the Netherlands Government for this lack of success has already been made clear. Another obstacle has been created by the action of a member of the United Nations which has in many parts of the world sought to obstruct the successful operation of the United Nations. I refer to the Soviet Union.

Mr. President, if that establishes, as I believe it does, with sufficient clarity what has transpired thus far, then I wish to address myself for a moment to the United Nations. I have previously stated that I have found great difficulty in understanding how the Netherlands Government could sign the North Atlantic Pact, when its initial article declares that—

> The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Mr. President, the Netherlands Government contends this is not an international problem. However, the Security Council of the United Nations has obviously found otherwise. That being the case, it is a clear case of whether the Charter of the United Nations is to control or whether it is to be the prey of everyone who shall presume to defy it.

The very basic act we are considering here refers, in section 121, to the United Nations, as follows:

> (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this title * * * (b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.
>
> What an anomaly, when we report to the United Nations Security Council that we have given $400,000,000 to the country that is defying the order of the Security Council. What would anybody conclude as to the schizophrenia that affects the people of the United States and its Government, when with one hand it says, "Let us scotch the Dutch," and with the other we give them the instruments with which they may defy us?

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

Mr. BREWSTER. I yield.

The PRESIDING OFFICER. Does the Senator from Illinois desire to be recognized?

Mr. DOUGLAS. I simply desire to ask a question.

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Illinois?

Mr. BREWSTER. I yield for a question.

Mr. DOUGLAS. Does not the case outlined by the Senator indicate the very tragic choice of alternatives which the American people and the Senate must make? On the one hand, I think we are all indebted to the Senator for pleading the case of the Indonesian people, who, in my judgment, have been treated un-

justly by the Dutch, and in whose behalf I believe the United Nations should act.

Mr. BREWSTER. Could the Senator use stronger language than "unjustly"? "Shameful"?

Mr. DOUGLAS. I will say unjustly. On the other hand, Holland is a western European nation, and we do not want western Europe to be overrun by the Russians. Holland is an integral part of the western European community, which we wish to protect.

Mr. BREWSTER. Will the Senator yield at that point for the comment that, if they would take those 120,000 troops back to Holland, they would be much better of so far as the threats are concerned?

Mr. DOUGLAS. The question is just how far we can insist that states whom we regard as our allies, insofar as Communist Russia is concerned, shall be required to conform to standards of high conduct in order to qualify for our aid. I am deeply disturbed by the question which the Senator raises, and I think all people of good will should be. But it does seem to me that the action of the American Government should not be held up to the censure to which the Senator subjects it, because in a very hard and difficult set of choices it has on the one hand tried to protect the Indonesians, but at the same time has not felt it should withhold aid from Holland in the fear that if they did that they would make a breach in the western European union which we hope to build up against communism.

Mr. BREWSTER. I assume the Senator from Illinois refers to the question whether they might not join the Atlantic Pact if we were not to give the aid.

Mr. DOUGLAS. Yes. That is right.

Mr. BREWSTER. I think we are all deeply indebted to the Senator from Illinois for bringing that argument very definitely to the floor. It has not been uttered openly, so far as I know, up to this time, although I think we have all realized that was intended. I think we are paying altogether too high a price for the cooperation of the Netherlands—sacrificing the blood of the Indonesians in order to secure the cooperation of the Netherlands, who have not demonstrated the capacity that would be worth the price of the loss in moral standing which I think we would suffer as a result.

Mr. DOUGLAS. I do not want to interrupt any further, but I should like to say that it is a very, very difficult choice we have to make, and yet we certainly do not want the Communists to overrun western Europe.

Mr. BREWSTER. I think if the question of the Communists overrunning western Europe is dependent upon the Netherlands, we are pretty far gone.

Mr. DOUGLAS. It is not wholly dependent on the Netherlands, of course, but they are one link in the chain of allies.

Mr. BREWSTER. Does the Senator mean to intimate that if we did not give the money, and they refused to join the Atlantic Pact, they would take hostile action so far as we are concerned, or so far as their security is concerned? What would they do? What would be the result if we did not give them the money?

Mr. DOUGLAS. I do not think anyone knows.

Mr. BREWSTER. We have got to project it. I mean, the Senator is anticipating they would refuse to join the Atlantic Pact. I say, all right, what of it? What would happen if they did not join? Why are they so vital? What was the story of the last World War, and of the First World War? But I think we are indebted to the Senator for bringing the argument out on the floor and intimating that the Indonesians must be sacrificed——

Mr. DOUGLAS. No.

Mr. BREWSTER. For our security in western Europe.

Mr. DOUGLAS. No.

Mr. BREWSTER. That is the plain and inevitable logic of the argument the Senator presents.

Mr. DOUGLAS. May I correct the Senator on just this point?

Mr. BREWSTER. The Senator may ask me a question.

Mr. DOUGLAS. I was merely trying to put into words the conflicting struggle that goes on in the hearts of every one of us when this issue is raised.

Mr. BREWSTER. I am trying to put into words what happens in my heart also.

Mr. DOUGLAS. Yes.

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

The PRESIDING OFFICER. If the Senator will indulge the Chair for a moment, the Chair will not recognize any Senator unless the ordinary rules of parliamentary procedure are recognized by the Senator who seeks recognition. The Chair respectfully requests that the Senate follow the ordinary rules of procedure.

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

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield.

Mr. MALONE. I think as the distinguished Senator from Maine has suggested, we are indebted to the junior Senator from Illinois for bringing this cut into the open. We have been a little reticent in saying much about it, but I think it is a good thing. As a matter of fact, I ask the Senator from Maine if we are not now right up under the gun and faced with the necessity of making a decision? Do we believe what we said in the United Nations Charter, when we organized it at San Francisco? I attended the organization meeting in 1945, and I seem to remember that some of the faces I saw there I now see in this body. Do we believe what we said there, namely, that all nations should have a spot in the sun? Do we believe the ritual that we wrote down? I had little to do with it, but I say "We" because we all agreed it was a good start. Are we going to live up to that, or are we going to say that the countries of southeastern Asia, Indochina, and the 73,000,000 Indonesians, must, as the distinguished Senator has already said, be sacrificed? Are we to go back on the great document we wrote at San Francisco? It seems to me I saw the photographers very busy with everyone signing something at San Francisco, all deeply interested in completing the document. Are we now to repudiate it, and say that 8,000,000 people shall rule 73,000,000 people who have set up their own government? Are we not right up under the gun now, I ask the Senator from Maine? Must we not make the decision now, whether we believe in the gospel we have been spreading all over the world, or are we going to say that from now on we must protect the colonial system in Asia and Africa, and throughout the world, and hold the status quo with our own money, as the Senator from Maine has so ably suggested?

Mr. BREWSTER. As I have said, I feel there are many aspects of this thing, Mr. President, which suggest Ethiopia and Manchuria; there is a very sinister analogy in the position which is being taken. If I may be indulged for a moment, I should like to read——

Mr. MORSE. Mr. President, will the Senator yield for one or two questions?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Oregon for a question?

Mr. BREWSTER. I yield.

Mr. MORSE. Am I correct in my understanding that the major thesis of the Senator from Maine is that in respect to the Indonesian problem, it is his view that the Netherlands failed to keep faith with the spirit and the intent of the United Nations Charter?

Mr. BREWSTER. I was about to read some of the passages from the United Nations Charter, if the Senator will indulge me, and I should be glad to have him inquire of me how they can be construed otherwise. Article 2 of chapter 1, section 2:

All members—

And the Netherlands Government is a member.

All members, in order to insure to all of them the rights and benefits resulting from membership, shall fulfill in good faith the obligations assumed by them in accordance with the present Charter.

Paragraph 3 provides:

All members shall settle their international disputes by peaceful means in such a manner that international peace, and security, and justice, are not endangered.

The Netherlands Government, of course, contend that it is not international, because it is their colony. The Security Council has decided otherwise.

Paragraph 4:

All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any member or state, or in any other manner inconsistent with the purposes of the United Nations.

Now, paragraph 5. This really seems to me to have a very pertinent application not only to the Netherlands, but to the United States of America:

All members shall give the United Nations every assistance in any action it takes in accordance with the provisions of the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

My good friends may argue that the United Nations are not taking any preventive or enforcement action. They have taken, apparently, as much action as the Soviet veto will permit. If we are, then, to conclude that any time the Soviet veto is interposed we are to be free from all moral and other obligations to assist in any way, that we may go forward and give hundreds of millions of dollars to nations which are defying the Security Council, I say the United Nations Charter is not worth the paper upon which it is written, and it will go down to the same inevitable destruction that I witnessed in the League of Nations, on the shores of Lake Geneva, where the League of Nations had been endangered because it could not act in Ethiopia or Manchuria.

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

Mr. BREWSTER. I yield.

Mr. MORSE. The Senator having read pertinent passages from the United Nations Charter, is it his conclusion that the Netherlands, in respect to its conduct in relation to Indonesia, has not kept faith with the spirit and intent of the United Nations Charter?

Mr. BREWSTER. I am not talking about spirit or intent. I have read chapter 5, the Security Council composition. Listen to this—it is article 25:

> The Members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the provisions of the present Charter.

If the Dutch Government can justify, in any forum of mankind, their attitude, when the Ambassador himself said, before the Sulgrave Club, within the past 2 weeks, that he refuses to carry it out, I do not think there can be any question as to the deliberate defiance of the Security Council of the United Nations, in plain violation of article 25 of the Charter.

Mr. MORSE. Now that the Senator from Maine has definitely made the statement that, in his opinion, the Dutch Government is in defiance of the United Nations Charter, is it true that the findings of every official body that has gone into the Indonesian matter have been against the Dutch Government, including the findings of the international commission of which the new Senator from North Carolina [Mr. GRAHAM] was the American representative and chairman?

Mr. BREWSTER. That is correct; and it is very interesting to note that the Dutch named Belgians for their representatives, the Indonesians named Australians, and the United States representative was designated as a neutral, and not only the Australian representatives, but the United States representative, and the Belgian representatives named by the Netherlands Government concurred in every one of the conclusions and recommendations, which is rather conclusive as to where equity and justice lie.

Mr. MORSE. It is true, then, is it not, as stated, that the findings and conclusions of these impartial bodies have been against the Dutch Government?

Mr. BREWSTER. In every instance, so far as I know. They refused to carry out one recommendation. The Security Council could not act. The United States regretted it, but could not secure the action desired.

Mr. MORSE. Then, is it the opinion of the Senator from Maine that this defiance on the part of the Dutch Government, its refusal to comply with the recommendations which had been made in good faith, is a very emphatic denial of the soundness of the position taken by our own United Nations representative, Mr. Jessup, which places us in a position in which, prior to the signing of the North Atlantic Pact, one of the prospective members thereof has already made a record, so far as international understandings are concerned, that she and she alone will be the interpreter of the application of any international understanding with respect to her obligations thereunder?

Mr. BREWSTER. That is the plain import of the statement of the Netherlands Ambassador in Washington, within the past week, that he defies and refuses to comply with the orders of the Security Council.

Mr. MORSE. It is also the position of the Dutch Government that if we do not give her the funds under ECA which she would receive under an extension of the act, we may suffer, so far as our national self-interest is concerned, in western Europe, because we do not accept what, to me, would appear to be an international blackmail on her part or a demand for international bribery in order to get our cooperation in respect to our interest in checking the onrush of communism in Europe.

Mr. BREWSTER. That was the difficulty I found with the argument of the Senator from Illinois.

Mr. MORSE. Has it been the observation of the Senator from Maine that in human relations, either as individuals, or as members of groups to which we may belong, even within a family of nations, when one individual or one group or one nation lays down a demand for a course of conduct based upon, shall I say, at least an amoral premise, if not an immoral premise, usually any joint enterprise entered into with such a nation or individual or group is bound to fail even at the time the birth of the enterprise takes place?

Mr. BREWSTER. It is certainly entered into under most unhappy auspices.

Mr. MORSE. May I now ask the Senator from Maine if he knows, since the signing of the United Nations Charter which contains the World Court section and which, incidentally, as the Senator knows, has an interesting reservation on our part in regard to the determining of what is a domestic issue, whether any widespread attempt has been made by member nations to submit for determination to the World Court controversies which involve misunderstandings as to international agreements?

Mr. BREWSTER. I do not know to what extent that has been carried out. Of course, that was the design of the Court, but we have heard very little of its operations.

Mr. MORSE. I have one or two more questions along that line. Does the Senator from Maine think it is both interesting and regrettable that the World Court section of the United Nations Charter is, comparatively speaking, pretty much a dead letter?

Mr. BREWSTER. I think the Senator from Oregon was equally concerned with me in the entire Palestinian controversy, where the deliberate violation of all the nations concerned led to a terrible holocaust for a considerable period, which would have been instantly resolved if it had been submitted to the United Nations.

Mr. MORSE. Does the Senator agree with me that the record to date, by way of attempt to resort to the World Court jurisdiction, has been one of great paucity so far as member nations are concerned, in the endeavor to take an appeal to the World Court for determination of a great many issues which have arisen and which really involve misunderstandings over international agreements and international law?

Mr. BREWSTER. I think it is perfectly clear that it is only as we build up those experiences and adjudications and submissions over a period of years that we shall clothe the World Court and the United Nations with the majesty and authority which will be essential if world peace is to be preserved.

Mr. MORSE. Does the Senator from Maine know of any record made by the United States, for example, by way of an offer of submitting, in the very early stages of the dispute over Berlin, questions as to the meaning of the Potsdam agreement to the World Court for determination?

Mr. BREWSTER. I have no knowledge as to that happening.

Mr. MORSE. Does the Senator have any knowledge of any attempt on our part to get the other nations to submit to the World Court for determination any of the questions concerning Palestine, involving alleged disputes over international agreement or breaches of international agreements?

Mr. BREWSTER. I think I can speak with somewhat more authority on that, because I was urging such a course repeatedly throughout all the period of the discussions and was never able to find any receptive ears.

Mr. MORSE. Does the Senator from Maine share the opinion of the junior Senator from Oregon that to date even our own Government has not made any record which shows any apparent immediate intention on its part to submit to the World Court for adjudication some of the issues which have given rise to misunderstandings over international agreements?

Mr. BREWSTER. I think that is regrettably true.

Mr. MORSE. My last question is this: Does the Senator from Maine share my view that we should not take the position that it is too late really to try to adjudicate in a tribunal such as the World Court some of these issues, and in this particular instance at least make an endeavor to ascertain whether under the World Court Charter there is a basis for jurisdiction—mark my words, a basis for jurisdiction—on the part of the

World Court to make a determination of any facet whatsoever of the Indonesian matter?

Mr. BREWSTER. I would welcome any steps along that line, although I think the Senator from Oregon would agree with me that this would probably present one of the most difficult cases in which to find a juridicial problem, because of the way it has developed. The Committee on Good Offices of the Security Council would probably be a more practical and effective approach, if it could be fortified by the Security Council and by the United Nations.

Mr. MORSE. It would not be a very good test case, the Senator from Oregon is willing to admit, but he would hasten to add that nations possessing clear good faith, in a desire to maintain peace in the world, have within themselves the power to waive some jurisdictional technicalities in order to submit some of these issues to the World Court for determination.

Mr. BREWSTER. I think the Netherlands Government, in view of its great obligations to humanity, particularly to this country for whatever we have been able to do in helping them, owes far more consideration to our viewpoint, as officially expressed in the Security Council, than has thus far been advanced. I think that is a matter of profound regret. I have a great deal of admiration for much the Dutch people have done. I spent some days in Holland last fall, and I met some of the Dutch statesmen in the Interparliamentary Union, and they are in many respects fine citizens. It has been all the more regrettable to me to see the policies which have been adopted in the present situation, in many respects characteristic of many of the colonial administrations, because there are some of the same problems in French Indochina, in Morocco, and representatives of our own American Legion are here today begging for relief from an indefensible course of conduct. It is typical of the eighteenth-century colonial imperialism, and I believe we should recognize, and I think the governments of Europe should recognize, that we must move more rapidly ahead.

Mr. MORSE. Will the Senator permit me to ask him if he agrees with me, in view of the fact that we have to take the necessary steps to make our Government secure from the standpoint of defense, by way of developing our own national security forces, by way of protecting our loans made necessary to peoples in other countries who are willing to take a stand for freedom, that it is regrettable our own country, while at the same time it is preparing for security, has not made a better record in making use of the peaceful procedures of the United Nations Charter, through the World Court, for an adjudication of a great many of these issues over international law which that tribunal was set up to determine?

Mr. BREWSTER. As I said, I think it is a matter of profound regret that there has not been more use of these agenices, and I hope that as time goes on it will come.

Mr. MALONE. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield for a question.

Mr. MALONE. I should like to ask the Senator just one question following the line of reasoning of the junior Senator from Oregon.

In the first place, I wish to take the time to pay my compliments to Merle Cochran, who was the representative from the United States on the three-man board heretofore referred to. I would venture to say that he did as fine a job as it was possible to do, and admittedly found no ground for compromise.

I also wish to pay a compliment to Mr. Livingood, our ambassador there, who is a hard worker, sincere and competent, who offered full cooperation at all times.

Would the Senator say that the attitude of the Dutch Government in openly defying the Security Council compared very favorably, in only a matter of degree, with the Russian attitude on the veto?

Mr. BREWSTER. I think it is much less defensible, because the Russians, after all, when they exercise the veto are exercising a right admittedly bestowed on them by the Charter. They are complying with the Charter. When they refuse to obey a proposal of the Security Council they are deliberately defying obligations which they themselves have undertaken.

I wish to conclude, if I may, in a moment. I have taken more time of the Senate than I had expected, but in emphasizing, in conclusion, my position in this matter, I desire to point out the high hopes with which we entered into the United Nations, and for that purpose I venture to quote the distinguished senior Senator from Michigan [Mr. VANDENBERG], who was at that time, in June 1945, the ranking minority member of the Committee on Foreign Relations, who later was chairman, and who perhaps along with the senior Senator from Texas [Mr. CONNALLY], the present chairman of the committee, certainly did as much as any other individuals toward the evolution of the United Nations. I shall never cease to pay tribute to the work of these Senators in bringing the United Nations into being, and so handling the very difficult problem within the United States Senate that, as I recall, there were only two negative votes when the report was presented to the Senate and they recommended it to us for adoption. At that time the Senator from Michigan was expressing his very high hope and his profound interest, which was shared certainly by not only every Member of the Senate, but by every citizen of the United States.

I quote the Senator's language, on page 6982 of the CONGRESSIONAL RECORD of June 29, 1945:

> You may tell me that I have but to scan the present world with realistic eyes in order to see these fine phrases often contemptuously reduced to a contemporary shambles. You may tell me that some of the signatories to this Charter practice the precise opposite of what they preach even as they sign.

Never were words more true of the position of the Dutch Government when this week it comes here to sign the document which it is itself deliberately defying.

> You may tell me that the aftermath of this war seems to threaten the utter disintegration of these ideals at the very moment they are born. I reply that the nearer right you may be in any such gloomy indictment, the greater is the need for the new pattern which promises at least to try to stem these evil tides. The nearer right you are, the greater becomes the importance of this new self-denying ordinance which promises a chastened view in 50 capitals of this earth.

It is those words with which I plead tonight that we ourselves, as the leader in the United Nations, shall use every proper power we possess to see that the decisions of the Council are implemented and secured, rather than to stand before the nations in cynical disregard of the decisions of that Council, giving $400,000,000 to a country which deliberately defies the very obligations they have themselves assumed.

I continue to read:

> And all the time it invokes the moral pressures of the organized conscience of the world, functioning through this organization, upon any nation, big or little, which ignores this pacific routine and draws its ruthless sword.

And the Netherlands Government has drawn its ruthless sword, as evidenced by their own representatives, selected by them, in the Committee on Good Offices.

> This special and particular authority may be looked upon as special and particular privilege. But, in the last analysis, it is the privilege of serving the world. If it ever becomes a selfish privilege, an exploited privilege, this organization will die of cancer.

If the Senator from Illinois is correct that we must pay the price of the North Atlantic Pact, and of the Dutch entry into it by sacrificing the Indonesians, I say that this organization is coming to the same sad end that visited the League of Nations.

For myself—

Said the Senator from Michigan—

> I decline to write any such obituary in anticipation of a funeral which never need occur. But I do not for an instant blind myself to the overriding fact that these responsibilities, these authorities, these privileges which the great powers thus accept are the most sacred public trust ever created in the affairs of men. It is indispensable that this obligation be accepted in this spirit by all concerned.
>
> * * * * *
>
> If America is to assume the moral leadership of a better world in which we have fought our way to glorious eminence, we can scarcely be content to be among the last who care or dare to speak when this United Nations' roll is called.

Those were the great words of the Senator from Michigan. I do not challenge the sincerity or devotion of the Senator from Michigan or the Senator from Texas in their earnest desire to build a structure that shall endure, that shall not go the way of the League of Nations, which failed and faltered when the test came. Nor do I challenge their sincerity in questioning whether our action at this time should be in accordance with the views advanced by the Senator from Maine. But I do ask that they consider seriously what must be the judgment of

mankind, of all the other peoples of the world, when they see that we cut off, if you please—Senators speak of sanctions—we cut off $15,000,000 to the Dutch East Indies. That is a sanction, if you please. If we can cut off $15,000,000 to the Dutch East Indies because of the action of the Dutch Government, why can we not, a fortiori, cut off the $400,000,000 draft to the Dutch Government which is able to carry out this devastating warfare only by reason of the aid which we ourselves are extending both in arms and in a financial way.

I will quote only one more item. I quote from the New York Times of last Sunday. The headline is as follows:

PESSIMISM INCREASING AMONG LEADERS AT UN—ATLANTIC PACT CONSIDERED NECESSARY, BUT A BLOW AT WORLD ORGANIZATION

This is an article by Mr. Thomas J. Hamilton, an accredited reporter of the New York Times, in a special from Lake Success, and I quote one paragraph to account for this pessimism.

LAKE SUCCESS, March 26.—Rightly or wrongly, a considerable number of delegates and United Nations employees saw a sign of the times in President Truman's announcement Thursday that he could not spare the few hours he would have needed to come from Washington April 10 to lay the cornerstone on the new United Nations headquarters in Manhattan.

Pessimism was already prevalent, for the prestige of the United Nations organization took a nose dive during its Paris meeting last fall. It has had its ups and downs since then—over Palestine, Kashmir, and Indonesia.

* * * * *

As an example, the unwillingness of the United States to compel the Netherlands to comply with the Security Council resolutions on Indonesia is due, of course, to the complications this would create for one of the key members of the North Atlantic Pact.

But how can we expect to reconcile our attitude with the plain records which here prevail?

I have, in conclusion, a letter written by a young man who served in the Dutch East Indies, who is now living on Long Island. He arrived there within the past 2 days. The letter is as follows:

SIR: I was most grateful and happy to hear on the radio yesterday that you are considering cutting off the Dutch from Marshall plan aid unless and until they conform to the direction of the United Nations in relation to Indonesia.

I hope never to serve in the southwest Pacific again, but if I do, I hope that the native population will receive the American flag with the same friendliness and respect that they did several years ago. One of the most inspiring events of my life was to note the respect of the American flag in the Philippines. It was not accident that this was the first time in the world's history that a foreign flag was welcomed back. I worked with Indonesians rescuing American airmen in Dutch New Guinea and watched the Dutch, like jackals, following in our wake, and imposing the old colonial pressure on these nice human beings. The Javanese hate the Dutch and they have every reason to. The Dutch in Indonesia were pro-Nazi in good part. Those who sought shelter in Australia sat out the war in leisure and comfort. The Dutch in Europe folded up in 4 days, in Java in 9 days. We have been lending money in fantastic amounts to a political and economic unit numbering less than New York City. Their treatment of the Indonesians since the war has shown that they are without honor among nations.

They realize or recognize no moral issues in Indonesia and would resubjugate a race that they have cruelly exploited for over 300 years. We cannot, without failing in every concept of liberty, continue to support these cruel, monopoly- and cartel-minded people. We should arm the Indonesians and give them equal chance to defend and regain their liberty. For 6 months after the war they could have taken all the Dutch and thrown them into the ocean. They bargained, however, in good faith with them all the while the Dutch were rearming. Our whole honor everywhere in Asia is at stake. We can no longer fool Asia and I am confident that if the American people knew the whole issue they would not only castigate the Dutch but our State Department and all those who have permitted the Dutch to use American arms, airplanes, ammunition, etc., in this foul cause.

That comes from the heart of a GI who served in the Dutch East Indies during the war. It is a sufficient testimonial as to the attitude of many of our young men who fought in what they conceived to be the cause of human liberty.

Mr. President, if I have expressed myself with more emotion than is proper for one in the deliberations of this body, I trust it will be charged to the intensity of my feelings. Nothing other than the future development and progress of the United Nations is here involved. As certainly as we permit this monstrosity to go on, so certainly the marvelous hopes which we experienced when we were thrilled by the presentation of this Charter to this body by the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] are doomed to disappointment. We cannot erect any sort of structure of enduring world peace upon the shambles of a disgraceful action of this character.

Soon there will be tests as to our moral stamina and as to our agreements, and as to whether we have the fortitude to carry them out. As Winston Churchill said in denouncing the Palestine activities, soon there will be tests which will require the fortitude to observe our obligations and our interests that will be far more of a challenge than any we have yet faced. Then the confidence of all the nations in the world in the security of our word and of our determination will be the mightiest asset, greater than armies, greater than reserves, greater than any single element we can bring to bear.

That is why I hope very earnestly that this amendment may be adopted as a recognition that America at least still adheres to the high ideals which animated this people when we subscribed to the United Nations Charter.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. Did the Senator from Maine intend to send to the desk an amendment which he proposed to offer? There is now an amendment pending.

Mr. BREWSTER. There is an amendment on the desk which I submitted last night, and which I shall call up at the proper time.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. May I inquire what is the pending amendment before the Senate?

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. LUCAS. May I inquire whether there are any other Senators who desire to speak on that amendment at this time, or upon any other amendment?

Mr. TAFT. Mr. President, I desire to speak on the amendment. I shall take probably an hour or more. I understand that the chairman of the Foreign Relations Committee does not desire a vote on the amendment this evening.

ADDITIONAL BILL INTRODUCED

Mr. MUNDT introduced Senate bill 1454, authorizing the Secretary of the Interior to convey certain lands in the State of South Dakota to Clarence E. Forman, which was referred to the Committee on Interior and Insular Affairs.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—ADDITIONAL AMENDMENT

Mr. CONNALLY submitted an amendment intended to be proposed by him to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which was ordered to lie on the table and to be printed.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Edward Allen Tamm, to be United States district judge for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of George F. Troy to be United States attorney for the district of Rhode Island.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

The VICE PRESIDENT. Without objection, the nominations of United States marshals are confirmed en bloc; and, without objection, the President will be immediately notified of all nominations confirmed this day.

That completes the Executive Calendar.

PROGRAM FOR TOMORROW—RECESS

Mr. LUCAS. Mr. President, it is the hope of the majority that we may conclude consideration of this bill tomorrow. I do not know whether we shall be able to do so, considering the number of amendments; but I again express the hope that Members of the Senate will

confine themselves to the issue which is before us. I say that most respectfully because of the fact that April 3 is the date of expiration of the present European recovery program. It may be that we cannot conclude consideration of the bill tomorrow, but I sincerely hope that we may.

With those remarks out of my system, as in legislative session, I now move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 26 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 30, 1949, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate, March 29 (legislative day of March 18), 1949:

UNITED STATES DISTRICT JUDGE

Hon. Edward Allen Tamm to be United States district judge for the District of Columbia.

UNITED STATES ATTORNEY

George F. Troy to be United States attorney for the district of Rhode Island.

UNITED STATES MARSHALS

Jordan B. Royall to be United States marshal for the northern district of Florida.

Raymond A. Morgan to be United States marshal for the western district of New York.

William D. Kizziah to be United States marshal for the middle district of North Carolina.

Jacob C. Bowman to be United States marshal for the western district of North Carolina.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 29, 1949

The House met at 11 o'clock a. m., and was called to order by the Speaker.

Rev. James P. Wesberry, LL. D., pastor of the Morningside Baptist Church, of Atlanta, Ga., offered the following prayer:

O God, the light of all that is true, the strength of all that is good, and the glory of all that is beautiful, we lift our hearts to Thee in loving gratitude for our great Nation. We humbly bow before Thee to invoke Thy special favor upon this illustrious body of men and women whom Thou hast so highly honored and called to such strategic places of leadership.

Grant, Holy Father, that this beautiful and sacred Capitol may ever be filled with the presence of Thy Holy Spirit. Be Thou with the multitudes who come and go with each passing day. Grant to these our leaders, if it be Thy will, wisdom, guidance, health, courage, and conviction. Make them strong in the faith that they are laborers together with Thee in making this a better nation and world in which there is a full share of freedom and peace, liberty and justice, for all.

May our Nation humble itself, pray, seek Thy face, and turn from all of its wicked ways. Teach us, gracious God, that if we will commit our way unto Thee that Thou wilt direct our pathway both as individuals and as a nation.

This we ask in the name of the strong Son of God whom we who have not seen His face by faith and faith alone embrace. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. HELLER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Post-Gazette.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to include a speech delivered by Mr. Louis E. Leverone. I am informed by the Public Printer that the cost of printing this item exceeds the allotted amount by approximately $139. Nevertheless, I ask that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McGREGOR asked and was granted permission to extend his remarks in the RECORD in two instances and include newspaper articles.

Mr. CLEVENGER asked and was granted permission to extend his remarks in the RECORD in two instances and include newspaper articles.

Mrs. ST. GEORGE asked and was granted permission to extend her remarks in the Appendix of the RECORD and include a letter.

Mr. MARTIN of Massachusetts asked and was granted permission to extend his remarks in the RECORD and include an editorial on excise taxes, appearing in the Mobile Register.

Mr. BLAND asked and was granted permission to extend his remarks in the RECORD and include an article on a sea-level Panama Canal.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. McCORMACK asked and was granted permission to extend his remarks in the RECORD in two instances.

LEAVE OF ABSENCE

Mr. HALE. Mr. Speaker, I ask unanimous consent that I may be excused for a short period later in the afternoon to attend the funeral of a relative.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

BIRTHDAY ANNIVERSARY OF HON. CHARLES A. EATON

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, today is the birthday of one of the most illustrious Members of the House, Hon. CHARLES A. EATON, of New Jersey.

Mr. EATON is a distinguished American, one who has served his country with courage, fidelity, and wisdom. As chairman and an outstanding member of the Foreign Affairs Committee he has contributed materially to the cause of peace and world readjustment. I am sure all Members of the House, both on the Democratic side and the Republican side, extend to him their warmest felicitations on this birthday, and wish him many years of health, happiness, and continued national service.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. McCORMACK. I am very glad, speaking not only for myself but for my Democratic colleagues in the House, to join with the distinguished leader on the Republican side in extending our felicitations to one of the greatest men that any of us will ever meet, a man whose honorable and trustworthy conduct throughout life has been an inspiration to all who know of him. He is one of the most valuable Members of this House. His keenness of mind becomes stronger and stronger as the years pass by. As each year rolls by it may add another year to his age, but it certainly does not reduce his keenness of mind.

I join with my friend from Massachusetts in extending the congratulations of myself and my Democratic colleagues to our dear friend, our valued friend from New Jersey [Mr. EATON] on this, his birthday anniversary.

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I am greatly honored to have this opportunity to speak about the elderly gentleman from New Jersey. He only looks old because of that shock of blond hair which he has; but he is young. He is young in heart. Those of us who have had the privilege of serving with him from the State of New Jersey know him as a young man, with young ideas and young ideals. He is a really great American, as has already been said. He has always the interests of this country very close to his heart. He is held in honor by everyone who has ever met him and many who never have had that opportunity. He is one of the real statesmen of our time.

It is a great privilege to wish him many, many happy returns of the day.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members who care to do so, may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOLVERTON. Mr. Speaker, I join with others in extending to our esteemed colleague the gentleman from

New Jersey [Mr. EATON], congratulations upon this, his birthday.

Our colleague has lived a life of great usefulness to his fellow man. His activities have been numerous and in many varied fields of activity. In each he has rendered distinguished service. He has gained the well-merited esteem of those with whom he has come in contact. It is our wish that he will have many more years of service in this House.

REPRINTING OF DOCUMENTS ALREADY PRINTED

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. On yesterday I asked and received unanimous consent to extend my remarks in the RECORD and to include a very fine and a very valuable report on spies issued by the Committee on Un-American Activities. The Government Printing Office informs me that there is a ruling by the Joint Committee on Printing that Government documents which have already been printed cannot go into the RECORD.

I wish to know if it is necessary to take any steps other than to appeal to the Joint Committee on Printing. There is nothing the House can do about it, as I understand.

The SPEAKER. The Chair understands that is the proper procedure.

Mr. RANKIN. To appeal to the Joint Committee on Printing?

The SPEAKER. Yes.

Mr. RANKIN. I thank the Speaker.

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY, APPROPRIATION BILL, 1950

The SPEAKER. The unfinished business is action on the amendments adopted in the Committee of the Whole on the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes.

The gentleman from Missouri [Mr. CANNON] on Friday last, demanded a separate vote on each amendment adopted in the Committee of the Whole.

CALL OF THE HOUSE

Mr. KEEFE. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 49]

Angell	Dawson	Hoffman, Mich.
Boggs, La.	Deane	Jenison
Bosone	Douglas	Jones, N. C.
Buckley, N. Y.	Forand	Kee
Bulwinkle	Gilmer	Latham
Canfield	Gossett	McCarthy
Carlyle	Gwinn	Macy
Chatham	Hall, Leonard W.	Merrow
Chiperfield	Hays, Ark.	Miller, Nebr.
Coffey	Hoffman, Ill.	Norrell
Davis, Tenn.		O'Brien, Mich.
Pfeifer, Joseph L.	Smith, Ohio	Welch, Mo.
Powell	Somers	Whitaker
Richards	Stanley	White, Idaho
Smathers	Stefan	Woodruff
	Thomas, N. J.	

The SPEAKER. On this roll call, 385 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY, APPROPRIATION BILL, 1950

Mr. CANNON. Mr. Speaker, the committee asks that a separate vote be taken on the amendment at line 16, page 9 of the bill; and I ask unanimous consent that all of the remainder of the amendments be voted upon en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 6, line 22, strike out the figure "$176,000,000" and insert "$176,034,270, of which sum the amount of $34,270 shall be expended for a small-boat harbor at Hastings, Minn."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 8, after line 8, insert the following new paragraph:

"Gulfport Harbor, Miss.: For the prosecution of the work of improvements with respect to the Gulfport, Miss., harbor and channel heretofore authorized by law, Public Law 858, Eightieth Congress, $496,000."

The SPEAKER. The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided; and there were—ayes 211, noes 3.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 9, line 16, after the word "levees", add the words "or for acquiring land."

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 134, noes 124.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 194, nays 203, not voting 36, as follows:

[Roll No. 50]

YEAS—194

Allen, Calif.	Biemiller	Clevenger
Allen, Ill.	Bishop	Cole, Kans.
Allen, La.	Blackney	Cole, N. Y.
Andersen, H. Carl	Blatnik	Corbett
	Boggs, Del.	Cotton
Anderson, Calif.	Bolton, Ohio	Coudert
Andresen, August H.	Bramblett	Crawford
	Brehm	Cunningham
Angell	Brown, Ohio	Curtis
Arends	Burdick	Dague
Auchincloss	Byrnes, Wis.	Davis, Ga.
Barrett, Wyo.	Canfield	Davis, Wis.
Bates, Mass.	Case, N. J.	D'Ewart
Beall	Case, S. Dak.	Dingell
Bennett, Mich.	Church	Dolliver
Dondero	Judd	Powell
Donohue	Kean	Rankin
Ellsworth	Kearney	Reed, Ill.
Elston	Kearns	Reed, N. Y.
Engel, Mich.	Keating	Rees
Engle, Calif.	Keefe	Rich
Fellows	Kilburn	Riehlman
Fenton	King	Rogers, Mass.
Fernandez	Kunkel	Sadlak
Ford	Larcade	Sadowski
Fulton	LeCompte	St. George
Gamble	LeFevre	Sanborn
Gavin	Lemke	Sasscer
Gillette	Lichtenwalter	Scott, Hardie
Golden	Lodge	Scott, Hugh D., Jr.
Goodwin	Lovre	
Graham	McConnell	Scrivner
Granger	McCulloch	Scudder
Gross	McDonough	Secrest
Gwinn	McGregor	Shafer
Hagen	McMillen, Ill.	Short
Hale	Mack, Wash.	Simpson, Ill.
Hall, Edwin Arthur	Mansfield	Simpson, Pa.
	Marcantonio	Smith, Kans.
Halleck	Marshall	Smith, Va.
Hand	Martin, Iowa	Smith, Wis.
Harden	Martin, Mass.	Stockman
Harrison	Mason	Taber
Harvey	Meyer	Talle
Hébert	Michener	Taylor
Herlong	Miles	Tollefson
Herter	Miller, Calif.	Towe
Heselton	Miller, Md.	Van Zandt
Hill	Morris	Velde
Hinshaw	Morton	Vorys
Hoeven	Murray, Wis.	Vursell
Hoffman, Ill.	Nelson	Wadsworth
Holifield	Nicholson	Walsh
Holmes	Nixon	Weichel
Hope	Norblad	Welch, Calif.
Horan	O'Hara, Minn.	Werdel
Howell	O'Konski	White, Calif.
Hull	O'Sullivan	Wier
Irving	Patterson	Wigglesworth
Jackson, Calif.	Pfeiffer, William L.	Williams
James		Willis
Javits	Philbin	Wilson, Ind.
Jenkins	Phillips, Calif.	Withrow
Jennings	Phillips, Tenn.	Wolcott
Jensen	Plumley	Wolverton
Johnson	Potter	
Jonas	Poulson	

NAYS—203

Abbitt	Deane	Kennedy
Abernethy	DeGraffenried	Keogh
Addonizio	Delaney	Kerr
Albert	Denton	Kilday
Andrews	Dollinger	Klein
Aspinall	Doughton	Kruse
Barden	Douglas	Lane
Baring	Doyle	Lanham
Barrett, Pa.	Durham	Lesinski
Bates, Ky.	Eberharter	Lind
Battle	Elliott	Linehan
Beckworth	Evins	Lucas
Bennett, Fla.	Fallon	Lyle
Bentsen	Feighan	Lynch
Bland	Fisher	McCormack
Bolling	Flood	McGrath
Bolton, Md.	Fogarty	McGuire
Bonner	Forand	McKinnon
Breen	Frazier	McMillan, S. C.
Brooks	Fugate	McSweeney
Brown, Ga.	Furcolo	Mack, Ill.
Bryson	Garmatz	Madden
Buchanan	Gary	Magee
Buckley, Ill.	Gathings	Mahon
Burke	Gordon	Marsalis
Burleson	Gore	Mills
Burnside	Gorski, Ill.	Mitchell
Burton	Gorski, N. Y.	Monroney
Byrne, N. Y.	Granahan	Morgan
Camp	Grant	Morrison
Cannon	Green	Moulder
Carlyle	Gregory	Multer
Carnahan	Hardy	Murphy
Carroll	Hare	Murray, Tenn.
Cavalcante	Harris	Noland
Celler	Hart	Norton
Chatham	Havenner	O'Brien, Ill.
Chelf	Hays, Ark.	O'Hara, Ill.
Chesney	Hays, Ohio	O'Neill
Christopher	Hedrick	O'Toole
Chudoff	Heffernan	Pace
Clemente	Heller	Passman
Colmer	Hobbs	Patman
Combs	Huber	Patten
Cooley	Jackson, Wash.	Perkins
Cooper	Jacobs	Pickett
Cox	Jones, Ala.	Poage
Crook	Jones, Mo.	Polk
Crosser	Jones, N. C.	Preston
Davenport	Karst	Price
Davies, N. Y.	Karsten	Priest
Davis, Tenn.	Kee	Quinn
Dawson	Kelley	Rabaut

Rains
Redden
Regan
Rhodes
Ribicoff
Rivers
Rodino
Rogers, Fla.
Rooney
Sabath
Sheppard
Sikes
Sims
Smathers
Spence
Staggers
Steed
Stigler
Sullivan
Sutton
Tackett
Tauriello
Teague
Thomas, Tex.
Thompson
Thornberry
Trimble
Underwood
Vinson
Wagner
Walter
Wheeler
Whitten
Whittington
Wickersham
Wilson, Okla.
Wilson, Tex.
Winstead
Wood
Woodhouse
Worley
Yates
Young
Zablocki

NOT VOTING—36

Bailey
Boggs, La.
Bosone
Boykin
Buckley, N. Y.
Bulwinkle
Chiperfield
Coffey
Eaton
Gilmer
Gossett
Hall, Leonard W.
Hoffman, Mich.
Jenison
Kirwan
Latham
McCarthy
Macy
Merrow
Miller, Nebr.
Murdock
Norrell
O'Brien, Mich.
Peterson
Pfeifer, Joseph L.
Ramsay
Richards
Smith, Ohio
Somers
Stanley
Stefan
Thomas, N. J.
Welch, Mo.
Whitaker
White, Idaho
Woodruff

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Eaton for, with Mr. Boggs of Louisiana against.

Mr. Leonard W. Hall for, with Mr. Welch of Missouri against.

Mr. Woodruff for, with Mr. Joseph L. Pfeifer against.

Mr. Macy for, with Mr. Stanley against.

Mr. Latham for, with Mr. Buckley of New York against.

Mr. Hoffman of Michigan for, with Mr. Gilmer against.

Mr. Chiperfield for, with Mr. Somers against.

Mr. Jenison for, with Mr. Whitaker against.

General pairs until further notice:

Mr. Kirwan with Mr. Stefan.

Mrs. Bosone with Mr. Miller of Nebraska.

Mr. Bailey with Mr. Merrow.

Mr. Richards with Mr. Smith of Ohio.

Mr. PERKINS and Mr. COLMER changed their vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 9, line 18: Strike out the period, insert a semicolon and the following: *"Provided further,* That of the amount herein appropriated $500,000 shall be used for the Red Run-Clinton River, Mich., project."

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the remainder of the amendments be voted on en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 125, noes 104.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 256, nays 138, not voting 39, as follows:

[Roll No. 51]

YEAS—256

Abernethy
Allen, Calif.
Allen, Ill.
Allen, La.
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.
Angell
Arends
Auchincloss
Barrett, Wyo.
Bates, Mass.
Beall
Bennett, Fla.
Bennett, Mich.
Bishop
Blackney
Blatnik
Boggs, Del.
Bonner
Boykin
Bramblett
Brehm
Brooks
Brown, Ga.
Brown, Ohio
Burdick
Burleson
Camp
Canfield
Case, N. J.
Case, S. Dak.
Chesney
Church
Clevenger
Cole, Kans.
Cole, N. Y.
Colmer
Cooper
Corbett
Cotton
Coudert
Cox
Crawford
Crosser
Cunningham
Curtis
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
DeGraffenried
D'Ewart
Dingell
Dolliver
Dondero
Douglas
Ellsworth
Elston
Engel, Mich.
Fallon
Fellows
Fenton
Fernandez
Fisher
Ford
Frazier
Fulton
Gamble
Gary
Gathings
Gavin
Gillette
Golden
Goodwin
Gordon
Gorski, N. Y.
Gossett
Graham
Granger
Grant
Gregory
Gross
Gwinn
Hagen
Hale
Hall, Edwin Arthur
Hall, Leonard W.
Halleck
Hand
Harden
Hardy
Harris
Hart
Harvey
Havenner
Hays, Ark.
Hays, Ohio
Hébert
Herlong
Herter
Heselton
Hill
Hinshaw
Hobbs
Hoeven
Hoffman, Ill.
Holifield
Holmes
Hope
Horan
Hull
Jackson, Calif.
Jackson, Wash.
James
Javits
Jenkins
Jennings
Jensen
Johnson
Jonas
Jones, Ala.
Judd
Kearney
Kearns
Keating
Keefe
Keogh
Kilburn
Kilday
King
Kunkel
Lanham
Larcade
LeCompte
LeFevre
Lemke
Lesinski
Lichtenwalter
Lodge
Lovre
Lucas
Lyle
Lynch
McConnell
McCulloch
McDonough
McGregor
McMillan, S. C.
McMillen, Ill.
McSweeney
Mack, Wash.
Mansfield
Marcantonio
Marsalis
Marshall
Martin, Iowa
Martin, Mass.
Mason
Meyer
Michener
Miller, Md.
Mills
Mitchell
Morris
Morrison
Morton
Moulder
Murray, Tenn.
Murray, Wis.
Nelson
Nicholson
Nixon
Norblad
Norrell
O'Hara, Minn.
O'Konski
Pace
Passman
Patman
Patterson
Peterson
Pfeiffer, William L.
Philbin
Phillips, Calif.
Phillips, Tenn.
Pickett
Plumley
Poage
Potter
Poulson
Powell
Rabaut
Rains
Rankin
Reed, Ill.
Rees
Regan
Rich
Riehlman
Rivers
Rogers, Mass.
Sadlak
Sadowski
St. George
Sanborn
Scott, Hardie
Scott, Hugh D., Jr.
Secrest
Shafer
Short
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Wis.
Stockman
Sullivan
Sutton
Taber
Talle
Tauriello
Taylor
Teague
Thomas, Tex.
Thompson
Thornberry
Tollefson
Towe
Trimble
Van Zandt
Velde
Vinson
Vorys
Vursell
Wadsworth
Weichel
Welch, Calif.
Werdel
Wheeler
Whitten
Whittington
Wickersham
Wier
Wigglesworth
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Winstead
Withrow
Wolcott
Wolverton
Wood
Worley
Zablocki

NAYS—138

Abbitt
Addonizio
Albert
Andrews
Aspinall
Baring
Barrett, Pa.
Bates, Ky.
Battle
Beckworth
Bentsen
Biemiller
Bolling
Bolton, Md.
Breen
Bryson
Buchanan
Buckley, Ill.
Burke
Burnside
Burton
Byrne, N. Y.
Byrnes, Wis.
Cannon
Carlyle
Carnahan
Carroll
Cavalcante
Celler
Chatham
Chelf
Christopher
Chudoff
Clemente
Coffey
Combs
Cooley
Crook
Davenport
Davies, N. Y.
Dawson
Deane
Delaney
Denton
Dollinger
Donohue
Doughton
Doyle
Durham
Eberharter
Elliott
Engle, Calif.
Evins
Feighan
Flood
Fogarty
Forand
Fugate
Furcolo
Garmatz
Gore
Gorski, Ill.
Granahan
Green
Harrison
Hedrick
Heffernan
Heller
Howell
Huber
Jacobs
Jones, Mo.
Jones, N. C.
Karst
Karsten
Kean
Kee
Kelley
Kennedy
Kerr
Kirwan
Klein
Kruse
Lane
Lind
Linehan
McCormack
McGrath
McGuire
McKinnon
Mack, Ill.
Madden
Magee
Mahon
Miles
Monroney
Morgan
Multer
Murphy
Noland
O'Brien, Ill.
O'Hara, Ill.
O'Neill
O'Sullivan
O'Toole
Patten
Perkins
Polk
Preston
Price
Priest
Quinn
Ramsay
Redden
Rhodes
Ribicoff
Rodino
Rooney
Sabath
Sasscer
Scrivner
Sheppard
Sikes
Sims
Smathers
Spence
Staggers
Steed
Stigler
Tackett
Underwood
Wagner
Walsh
Walter
White, Calif.
Woodhouse
Yates
Young

NOT VOTING—39

Bailey
Barden
Bland
Boggs, La.
Bolton, Ohio
Bosone
Buckley, N. Y.
Bulwinkle
Chiperfield
Eaton
Gilmer
Hare
Hoffman, Mich.
Irving
Jenison
Latham
McCarthy
Macy
Merrow
Miller, Calif.
Miller, Nebr.
Murdock
Norton
O'Brien, Mich.
Pfeifer, Joseph L.
Reed, N. Y.
Richards
Rogers, Fla.
Scudder
Smith, Ohio
Smith, Va.
Somers
Stanley
Stefan
Thomas, N. J.
Welch, Mo.
Whitaker
White, Idaho
Woodruff

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Woodruff for, with Mr. Stanley against.

Mr. Hoffman of Michigan for, with Joseph L. Pfeifer against.

Mr. Lathan for, with Mr. Gilmer against.

Mr. Eaton for, with Mr. Somers against.

Mr. Reed of New York for, with Mr. Welch of Missouri against.

Mr. Scudder for, with Mr. Buckley of New York against.

Mr. Jenison for, with Mrs. Norton against.

Additional general pairs:

Mr. Richards with Mr. Macy.

Mr. Whitaker with Mr. Chiperfield.

Mrs. Bosone with Mrs. Bolton.

Mr. Bailey with Mr. Stefan.

Mr. Hare with Mr. Merrow.

Mr. Smith of Virginia with Mr. Miller of Nebraska.

Mr. Miller of California with Mr. Smith of Ohio.

Mr. TAURIELLO, Mr. MANSFIELD, Mr. RABAUT, and Mr. ZABLOCKI changed their vote from "no" to "aye."

Mr. KERR changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 10, line 2: Strike out "$57,000,000" and insert "$63,000,000."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 139, noes 44.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and sixty-two Members are present, a quorum.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 277, nays 117, not voting 39, as follows:

[Roll No. 52]

YEAS—277

Abbitt	Frazier	Marsalis
Abernethy	Fugate	Martin, Iowa
Addonizio	Fulton	Mason
Albert	Gary	Michener
Allen, Ill.	Gathings	Miles
Allen, La.	Gavin	Miller, Calif.
Andrews	Gillette	Mills
Angell	Gordon	Mitchell
Aspinall	Gore	Monroney
Bailey	Gorski, Ill.	Morris
Baring	Gorski, N. Y.	Morrison
Battle	Gossett	Morton
Beckworth	Graham	Moulder
Bennett, Fla.	Granger	Multer
Bentsen	Grant	Murphy
Bishop	Gregory	Murray, Tenn.
Blackney	Hagen	Nicholson
Blatnik	Hall,	Noland
Bolling	Edwin Arthur	Norrell
Bolton, Md.	Hardy	O'Hara, Minn.
Bonner	Hare	O'Konski
Boykin	Harris	O'Neill
Brooks	Harrison	O'Sullivan
Brown, Ga.	Havenner	Pace
Bryson	Hays, Ark.	Passman
Buchanan	Hays, Ohio	Patman
Burdick	Hébert	Patten
Burke	Hedrick	Perkins
Burleson	Heffernan	Peterson
Burnside	Heller	Philbin
Burton	Herlong	Phillips, Calif.
Byrne, N. Y.	Hill	Phillips, Tenn.
Camp	Hinshaw	Pickett
Cannon	Hobbs	Poage
Carlyle	Hoeven	Polk
Carnahan	Hoffman, Ill.	Potter
Carroll	Horan	Poulson
Cavalcante	Howell	Powell
Celler	Huber	Preston
Chelf	Jackson, Wash.	Price
Chesney	Jacobs	Priest
Christopher	James	Quinn
Chudoff	Javits	Rains
Clemente	Jennings	Ramsay
Coffey	Jensen	Rankin
Cole, Kans.	Johnson	Reed, Ill.
Colmer	Jonas	Regan
Combs	Jones, Ala.	Rhodes
Cooley	Jones, Mo.	Ribicoff
Cooper	Jones, N. C.	Rivers
Corbett	Karst	Rodino
Cotton	Karsten	Rogers, Fla.
Cox	Kearns	Rooney
Crook	Keefe	Sadowski
Crosser	Kennedy	Sanborn
Cunningham	Kerr	Sasscer
Curtis	Kilday	Scott, Hardie
Dague	King	Scott,
Davies, N. Y.	Kirwan	Hugh D., Jr.
Davis, Ga.	Klein	Scudder
Davis, Tenn.	Kruse	Secrest
Deane	Lane	Short
DeGraffenried	Lanham	Sikes
Delaney	Larcade	Simpson, Ill.
Denton	LeCompte	Sims
Dingell	LeFevre	Smathers
Dollinger	Lemke	Smith, Kans.
Dolliver	Lichtenwalter	Smith, Va.
Dondero	Lind	Smith, Wis.
Doughton	Lovre	Spence
Douglas	Lucas	Steed
Doyle	Lyle	Stigler
Eberharter	Lynch	Stockman
Elliott	McConnell	Sullivan
Ellsworth	McCormack	Sutton
Engle, Calif.	McDonough	Tackett
Evins	McGrath	Talle
Fallon	McGregor	Tauriello
Feighan	McGuire	Teague
Fenton	McMillan, S. C.	Thomas, Tex.
Fernandez	McMillen, Ill.	Thompson
Fisher	McSweeney	Thornberry
Flood	Mack, Ill.	Trimble
Fogarty	Magee	Underwood
Forand	Mansfield	Van Zandt
Ford	Marcantonio	Velde
Vinson	Whitten	Wilson, Tex.
Walsh	Whittington	Winstead
Walter	Wickersham	Withrow
Weichel	Williams	Wood
Werdel	Willis	Woodhouse
Wheeler	Wilson, Ind.	Worley
White, Calif.	Wilson, Okla.	Yates

NAYS—117

Allen, Calif.	Goodwin	Murray, Wis.
Andersen,	Granahan	Nelson
H. Carl	Green	Nixon
Anderson, Calif.	Gross	Norblad
Arends	Hale	O'Brien, Ill.
Auchincloss	Hall,	O'Hara, Ill.
Barrett, Pa.	Leonard W.	O'Toole
Barrett, Wyo.	Halleck	Patterson
Bates, Ky.	Hand	Pfeiffer,
Bates, Mass.	Harden	William L.
Beall	Harvey	Plumley
Bennett, Mich.	Herter	Rabaut
Biemiller	Heselton	Reed, N. Y.
Boggs, Del.	Holmes	Rees
Bolton, Ohio	Hope	Rich
Bramblett	Hull	Riehlman
Breen	Irving	Rogers, Mass.
Brehm	Jackson, Calif.	Sabath
Brown, Ohio	Jenkins	Sadlak
Buckley, Ill.	Judd	St. George
Byrnes, Wis.	Kean	Scrivner
Canfield	Kearney	Shafer
Case, N. J.	Keating	Sheppard
Case, S. Dak.	Kelley	Simpson, Pa.
Church	Keogh	Staggers
Clevenger	Kilburn	Taber
Cole, N. Y.	Kunkel	Taylor
Coudert	Lesinski	Tollefson
Crawford	Linehan	Towe
Davis, Wis.	Lodge	Vorys
Dawson	McCulloch	Vursell
D'Ewart	McKinnon	Wadsworth
Donohue	Mack, Wash.	Wagner
Durham	Madden	Welch, Calif.
Elston	Mahon	Wier
Engel, Mich.	Marshall	Wigglesworth
Fellows	Martin, Mass.	Wolcott
Gamble	Meyer	Wolverton
Garmatz	Miller, Md.	Young
Golden	Morgan	Zablocki

NOT VOTING—39

Andresen,	Gwinn	Pfeifer,
August H.	Hart	Joseph L.
Barden	Hoffman, Mich.	Redden
Bland	Holifield	Richards
Boggs, La.	Jenison	Smith, Ohio
Bosone	Kee	Somers
Buckley, N. Y.	Latham	Stanley
Bulwinkle	McCarthy	Stefan
Chatham	Macy	Thomas, N. J.
Chiperfield	Merrow	Welch, Mo.
Davenport	Miller, Nebr.	Whitaker
Eaton	Murdock	White, Idaho
Furcolo	Norton	Woodruff
Gilmer	O'Brien, Mich.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Stanley for, with Mr. Eaton against.

Mr. Whitaker for, with Mr. Chiperfield against.

Mr. Boggs of Louisiana for, with Mr. Hoffman of Michigan against.

Mr. Gilmer for, with Mr. Woodruff against.

Mr. Joseph L. Pfeifer for, with Mr. Miller of Nebraska against.

Mrs. Norton for, with Mr. Macy against.

Mr. Somers for, with Mr. Jenison against.

Mr. Buckley of New York for, with Mr. Gwinn against.

Mr. Welch of Missouri for, with Mr. Latham against.

Mr. Holifield for, with Mr. Hart against.

Additional general pairs:

Mr. Richards with Mr. Smith of Ohio.

Mrs. Bosone with Mr. Stefan.

Mr. Furcolo with Mr. August H. Andresen.

Mr. FLOOD, Mr. O'NEILL, Mr. SIKES, Mr. NOLAND, Mr. VAN ZANDT, Mr. VELDE, and Mr. LOVRE changed their vote from "no" to "aye."

Mr. KEARNEY changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KERR. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. CANNON asked and was given permission to extend his remarks in the RECORD and include excerpts and certain letters on Federal expenditures.

ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H. R. 3704) to provide additional revenue for the District of Columbia, demanded on Monday, March 28, by the gentleman from Utah [Mr. GRANGER] which the Clerk will read.

The Clerk read the bill.

Mr. RANKIN (interrupting reading of the bill). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy of the bill be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the passage of the bill.

Mr. NELSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. NELSON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. NELSON moves to recommit the bill back to the Committee on the District of Columbia.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. KENNEDY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 177, nays 218, answered "present" 2, not voting 36, as follows:

[Roll No. 53]

YEAS—177

Addonizio	Boggs, Del.	Carroll
Allen, La.	Bolling	Case, N. J.
Andersen,	Breen	Cavalcante
H. Carl	Brehm	Celler
Angell	Brooks	Chelf
Bailey	Buchanan	Chesney
Baring	Buckley, Ill.	Christopher
Barrett, Pa.	Burke	Chudoff
Bates, Ky.	Burnside	Clemente
Bennett, Fla.	Byrne, N. Y.	Coffey
Biemiller	Canfield	Cooper
Blatnik	Cannon	Corbett

Crawford
Crook
Crosser
Davenport
Davies, N. Y.
Davis, Wis.
Dawson
Delaney
Denton
D'Ewart
Dingell
Dollinger
Donohue
Douglas
Doyle
Eberharter
Ellsworth
Engle, Calif.
Feighan
Flood
Fogarty
Forand
Frazier
Fulton
Furcolo
Golden
Gordon
Gore
Gorski, Ill.
Gorski, N. Y.
Granahan
Granger
Green
Gregory
Gross
Hagen
Hall,
Edwin Arthur
Hand
Hart
Harvey
Havenner
Hays, Ohio
Heffernan
Heller
Heselton
Hill
Holifield
Howell
Huber
Hull
Irving
Jackson, Wash.
Jacobs
Javits
Jensen
Judd
Karst
Karsten
Kearney
Kearns
Keating
Kelley
Kennedy
Keogh
King
Kirwan
Klein
Kruse
Kunkel
Lane
Lanham
Lemke
Lesinski
Lichtenwalter
Linehan
Lynch
McGrath
McGuire
McKinnon
Mack, Ill.
Madden
Magee
Mansfield
Marcantonio
Marshall
Miller, Calif.
Mitchell
Morgan
Morrison
Moulder
Multer
Murray, Wis.
Nelson
Noland
O'Brien, Ill.
O'Hara, Ill.
O'Konski
O'Neill
O'Sullivan
O'Toole
Patten
Perkins
Philbin
Phillips, Tenn.
Powell
Price
Rabaut
Ramsay
Rhodes
Ribicoff
Rodino
Rooney
Sabath
Sadowski
Sanborn
Scott, Hardie
Secrest
Sims
Smathers
Spence
Staggers
Sullivan
Tauriello
Taylor
Thomas, Tex.
Tollefson
Towe
Underwood
Van Zandt
Vursell
Wagner
Walsh
Walter
Welch, Calif.
Whitaker
Wier
Withrow
Wolverton
Woodhouse
Yates
Young
Zablocki

NAYS—218

Abbitt
Abernethy
Albert
Allen, Calif.
Allen, Ill.
Anderson, Calif.
Andresen,
August H.
Andrews
Arends
Aspinall
Auchincloss
Barden
Barrett, Wyo.
Bates, Mass.
Battle
Beall
Beckworth
Bennett, Mich.
Bentsen
Bishop
Blackney
Bolton, Md.
Bolton, Ohio
Bonner
Boykin
Bramblett
Brown, Ga.
Brown, Ohio
Bryson
Burdick
Burleson
Burton
Byrnes, Wis.
Camp
Carlyle
Carnahan
Case, S. Dak.
Chatham
Chiperfield
Church
Clevenger
Cole, Kans.
Cole, N. Y.
Colmer
Combs
Cooley
Cotton
Coudert
Cox
Cunningham
Curtis
Dague
Davis, Ga.
Davis, Tenn.
Deane
DeGraffenried
Dolliver
Dondero
Doughton
Durham
Eaton
Elliott
Elston
Engel, Mich.
Evins
Fallon
Fellows
Fenton
Fernandez
Fisher
Ford
Fugate
Gamble
Garmatz
Gary
Gathings
Gavin
Gillette
Goodwin
Gossett
Graham
Grant
Gwinn
Hale
Hall,
Leonard W.
Halleck
Harden
Hardy
Hare
Harris
Harrison
Hays, Ark.
Hébert
Herlong
Herter
Hobbs
Hoeven
Hoffman, Ill.
Holmes
Hope
Horan
James
Jenkins
Jennings
Johnson
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Kean
Keefe
Kerr
Kilburn
Kilday
Larcade
LeCompte
LeFevre
Lind
Lodge
Lovre
Lucas
Lyle
McConnell
McCormack
McCulloch
McDonough
McGregor
McMillan, S. C.
McMillen, Ill.
McSweeney
Mack, Wash.
Mahon
Marsalis
Martin, Iowa
Martin, Mass.
Mason
Meyer
Michener
Miles
Miller, Md.
Mills
Monroney
Morris
Morton
Murphy
Murray, Tenn.
Nicholson
Nixon
Norblad
Norrell
Norton
O'Hara, Minn.
Passman
Patterson
Peterson
Pfeiffer,
William L.
Phillips, Calif.
Pickett
Plumley
Poage
Polk
Potter
Poulson
Preston
Priest
Rains
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Regan
Rich
Riehlman
Rivers
Rogers, Fla.
Rogers, Mass.
Sadlak
St. George
Sasscer
Scott,
Hugh D., Jr.
Scrivner
Scudder
Shafer
Short
Sikes
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Va.
Smith, Wis.
Stigler
Stockman
Sutton
Taber
Tackett
Talle
Teague
Thompson
Trimble
Velde
Vinson
Vorys
Wadsworth
Weichel
Werdel
Wheeler
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Winstead
Wolcott
Wood

ANSWERED "PRESENT"—2

Thornberry Worley

NOT VOTING—36

Bland
Boggs, La.
Bosone
Buckley, N. Y.
Bulwinkle
Gilmer
Hedrick
Hinshaw
Hoffman, Mich.
Jackson, Calif.
Jenison
Kee
Latham
McCarthy
Macy
Merrow
Miller, Nebr.
Murdock
O'Brien, Mich.
Pace
Patman
Pfeifer,
Joseph L.
Quinn
Richards
Sheppard
Smith, Ohio
Somers
Stanley
Steed
Stefan
Thomas, N. J.
Welch, Mo.
White, Calif.
White, Idaho
Whitten
Woodruff

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Pace for, with Mrs. Bosone against.

Mr. White of California for, with Mr. Stanley against.

Mr. Worley for, with Mr. Woodruff against.

Mr. Thornberry for, with Mr. Hoffman of Michigan against.

Mr. Patman for, with Mr. Miller of Nebraska against.

Mr. Welch of Missouri for, with Mr. Macy against.

Mr. Joseph L. Pfeifer for, with Mr. Jenison against.

Mr. Buckley of New York for, with Mr. Gilmer against.

Additional general pairs:

Mr. Richards with Mr. Smith of Ohio.

Mr. Boggs of Louisiana with Mr. Merrow.

Mr. Quinn with Mr. Stefan.

Mr. Hedrick with Mr. Latham.

Mr. HILL changed his vote from "no" to "aye."

Mr. PLUMLEY and Mr. WEICHEL changed their vote from "aye" to "no."

Mr. WORLEY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. WOODRUFF, who, if present, would vote "no." I therefore withdraw my vote of "aye" and vote "present."

Mr. THORNBERRY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. HOFFMAN, who if present, would vote "no." I therefore withdraw my vote of "aye" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. KENNEDY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 216, nays 180, answered "present" 3, not voting 34, as follows:

[Roll No. 54]

YEAS—216

Abbitt
Abernethy
Albert
Allen, Calif.
Allen, Ill.
Anderson, Calif.
Andresen,
August H.
Andrews
Arends
Aspinall
Auchincloss
Barden
Barrett, Wyo.
Bates, Mass.
Battle
Beall
Bennett, Mich.
Bentsen
Bishop
Blackney
Bolton, Md.
Bolton, Ohio
Bonner
Boykin
Bramblett
Brehm
Brown, Ga.
Brown, Ohio
Bryson
Burleson
Burton
Byrnes, Wis.
Camp
Carlyle
Carnahan
Case, S. Dak.
Chatham
Chiperfield
Church
Clevenger
Cole, Kans.
Cole, N. Y.
Colmer
Combs
Cooley
Cotton
Coudert
Cox
Cunningham
Curtis
Dague
Davis, Ga.
Davis, Tenn.
Deane
DeGraffenried
Dolliver
Dondero
Doughton
Durham
Eaton
Elliott
Ellsworth
Elston
Engel, Mich.
Evins
Fallon
Fellows
Fernandez
Fisher
Ford
Fugate
Gamble
Garmatz
Gary
Gathings
Gavin
Gillette
Goodwin
Gossett
Graham
Grant
Gwinn
Hall,
Leonard W.
Halleck
Harden
Hardy
Hare
Harris
Harrison
Hays, Ark.
Hébert
Hedrick
Herlong
Herter
Hinshaw
Hobbs
Hoffman, Ill.
Holmes
Hope
Horan
Jackson, Calif.
James
Jenkins
Jennings
Jensen
Johnson
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Kean
Keefe
Kerr
Kilburn
Larcade
LeCompte
LeFevre
Lind
Lovre
Lucas
Lyle
McConnell
McCormack
McCulloch
McGregor
McKinnon
McMillan, S. C.
McMillen, Ill.
McSweeney
Mack, Wash.
Mahon
Marsalis
Martin, Iowa
Martin, Mass.
Meyer
Michener
Miles
Miller, Md.
Mills
Monroney
Morris
Morton
Murray, Tenn.
Nicholson
Nixon
Norblad
Norrell
Norton
O'Hara, Minn.
O'Toole
Passman
Patterson
Peterson
Pfeiffer,
William L.
Phillips, Calif.
Pickett
Polk
Potter
Poulson
Preston
Priest
Quinn
Rains
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Regan
Rich
Riehlman
Rivers
Rogers, Mass.
Sadlak
St. George
Sasscer
Scott,
Hugh D., Jr.
Scrivner
Scudder
Shafer
Short
Sikes
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Va.
Smith, Wis.
Stigler
Stockman
Sutton
Taber
Tackett
Talle
Teague
Thompson
Trimble
Velde
Vinson
Vorys
Vursell
Wadsworth
Weichel
Werdel
Wheeler
Whitten
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Winstead
Wolcott
Wood

NAYS—180

Addonizio
Allen, La.
Andersen,
H. Carl
Angell
Bailey
Baring
Barrett, Pa.
Bates, Ky.
Beckworth
Bennett, Fla.
Biemiller
Blatnik
Boggs, Del.
Bolling
Breen
Buchanan
Buckley, Ill.
Burdick
Burke
Burnside
Byrne, N. Y.
Canfield
Cannon
Carroll
Case, N. J.
Cavalcante
Chelf
Chesney
Christopher
Chudoff
Clemente
Coffey
Cooper
Corbett
Crawford
Crook
Crosser
Davenport
Davies, N. Y.
Davis, Wis.
Dawson
Delaney
Denton
D'Ewart
Dingell
Dollinger
Donohue
Douglas
Doyle
Eberharter
Engle, Calif.
Feighan
Fenton
Flood
Fogarty
Forand
Frazier
Fulton
Furcolo
Golden
Gordon
Gorski, Ill.
Gorski, N. Y.
Granahan
Granger
Green
Gregory
Gross
Hagen
Hall,
Edwin Arthur
Hand
Hart
Harvey
Havenner
Hays, Ohio
Heffernan
Heller
Heselton
Hill
Hoeven
Holifield
Howell
Huber
Hull
Irving
Jackson, Wash.
Jacobs
Javits
Judd
Karst
Karsten
Kearney
Kearns
Keating
Kelley
Kennedy
Keogh
King
Kirwan
Klein
Kruse
Kunkel
Lane

Lanham	Noland	Sims
Lemke	O'Brien, Ill.	Smathers
Lesinski	O'Hara, Ill.	Spence
Lichtenwalter	O'Konski	Staggers
Linehan	O'Neill	Steed
Lynch	O'Sullivan	Sullivan
McCarthy	Patten	Tauriello
McDonough	Perkins	Taylor
McGrath	Philbin	Thomas, Tex.
McGuire	Phillips, Tenn.	Tollefson
Mack, Ill.	Plumley	Towe
Madden	Poage	Underwood
Magee	Powell	Van Zandt
Mansfield	Price	Wagner
Marcantonio	Rabaut	Walsh
Marshall	Ramsay	Walter
Mason	Rhodes	Welch, Calif.
Miller, Calif.	Ribicoff	Whitaker
Mitchell	Rodino	White, Calif.
Morgan	Rooney	Wier
Morrison	Sabath	Withrow
Moulder	Sadowski	Wolverton
Multer	Sanborn	Yates
Murphy	Scott, Hardie	Young
Murray, Wis.	Secrest	Zablocki
Nelson	Sheppard	

ANSWERED "PRESENT"—3

Pace	Thornberry	Worley

NOT VOTING—34

Bland	Kee	Richards
Boggs, La.	Kilday	Rogers, Fla.
Bosone	Latham	Smith, Ohio
Brooks	Lodge	Somers
Buckley, N. Y.	Macy	Stanley
Bulwinkle	Merrow	Stefan
Celler	Miller, Nebr.	Thomas, N. J.
Gilmer	Murdock	Welch, Mo.
Gore	O'Brien, Mich.	White, Idaho
Hale	Patman	Woodhouse
Hoffman, Mich.	Pfeifer,	Woodruff
Jenison	Joseph L.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Woodruff for, with Mr. Worley against.

Mr. Hoffman of Michigan for, with Mr. Thornberry against.

Mr. Miller of Nebraska for, with Mr. Kilday against.

Mr. Jenison for, with Mr. Pace against.

Mr. Stanley for, with Mr. Gore against.

Mrs. Bosone for, with Mr. Patman against.

Mr. Gilmer for, with Mr. Welch of Missouri against.

Additional general pairs:

Mrs. Woodhouse with Mr. Macy.

Mr. Joseph L. Pfeifer with Mr. Latham.

Mr. Buckley of New York with Mr. Hale.

Mr. Somers with Mr. Smith of Ohio.

Mr. Richards with Mr. Stefan.

Mr. Celler with Mr. Merrow.

Mr. Boggs of Louisiana with Mr. Lodge.

Mr. RAINS, Mr. COOLEY, and Mr. SCRIVNER changed their vote from "no" to "aye."

Mr. WORLEY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. WOODRUFF, who if present would vote "aye." I therefore withdraw my vote of "no" and vote "present."

Mr. THORNBERRY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. HOFFMAN, who if present would vote "aye." I therefore withdraw my vote of "no" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISASTER AND EMERGENCY LOANS

Mr. COOLEY submitted conference report and statement on the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, District of Columbia, to make certain disaster or emergency loans, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) entitled "An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes."

APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR, 1950

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 170 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, notwithstanding any rule of the House to the contrary, it shall be in order on Tuesday, March 29, 1949, or thereafter, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time yield myself such time as I may need.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950. Yesterday afternoon the Committee on Appropriations asked the Rules Committee for a rule, the purpose being to waive all points of order. After due consideration the Committee on Rules unanimously granted this rule which waives points of order and grants 2 hours of general debate under the rules of the House.

Mr. Speaker, this appropriation bill contains 97 pages. I have asked the Committee on Appropriations to have the chairman and the subchairman here in readiness.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I might require.

Mr. Speaker, there is no disposition on the part of anyone over here to delay action on this resolution. As the gentleman from New York stated, this rule waives all points of order, the reason being that the appropriation bill authorizes certain contracts, which is legislation on an appropriation bill and, of course, under the rules is not permitted. For instance, on page 6 of the bill the Secretary is authorized to incur certain obligations and to enter into certain contracts.

My understanding is that there are going to be several amendments offered by Members on the minority side. May I say that especially astounding to me is the fact that the bill means in all probability the authorization of 8,000 additional Federal employees. The Department of the Interior has asked the committee to permit the hiring of these 8,000 additional employees, which is something I think we ought to go into very thoroughly. However, as I said before, there is no disposition on the part of anyone over here to delay action on the rule.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSING AND RENT ACT OF 1949

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Housing and Rent Act of 1949'.

"TITLE I—AMENDMENT TO TITLE I OF HOUSING AND RENT ACT OF 1947, AS AMENDED

"SEC. 2. Section 4 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 4. (a) In order to assure preference or priority to veterans of World War II or their families—

"'(1) no housing accommodations designed for single-family residence, the construction or conversion of which is completed after June 30, 1947, shall be offered for sale or resale, or sold or resold, to persons other than veterans of World War II or their families, unless such housing accommodations have been publicly offered for sale exclusively to veterans of World War II or their families (a) during the period of construction or conversion and for thirty days thereafter, prior to a sale or offering for sale to such nonveterans, and (b) for a period of seven days prior to a resale, or an offering for resale, to such nonveterans; and

"'(2) no housing accommodations designed for occupancy by other than tran-

sients, the construction or conversion of which is completed after June 30, 1947, shall be offered for rent or rerent, rented or rerented to persons other than veterans of World War II or their families, unless such housing accommodations have been publicly offered for rent exclusively to veterans of World War II or their families (a) during the period of construction or conversion and for thirty days thereafter, prior to a first renting or offering for rent to such nonveterans, and (b) for a period of seven days prior to a subsequent renting, or offering for rent, to such nonveterans; and

"'(3) no housing accommodations designed for single-family residence, the construction or conversion of which is completed after June 30, 1947, shall be offered for sale or resale, or sold or resold, to any person at a price less than the price for which it had been last offered for sale to veterans of World War II or their families for at least seven days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than thirty days in any first or original sale as required by paragraph (1) of this subsection; and

"'(4) no housing accommodations designed for occupancy by other than transients, the construction or conversion of which is completed after June 30, 1947, shall be offered for rent or rerent, or rented or rerented, to any person at a price less than the price for which it had been last offered for rent to veterans of World War II or their families for at least seven days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than thirty days in any first or original renting as required by paragraph (2) of this subsection.

"'(b) As used in this section—

"'(1) the term "person" shall include an individual, corporation, partnership, association or any other organized group of persons, or a representative of any of the foregoing.

"'(2) the term "housing accommodations" shall include, without limitation, any building, structure, or part thereof, or land appurtenant thereto, or any real or personal property, designed, constructed, or converted for dwelling or residential purposes, together with all privileges, services or facilities in connection therewith; industrially made or prefabricated houses, sections, panels, or their aggregate as a "package", designed or constructed for dwelling or residential purposes; and a certificate; deposit, membership, stock interest, or undivided interest in real estate, under a cooperative mutual ownership or similar plan, which carries with it the right of occupancy of individual dwelling units.

"'(c) The Housing Expediter is authorized to issue regulations and orders prescribing the manner in which such housing accommodations shall be publicly offered in good faith for sale or rent to veterans of World War II or their families and such other regulations or orders as he may deem necessary in the public interest to effectuate the provisions of this section. The Housing Expediter is further authorized to grant such exceptions to the provisions of this section for hardship cases as he may deem appropriate.

"'(d) Any person who willfully violates any provision of this section shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than one year, or to both such fine and imprisonment.

"'(e) This section shall cease to be in effect at the close of June 30, 1950, or upon the date that the President proclaims that the protection to veterans of World War II or their families provided by this section is no longer needed, whichever date is the earlier, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and regulations and orders issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.'

"TITLE II—MAXIMUM RENTS

"SEC. 201. (a) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (1) thereof and inserting in lieu thereof the following:

"'(1) (A) those housing accommodations, in any establishment which is located in a city of less than 2,500,000 population according to the 1940 decennial census and which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or

"'(B) those housing accommodations in hotels in cities of 2,500,000 population or more according to the 1940 decennial census (i) which are located in hotels in which 75 per centum or more of the occupied housing accommodations on March 1, 1949, were used for transient occupancy, or (ii) which are not located in hotels described in (i) but which on March 1, 1949, were used for transient occupancy; for the purposes of this subparagraph (B)—

"'(1) the term "used for transient occupancy" means rented on a daily basis, to a tenant who had not on March 1, 1949, continuously resided in the hotel for ninety days or more; and

"'(2) the term "hotel" means any establishment which on June 30, 1947, was commonly known as a hotel in the community in which it is located and was occupied by an appreciable number of persons who were provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or'.

"(b) Section 202 (c) (2) of the Housing and Rent Act of 1947, as amended, is amended by striking out 'trailer or trailer space' and inserting in lieu thereof 'trailer, or trailer space, used exclusively for transient occupancy'.

"(c) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (3) thereof and inserting in lieu thereof the following:

"'(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are housing accommodations created by a change from a nonhousing to a housing use on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947: *Provided, however,* That any housing accommodations resulting from any conversion created on or after the effective date of the Housing and Rent Act of 1949 shall continue to be controlled housing accommodations unless the Housing Expediter issues an order decontrolling them, which he shall issue if he finds that the conversion resulted in additional, self-contained family units as defined by regulations issued by him: *And provided further,* That contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or'.

"(d) Section 202 (d) of such Act, as amended, is amended by striking out 'in which maximum rents were being regulated under such Act on March 1, 1947', and inserting in lieu therof the following: 'in which maximum rents (1) were being regulated under such Act on March 1, 1947, or (2) are established or reestablished pursuant to section 204 (i) (1) or (2) of this title'.

"(e) Section 202 (e) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'(e) The term "rent" means the consideration, including any bonus, benefit, or gratuity demanded or received for or in connection with the use or occupancy of housing accommodations, or the transfer of a lease of housing accommodations.'

"SEC. 202. Section 203 (b) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'(b) On the termination of rent control in any area or portion thereof under this title all records and other data (and the cabinets or containers holding such records and data) used or held in connection with the establishment and maintenance of maximum rents in such area or portion thereof by the Housing Expediter, and all predecessor agencies, shall, on request, be transferred, without reimbursement to the proper officials of any State or local subdivision of government that may be charged with the duty of administering a rent-control program in any State or local subdivision of government to which such records and data may be applicable: *Provided, however,* That any such records or data (and the cabinets or containers holding such records or data) shall be so made available subject to recall for use in carrying out the purposes of this title.'

"SEC. 203. (a) Section 204 (a) of the Housing and Rent Act of 1947, as amended, is amended by striking out 'March 31, 1949' and inserting in lieu thereof 'June 30, 1950'.

"(b) Section 204 (b) of such Act, as amended, is amended to read as follows:

"'(b) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, and subsections (h) and (i), during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodations or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title: *Provided, however,* That the landlord certifies that he is maintaining all services furnished as of the date determining the maximum rent and that he will continue to maintain such services so long as the adjustment in such maximum rent which may be granted continues in effect. In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair net operating income from such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration shall be given to the following among other relevant factors: (A)

Increases in property taxes; (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

"'(2) In any case in which a valid written lease with respect to any housing accommodations was entered into and filed in accordance with the provisions of this subsection (b) as then in effect, and such lease was in effect on the effective date of the Housing and Rent Act of 1949, such housing accommodations shall be subject to the provisions of this title and, until such lease is terminated or expires, the maximum rent for said accommodations shall be the rent set forth in said lease.

"'(3) In any case in which a valid written lease with respect to any housing accommodations was entered into and filed in accordance with the provisions of this subsection (b) as then in effect, and such lease has heretofore terminated or expired or hereafter terminates or expires, such housing accommodations shall be subject to the provisions of this title and the maximum rent for said accommodations shall be the rent set forth in said lease, plus or minus applicable individual adjustments: *Provided, however,* That if such housing accommodations are in a defense-rental area in which a general increase in maximum rents has been or is hereafter granted, the maximum rent shall be said lease rent plus or minus applicable individual adjustments, or the maximum rent in the absence of a lease, whichever is higher.

"'(4) If a lease entered into under this subsection has heretofore terminated or hereafter terminates, prior to the expiration date of such lease, the landlord shall file with the Housing Expediter a report of the termination of such lease, unless a report of such termination was filed with the Housing Expediter prior to the effective date of the Housing and Rent Act of 1949. Such report shall be filed within 15 days after the date of such termination or 15 days after the effective date of the Housing and Rent Act of 1949, whichever is the later date.

"'(5) In order to help assure fair adjustments for tenants and small landlords, the Housing Expediter is authorized and directed to designate for every defense-rental area an officer whose function shall be to assist tenants and small landlords by—

"'(A) informing them concerning the conditions under which rent adjustments may be obtained;

"'(B) helping in the preparation of applications for rent adjustments; and

"'(C) providing them with such other information and services as may be necessary and appropriate.'

"(c) Section 204 (c) of the Housing and Rent Act of 1947, as amended, is amended by adding after the first sentence thereof the following new sentence: 'The Housing Expediter is further authorized and directed to remove maximum rents for any or all luxury housing accommodations in any defense-rental area or portion thereof, if in his judgment such action would result in the creation of additional rental units by conversion.'

"(d) (1) Section 204 (e) (2) of such Act, as amended, is amended by striking out the word 'and' immediately preceding the words 'stenographic assistance' and inserting a comma in lieu thereof and by inserting, immediately following the words 'stenographic assistance', the following: 'and reporting services for public hearings (including attendance fees)'.

"(2) Section 204 (e) (3) of such Act, as amended, is amended by adding at the end thereof the following new sentence: 'If the Housing Expediter approves or disapproves any recommendation of a local board he shall promptly notify the local board in writing of such action.'

"(3) Section 204 (e) (4) (A) of such Act, as amended, is amended by striking out 'interpleader' and inserting in lieu thereof 'pleadings'.

"(4) So much of the first sentence of section 204 (e) (1) of the Housing and Rent Act of 1947, as amended, as precedes the proviso is amended to read as follows: 'The Housing Expediter is authorized and directed to create and, if necessary, continue in existence until the termination of this Act in each defense-rental area (whether or not under Federal rent control) or such portion thereof as he may designate, local advisory boards. The Housing Expediter shall, whenever in his judgment there is need therefor, create a local advisory board in any part of an area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of such Act, in which maximum rents were not being regulated under such Act on March 1, 1947. Each such board shall consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors:'.

"(5) Section 204 (e) (1) is amended by adding after the third sentence thereof the following: 'Upon petition by a representative group of tenants or landlords, the board, if it finds that the petition is substantial in character, shall hold a public hearing in accordance with the requirements set forth in paragraph (4) of this subsection on any of the matters set forth in subparagraphs (A) and (B) of this paragraph. Such hearing shall be begun within thirty days after the filing of such petition, and shall be completed within thirty days after it is begun. Should the board for any reason fail to hold such hearing, the Housing Expediter, upon notice of that fact given by such group, shall (unless he finds that the petition is not substantial in character) hold a public hearing in like manner on such matters. Such hearing shall be begun within thirty days after the giving of such notice by such group, and shall be completed within thirty days after it is begun. If the Housing Expediter finds that such petition is not substantial in character, such group may file a complaint with the Emergency Court of Appeals within thirty days after the date such finding is made. Thereupon, if it finds that the Housing Expediter's finding is not in accordance with law, the Emergency Court of Appeals shall have jurisdiction to enter, within thirty days after the date of filing of such complaint, an order directing the Housing Expediter to hold such hearing. If a hearing is held by either the board or the Housing Expediter, a recommendation by the board or decision by the Housing Expediter, as the case may be, on the merits of the matter shall be rendered within thirty days from the date of completion of such hearing, and the local board forthwith shall forward its recommendation to the Housing Expediter.'

"(e) The paragraph immediately following section 204 (e) (4) (E) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'Any representative group of interested parties or the local board may file a complaint concerning such recommendation with the Emergency Court of Appeals within thirty days after the date on which the Housing Expediter notifies the local board of his decision, or the date of the expiration of such thirty-day period, as the case may be. If the Housing Expediter holds the hearing, such group may file a complaint with the Emergency Court of Appeals within thirty days after the rendering of his decision, or within thirty days after the expiration of the time within which his decision should be made. A similar right of appeal shall be afforded in the event the Housing Expediter makes a decision as to a general adjustment or as to removal of maximum rents for any class of housing accommodations (other than for luxury housing accommodations under the second sentence of section 204 (c)) on his own initiative. The Clerk of the Emergency Court of Appeals shall notify the Housing Expediter in writing of the filing of any such complaint promptly after it has been so filed. Within fifteen days after the receipt of such notice by the Housing Expediter, the Housing Expediter shall file such recommendation or decision in the Emergency Court of Appeals, together with the record and statement of findings of the local board or of the Housing Expediter and such statement as the Housing Expediter may desire to make as to his views on the matter. The statement of the Housing Expediter may be accompanied by such supporting information as the Housing Expediter deems appropriate. Thereupon, the Emergency Court of Appeals shall have jurisdiction to enter, within sixty days after the date of its receipt of such recommendation or decision from the Housing Expediter (or within such additional period of not more than thirty days as the court may find necessary in exceptional cases), an order approving or disapproving the recommendation of the local board or decision of the Housing Expediter. The recommendation, record, and statement of findings of the local board or decision, record, and statement of findings of the Housing Expediter, as the case may be, together with the statement and supporting information filed by the Housing Expediter, shall constitute the record before the court. If the court determines that the recommendation or decision is not in accordance with law, or that the evidence in the record before the court, including such additional evidence as may be adduced before the court, is not of sufficient weight to justify such recommendation or decision, the court shall enter an order disapproving such recommendation or decision; otherwise it shall enter an order approving such recommendation or decision. The judgment and decree of the court shall be final. The powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercise of the jurisdiction granted by this subsection. The court shall prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction, under this paragraph. The Housing Expediter, the local board, representative groups of interested parties, and representatives of the State or States involved, shall be granted, to the extent determined by the court, an opportunity to be heard, by pleadings or otherwise, with right to be represented by counsel.'

"(f) (1) The proviso contained in section 204 (e) (5) (A) of such Act, as amended, is amended by striking out 'provisions of section 209' and inserting in lieu thereof 'regulations and orders with respect to practices relating to the recovery of possession of housing accommodations issued under section 209'.

"(2) The first sentence of section 204 (e) (6) of such Act, as amended, is amended by inserting a period immediately after the word 'subsection' and by striking out the remainder of the sentence.

"(g) Section 204 (f) of such Act, as amended, is amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of June 30, 1950, or upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier; except that as to rights or liabilities incurred prior to such termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability.'

"(h) Section 204 of such Act, as amended, is amended by adding at the end thereof the following new subsections:

"'(h) For controlled housing accommodations which were not included within the definition of "controlled housing accommodations" as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the maximum rent last in effect for such housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for such housing accommodations, the maximum rent shall be the rent generally prevailing in the defense-rental area for comparable controlled housing accommodations within such area, plus or minus applicable adjustments: *Provided*, That in the case of those controlled housing accommodations in hotels which were not included within the definition of "controlled housing accommodations" as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the rent in effect for such accommodations on March 1, 1949.

"'(i) (1) Whenever a local advisory board in any defense-rental area in which maximum rents were never regulated under the Emergency Price Control Act of 1942, as amended, after having determined, with respect to the area over which it has jurisdiction or any portion thereof, either that (A) a scarcity of rental housing has developed as a result of national defense activity, or (B) employment or other conditions have changed to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or appropriate in order to effectuate the purposes of this title, the Housing Expediter, if such recommendation is appropriately substantiated, shall by regulation or order establish such maximum rent or maximum rents for any housing accommodations (except those not included within the definition of "controlled housing accommodations") in such area or portion thereof as in his judgment will be fair and equitable. In establishing any maximum rent for any housing accommodations under this paragraph, the Housing Expediter shall give due consideration to the rents prevailing for such housing accommodations, or comparable housing accommodations, on such date as he deems appropriate, not earlier than the date of the enactment of the Housing and Rent Act of 1949, and he shall make adjustment for such relevant factors as he shall determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. For the purposes of this paragraph the term "defense-rental area" means any part of an area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rent for housing accommodations inconsistent with the purposes of such Act.

"'(2) Whenever a local advisory board in any defense-rental area in which housing accommodations were decontrolled by administrative action taken, prior to the date of the enactment of the Housing and Rent Act of 1949, under the Emergency Price Control Act of 1942, as amended, or under this title, after having determined with respect to the area over which it has jurisdiction, or any portion thereof, either that (A) a scarcity of rental housing has developed as a result of national defense activity, or (B) employment or other conditions have changed to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or appropriate in order to effectuate the purposes of this title, the Housing Expediter, if such recommendation is appropriately substantiated, shall by regulation or order reestablish maximum rents for any or all such housing accommodations in such area or portion thereof. For the purposes of this paragraph the term "defense-rental area" has the meaning assigned to such term in paragraph (1) of this subsection.

"'(3) Any local advisory board may recommend to the Housing Expediter that he exercise the authority granted to him by paragraph (4) of this subsection to reestablish maximum rents for any or all housing accommodations, within the defense-rental area over which such board has jurisdiction, which are decontrolled on or after the date of the enactment of the Housing and Rent Act of 1949, by administrative action taken under this title.

"'(4) The Housing Expediter, upon recommendation of a local advisory board or upon his own initiative, whenever in his judgment such action is necessary or proper in order to effectuate the purposes of this title, may by regulation or order reestablish maximum rents for any or all controlled housing accommodations, in any defense-rental area, which are decontrolled on or after the date of the enactment of the Housing and Rent Act of 1949, by administrative action taken under this title.

"'(5) In the case of housing accommodations for which a maximum rent is reestablished pursuant to paragraph (2) or (4) of this subsection, the maximum rent shall be the maximum rent last in effect for such housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for such housing accommodations, the maximum rent shall be the rent generally prevailing for comparable controlled housing accommodations within such area, plus or minus applicable adjustments.

"'(6) No maximum rents shall be established or reestablished under this subsection for any housing accommodations (A) in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or as the result of approval by such court of a decision of the Housing Expediter, or (B) in any State, city, town, village or locality in which rent controls under this title have been terminated pursuant to section 204 (j).

"'(j) (1) Whenever the governor of any State advises the Housing Expediter that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents, or has specifically expressed its intent that State rent control shall be in lieu of Federal rent control, with respect to housing accommodations within defense-rental areas in such State and of the date on which such State rent control will become effective, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this Act, as amended, with respect to housing accommodations within such State shall be terminated as of the date on which State rent control is to become effective. As used in this subsection, the term "State" means any State, Territory, or possession of the United States.

"'(2) If any State by law declares that Federal rent control is no longer necessary in such State or any part thereof and notifies the Housing Expediter of that fact, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this act, as amended, with respect to housing accommodations within such State or part thereof shall be terminated on the fifteenth day after receipt of such advice. As used in this subsection, the term "State" means any State, Territory, or possession of the United States.

"'(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town or village upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after 10 days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town or village: *Provided, however*, That such resolution is first approved by the Governor of the State before being transmitted to the Housing Expediter: *And provided further*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area.'

"SEC. 204. (a) Section 205 of the Housing and Rent Act of 1947, as amended, is amended by striking out from the heading of such section the words 'BY TENANTS'; by inserting after the words 'receives such payment', in the first sentence, the following: '(or shall be liable to the United States as hereinafter provided)'; and by changing the period at the end of the second sentence to a colon and inserting: '*Provided*, That if the person from whom such payment is demanded, accepted, or received either fails to institute an action under this section within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the United States may institute such action within such one-year period. If such action is instituted, the person from whom such payment is demanded, accepted, or received shall thereafter be barred from bringing an action for the same violation or violations.'

"(b) The last sentence of section 205 of such Act, as amended, is amended by striking out 'plaintiff' and inserting in lieu thereof "person".

"SEC. 205. Section 206 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 206. (a) It shall be unlawful for any person to demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204, or otherwise to do or omit to do any act, in violation of this Act, or of any regulation or order or requirement under this Act, or to offer, solicit, attempt, or agree to do any of the foregoing.

"'(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or any regulation or order issued thereunder, the United States may make application to any Federal, State, or Territorial court of competent jurisdiction for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing that such person has engaged or is about to engage in

any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"'(c) Any proceeding brought in a Federal court under section 205 or under subsection (b) of this section may be brought in any district in which any part of any act or transaction constituting the violation occurred, or may be brought in the district in which the defendant resides or transacts business, and process in such case may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any such proceeding brought before it. No costs shall be assessed against the Housing Expediter or the United States Government in any proceeding under this Act.

"'(d) No person shall be liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this Act or any regulation, order, or requirement thereunder notwithstanding that subsequently such provision, regulation, order or requirement may be modified, rescinded, or determined to be invalid. The United States may intervene in any such suit or action wherein a party relies for ground of relief or defense upon this Act or any regulation, order, or requirement thereunder.

"'(e) The principal office of the Housing Expediter shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place and attorneys appointed by the Housing Expediter may, under such authority as may be granted by the Attorney General, appear for and represent the United States in any case arising under this Act.

"'(f) (1) The Housing Expediter is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information, as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this act and regulations and orders prescribed thereunder.

"'(2) For the purpose of obtaining information under this subsection, the Housing Expediter is further authorized, by regulation or order, to require any person who rents or offers for rent or acts as broker or agent for the rental of any controlled housing accommodations (A) to furnish information under oath or affirmation or otherwise, (B) to make and keep records and other documents and to make reports, and (C) to permit the inspection and copying of records and other documents and the inspection of controlled housing accommodations.

"'(3) For the purpose of obtaining information under this subsection, the Housing Expediter may by subpena require any person to appear and testify or to appear and produce documents, or both, at any designated place. Any person subpenaed under this subsection shall have the right to make a record of his testimony and be represented by counsel, and shall be paid the same fees and mileage as are paid witnesses in the United States district courts. For the purposes of this subsection the Housing Expediter, or any officer or employee under his jurisdiction designated by him, may administer oaths and affirmations.

"'(4) The production of a person's documents at any place other than his place of business shall not be required under this subsection in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Housing Expediter with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Housing Expediter as to the information contained in such documents.

"'(5) In case of contumacy by, or refusal to obey a subpena served upon, any person under this subsection, the United States district court for any district in which such person is found or resides or transacts business, upon application by the United States, and after notice to such person and hearing shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"'(6) No person shall be excused from attending and testifying or producing documents or from complying with any other requirement under this subsection because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U. S. C. 46), shall apply with respect to any individual who specifically claims such privilege.

"'(g) The Housing Expediter shall not publish or disclose any information obtained under this Act that such Housing Expediter deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless he determines that the withholding thereof is contrary to the public interest.

"'(h) It shall be unlawful for any person to remove or attempt to remove from any controlled housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this Act or any regulation, order, or requirement thereunder.'

"SEC. 206. Section 209 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 209. Whenever in the judgment of the Housing Expediter such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any controlled housing accommodations, which in his judgment are equivalent to or are likely to result in rent increases inconsistent with the purposes of this Act.'

"TITLE III—MISCELLANEOUS

"SEC. 301. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 302. Section 303 of the Housing and Rent Act of 1948 is hereby repealed.

"SEC. 303. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 304. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out 'March 31, 1949' in each place it appears therein and inserting in lieu thereof 'June 30, 1949'.

"SEC. 305. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted."

And the Senate agree to the same.

BRENT SPENCE,
WRIGHT PATMAN,
MIKE MONRONEY,
HENRY O. TALLE,
Managers on the Part of the House.

BURNET R. MAYBANK,
JOHN SPARKMAN,
PAUL H. DOUGLAS,
RALPH E. FLANDERS,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

VETERANS' PREFERENCE

Both the House bill and the Senate amendment rewrote section 4 of the Housing and Rent Act of 1947, relating to veterans' preference in the sale and renting of new housing accommodations, but the differences were not substantial.

In the Senate amendment, in paragraphs (3) and (4), provisions were added to insure that there shall be a veterans' preference period of seven days on a new offering at a lower price, and a proviso is included in each case that in no event shall the public offering period to veterans of World War II or their families total less than thirty days in any first or original sale or first or original renting, as the case may be. These provisions of the Senate amendment are included in the conference substitute.

There is also included in the conference substitute, in subsection (e), a provision taken from the Senate amendment providing that when the section ceases to be in effect, title I of the Housing and Rent Act of 1947 and regulations and orders issued thereunder shall nevertheless be treated as still remaining in force, as to offenses committed, or rights or liabilities incurred, prior to the termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

It is the understanding of the conferees that paragraphs (1) and (3) of section 4 of the Housing and Rent Act of 1947, as it will be amended by the conference substitute, are not applicable to any trade or exchange of housing accommodations made in good faith between owners.

TERMINATION OF RENT CONTROL

The House bill provided that rent control shall cease to be in effect at the close of June 30, 1950, or upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted is not necessary because of the existence of an emergency.

The Senate amendment provided for termination at the close of June 30, 1950, but contained a proviso as follows: *"Provided, however,* That the provisions of section 204 (except subsection (a) and this subsection) hereof shall cease to be in effect on March 31, 1950, but during the period from March 31, 1950, to June 30, 1950, inclusive, no tenant in possession on March 31, 1950, shall be deprived of possession of the housing accommodations he occupies merely because of nonpayment of such portion of the rent therefor as exceeds the maximum rent which would be in effect for such housing accommodations if the provisions of section 204 were to remain in effect until the close of June 30, 1950, nor shall such tenant be liable for such portion of rent if he refuses to make payment therefor".

The termination provision in the conference substitute is the same as in the House bill, with minor clarifying changes.

LOCAL OPTION

The House bill contained the following provision:

"(j) If the legislature or comparable governing body of any State, municipality, county, or other political subdivision declares by resolution that Federal rent control is no longer needed in such State, municipality, county, or political subdivision, and transmits a certified copy of such resolution to the Housing Expediter, the provisions of this title shall be inapplicable to such State, municipality, county, or political subdivision fifteen days after such certified copy shall have been mailed by registered mail to the Housing Expediter."

The Senate amendment eliminated the provision quoted above, and inserted the following provisions which were not in the House bill:

"(j) (1) Whenever the governor of any State advises the Housing Expediter that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents, or has specifically expressed its intent that State rent control shall be in lieu of Federal rent control, with respect to housing accommodations within defense-rental areas in such State and of the date on which such State rent control will become effective, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this Act, as amended, with respect to housing accommodations within such State shall be terminated as of the date on which State rent control is to become effective. As used in this subsection, the term 'State' means any State, Territory, or possession of the United States.

"(2) If any State by law declares that Federal rent control is no longer necessary in such State or any part thereof and notifies the Housing Expediter of that fact, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this Act, as amended, with respect to housing accommodations within such State or part thereof shall be terminated on the fifteenth day after receipt of such advice. As used in this subsection, the term 'State' means any State, Territory, or possession of the United States.

"(3) Upon petition of the governing body of any municipality, adopted after a public hearing of which ten days notice has been given to the public, and approved by the Governor of the State, the Housing Expediter shall within thirty days after approval by the Governor, decontrol said municipality."

Paragraphs (1) and (2) of the Senate provision above quoted are included in the conference substitute, and the following provision was agreed to as a substitute for the House provision and the Senate paragraph (3):

"(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town or village upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after 10 days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town or village: *Provided, however,* That such resolution is first approved by the Governor of the State before being transmitted to the Housing Expediter: *And provided further,* That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area."

ADJUSTMENTS FOR HARDSHIPS AND OTHER INEQUITIES

The House bill contained a provision to require the Housing Expediter and the local boards, in making individual and general adjustments to remove hardships or to correct other inequities, to observe the principle of maintaining maximum rents, so far as practicable, at levels which would yield to landlords a reasonable return (but not in excess of a reasonable return) on the reasonable value of such housing accommodations. Under this provision it was required that in determining whether the maximum rent for controlled housing accommodations yielded a reasonable return on the reasonable value of such housing accommodations, due consideration should be given to the following, among other factors: (A) Increases in property taxes (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

The above House provision was not included in the Senate amendment, but the Senate amendment included a paragraph providing that effective October 1, 1949, the maximum rent then in effect for any controlled housing accommodations should be increased by 5 per centum of the maximum rent in effect on June 30, 1947 (or if no rent was in effect on that date, the rent first established after that date) and that, effective April 1, 1950, the maximum rent then in effect for any controlled housing accommodations should be increased by an additional 5 percent of the maximum rent in effect on June 30, 1947 (or if no rent was in effect on that date, the rent first established after that date). This provision was, however, subject to the limitation that in no event should any such maximum rent be increased thereby to an amount in excess of 115 per centum of the maximum rent in effect for the housing accommodations on June 30, 1947 (or if no rent was in effect on that date, the first rent established after that date), plus or minus applicable individual adjustments. The Senate provision is not included in the conference substitute.

The provision in the conference substitute is patterned on the language contained in the House bill. As did the House provision, it replaces the provision of the present law which provides that in the making of adjustments to remove hardships, due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations. This provision of existing law is objectionable because it seems to imply that a maximum rent for housing accommodations is sufficient if the landlord is merely breaking even in the operation of the housing accommodations. The conference substitute approaches the problem in a positive manner by requiring observance of the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords not merely a net operating income but a fair net operating income from such housing accommodations. The conference substitute provides that in determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such accommodations, the Housing Expediter and the local boards shall give due consideration, among other relevant factors, to the same factors that were specifically set forth in the House provision.

HOUSING ACCOMMODATIONS IN HOTELS

The House bill made no change in the existing law relating to the housing accommodations, in hotels, which are subject to rent controls under title II of the Housing and Rent Act of 1947. Under section 202 (c) (1) of the present law the housing accommodations, in hotels, which are not subject to such regulation are "those housing accommodations, in any establishment which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel service such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service".

The Senate amendment proposed to substitute for the present paragraph the following:

"(1) (A) Any housing accommodations in hotels in cities of less than two million five hundred thousand population according to the 1940 decennial census; or (B) any housing accommodations in hotels in cities of two million five hundred thousand population or more, which accommodations were, on October 31, 1948, used for transient occupancy; or".

The conference substitute makes no change in present law for housing accommodations in hotels in cities of less than 2,500,000 population. It provides, broadly speaking, for control of non-transient housing accommodations in non-transient hotels in cities of 2,500,000 population or more, and for the establishment of maximum rents for such accommodations at the March 1, 1949, level.

The text of the provision in the conference substitute is as follows:

"(1) (A) those housing accommodations, in any establishment which is located in a city of less than 2,500,000 population according to the 1940 decennial census and which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or

"(B) those housing accommodations in hotels in cities of 2,500,000 population or more according to the 1940 decennial census (i) which are located in hotels in which 75 per centum or more of the occupied housing accommodations on March 1, 1949, were used for transient occupancy, or (ii) which are not located in hotels described in (i) but which on March 1, 1949, were used for transient occupancy; for the purposes of this subparagraph (B)—

"(1) the term 'used for transient occupancy' means rented on a daily basis, to a tenant who had not on March 1, 1949, continuously resided in the hotel for ninety days or more; and

"(2) the term 'hotel' means any establishment which on June 30, 1947, was commonly known as a hotel in the community in which it is located and was occupied by an appreciable number of persons who were provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or".

LUXURY APARTMENTS

The Senate amendment proposed to remove certain housing accommodations from rent control by adding to section 202 (c) of the present law the following paragraph:

"(5) luxury housing accommodations, defined as any unfurnished apartment occupied by a single family rented for $290 per month or more as of the date of the enactment of the Housing and Rent Act of 1949,

or any lesser figure which the Housing Expediter may determine is representative of rentals for luxury accommodations in any defense rental area or portion thereof."

The House bill contained no such provision. In lieu of the Senate provision there has been included in the conference substitute a provision which authorizes and directs the Housing Expediter to decontrol luxury housing accommodations, in individual cases or by class, when in his judgment such action will result in the creation of additional rental units by conversion.

RENT STANDARDS IN THE CASE OF CERTAIN HOUSING ACCOMMODATIONS

Both the House bill and Senate amendment contained a provision specifying what the maximum rent shall be in the case of those housing accommodations which will be brought under control by reason of the changes which are being made in the definition of "controlled housing accommodations". The provisions are the same except that the Senate provision contained a proviso that in the case of those controlled housing accommodations in hotels which are thus brought under control the maximum rent shall be the rent in effect for such accommodations on October 31, 1948. The Senate proviso is included in the conference substitute, with a change in the date to March 1, 1949.

RIGHT OF REPRESENTATIVE GROUPS TO BE HEARD

The Senate amendment contained certain provisions making changes in section 204 (e) of the Housing and Rent Act of 1947, as amended, designed to give representative groups of tenants and landlords a right to be heard on matters of general adjustments, decontrol, and recontrol, and to appeal to the Emergency Court of Appeals from decisions by the Housing Expediter on such matters. The conference substitute incorporates certain of these provisions, with modifications, as explained below.

Each local board is required, upon petition by a representative group of tenants or landlords, if it finds the petition is substantial in character, to begin a public hearing on matters of general adjustments or decontrol, within thirty days after the petition is filed. The board is required to complete the hearing within thirty days after it is begun, and to make and forward to the Housing Expediter a recommendation on the merits of the matter within thirty days after the hearing is completed.

If the board fails to hold the hearing and the representative group notifies the Housing Expediter, the Housing Expediter is required to hold the hearing and render a decision within the same time limits unless he finds the petition is not substantial in character. If the Housing Expediter makes such a finding, the group may appeal to the Emergency Court of Appeals which may order the Housing Expediter to hold the hearing if it decides his finding is not in accordance with law.

Existing law provides that if the Housing Expediter fails to approve a local board recommmendation as to a general adjustment or decontrol within thirty days after he receives it, he must file the recommendation and the record and statement of findings of the local board with the Emergency Court of Appeals, even though the local board may not desire review by the court. The House bill changed this provision to require review in such a case only on appeal by the local board. The conference substitute provides for review in such a case on an appeal by the local board or by any representative group of interested parties. Such a group is also given the right to be heard on an appeal by a local board, and to take a similar appeal on decisions made by the Housing Expediter in response to the petition procedure described above and on decisions made by the Housing Expediter on his own initiative as to general adjustments and as to decontrol of classes of housing accommodations (other than decontrol of luxury accommodations for the purpose of making available additional housing accommodations).

RECONTROL

The House bill

The House bill contained a provision authorizing the Housing Expediter, on his own initiative, whenever he deemed such action necessary or proper to carry out the purposes of title II, to establish maximum rents for any or all controlled housing accommodations in any defense-rental area (that is, any area in which rents have been regulated under the Housing and Rent Act of 1947), notwithstanding any administrative decontrol action taken since June 30, 1947; except that he could not establish maximum rents for any housing accommodations decontrolled as the result of approval by the Emergency Court of Appeals of a recommendation of a local board. In case of such recontrol, it was provided that the maximum rent fixed should be the maximum rent last in effect for the housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for the housing accommodations, the maximum rent should be the rent generally prevailing in the defense-rental area for comparable controlled housing accommodations within the area, plus or minus applicable adjustments.

The Senate amendment

The Senate amendment contained no provision authorizing the Housing Expediter to recontrol on his own initiative, but did contain a provision for the establishment or reestablishment by the Housing Expediter, upon local board recommendation, of maximum rents not only in areas where rent control has been applicable under the Housing and Rent Act of 1947, but also in any other area in the United States. Under this provision the local board had to make specified findings before making the recommendation to the Housing Expediter, and the Housing Expediter was authorized and directed to carry out the recommendation only if it was approved in accordance with the provisions of section 204 (e) of the Act as it was proposed to be amended by other provisions of the Senate amendment. Stated briefly, the changes in section 204 (e) would have granted a local board authority to recommend recontrol, would have authorized any representative group of landlords or tenants to petition the local board to hold a hearing on the subject of recontrol, would have provided that if the board failed or refused to hold the hearing it would have to be held by the Housing Expediter, would have provided a time within which (after such a hearing) the local board had to make a recommendation on the matter, and, if the hearing was held by the Housing Expediter, a time within which he had to make a decision on the matter. The changes in section 204 (e) would have provided also that the Housing Expediter's decision on a recontrol recommendation by a local board which was appropriately substantiated and based on an appropriate hearing (and whether the local board held its hearing on its own initiative or on petition) would have been subject to review by the Emergency Court of Appeals. The Senate provision contained a provision that there could be no recontrol where decontrol had been effected by reason of approval by the Emergency Court of Appeals of a recommendation of a local board or of a decision of the Housing Expediter. Under the Senate provision it was provided that in establishing or reestablishing maximum rents for any housing accommodations the Housing Expediter should ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about such date as World War II defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of the Housing and Rent Act of 1947, and he was directed to make adjustments for such relevant factors as he might determine to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within the defense-rental area.

The conference substitute

The recontrol provision in the conference substitute (the proposed subsection (i) of section 204) is a compromise between the Senate and House provisions.

Under it, the Housing Expediter may recontrol housing accommodations on his own initiative only in the case of housing accommodations which are decontrolled on or after the date of the enactment of the Housing and Rent Act of 1949 by administrative action taken under title II. The standard for fixing the amount of the maximum rents in such a case will be the same as that contained in the House provision.

A local board may recommend that the Housing Expediter exercise the recontrol authority granted to him under the provision referred to in the above paragraph, but there would be no Emergency Court review of the Housing Expediter's action, or failure to act, on such recommendation.

The new subsection (i) contains a paragraph, based on the Senate provision, under which maximum rents may be established by the Housing Expediter, upon recommendation of a local board, in areas which have never been under rent control under the 1947 Act and in which rents were never regulated under the Emergency Price Control Act of 1942. The local board is required to make one or more of certain specified findings before making a recommendation. The standard for fixing the amount of the maximum rents is that the Housing Expediter shall give due consideration to the rents prevailing for the housing accommodations, or comparable housing accommodations, on such date as he deems appropriate, not earlier than the date of the enactment of the Housing and Rent Act of 1949, and he is directed to make adjustment for the same factors specified in the Senate amendment. No provision is made for Emergency Court review of the Housing Expediter's action, or failure to act, on such a recommendation, and in the conference substitute the proposed Senate amendments to section 204 (e) have been modified accordingly. Appropriate amendments have been made to make it clear that the Housing Expediter may create local boards for such areas.

The new subsection (i) also contains a paragraph, based on the Senate amendment, under which maximum rents may be reestablished by the Housing Expediter, upon recommendation of a local board, in the case of housing accommodations which were decontrolled by administrative action taken, prior to the date of the enactment of the Housing and Rent Act of 1949, under the Emergency Price Control Act of 1942 or under title II of the Housing and Rent Act of 1947. The local board is required to make one or more of certain specified findings before making a recommendation. The standard for fixing the amount of the maximum rents is that contained in the House bill. No provision is made for Emergency Court review of the Housing Expediter's action, or failure to act, on such a recommendation, and in the conference substitute, as explained above, the proposed Senate amendments to section 204 (e) have been modified accordingly.

The new subsection (i) contains a provision, applicable to all of the recontrol authority contained therein, providing that it may not be exercised to establish or reestablish maximum rents for any housing

accommodations (A) in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or decision of the Housing Expediter, or (B) in any State, city, town, village, or locality in which rent controls have been terminated pursuant to section 204 (j).

RECORDS AND OTHER DATA RELATING TO MAXIMUM RENTS

Both the House bill and the Senate amendment modified the existing provision relating to the transfer to local authorities of records and other data upon the termination of Federal rent control. The provisions were identical except that the Senate amendment made a clarifying change, to relate the provision to areas or portions of areas, which is included in the conference substitute.

EVICTIONS

The conference substitute contains the same provision contained in the House bill and the Senate amendment, rewriting section 209 of the present law so as to authorize the Housing Expediter, by regulation or order, to regulate or prohibit speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of possession) in connection with controlled housing accommodations, which in his judgment are equivalent to or are likely to result in rent increases inconsistent with the purposes of the Act. It is the understanding of the conferees that nothing in the eviction section shall be construed to authorize the Housing Expediter to prohibit or delay recovery of possession by a landlord of housing accommodations on farm property which are to be used as living or dwelling accommodations for tenant farmers.

DEFINITION OF "RENT"

The Senate amendment redefined the term "rent" in section 202 (e) of the present law, so as to make the definition similar to, but not exactly the same as, the definition of such term contained in the regulations of the Housing Expediter. This provision from the Senate amendment is included in the conference substitute with slight changes to make it conform precisely with the definition contained in the regulations of the Housing Expediter. It is believed that this modification of the present definition makes no substantive change.

SECTION 608 OF THE NATIONAL HOUSING ACT

Section 304 of the Senate amendment amended section 603 (a) of the National Housing Act by striking out "March 31, 1949" and inserting in lieu thereof "May 30, 1949". This amendment would have had the effect of extending the provisions of section 608 of the National Housing Act until May 30, 1949. This Senate provision is contained in the conference substitute except that as so contained it strikes out "March 31, 1949" and inserts "June 30, 1949".

BRENT SPENCE,
WRIGHT PATMAN,
MIKE MONRONEY,
HENRY O. TALLE,
Managers on the Part of the House.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we are all familiar with the report, and you have heard the statement of the messages read. The other body has acted first and has just passed it by a vote of 78 to 11. I think the report that the conferees brought back is better than the House bill and the Senate bill. Those who are apprehensive about decontrol certainly can have no fear, so far as the report that we have brought back is concerned. Decontrol is at State level. The local legislative bodies can decontrol the areas with the consent of the governor. The legislature can decontrol, and the governor can decontrol if he certifies the State has adequate laws in effect to meet the housing situation. The local advisory board can advise the Expediter to decontrol, and he can decontrol either on their advice or on his own initiative.

So, certainly, there is no reason to apprehend that controls will continue after the reason for their application has ceased.

With regard to the landlords and the rights of the tenants, we have provided that the landlord shall obtain a fair operating net income. That means that after he has paid all the necessary expenses of upkeep and operation of the housing accommodation, after he has paid taxes, insurance, repairs, and other charges, after an allowance has been made to him for depreciation, he shall have a fair net income. Certainly that is a provision that will insure the landlord fairer treatment than he has received under the other acts, and will assure him, under all circumstances, of a return?

The law previously enacted provided that if he could show that he was operating at a loss he might obtain relief. I think this gives to him about the same rights that he had under the provision authorizing the correction of hardships. This report is a fair report for both tenant and property owner. I think it meets almost all the objections that were raised with regard to the legislation in the House.

In addition to that, section 608 of the National Housing Act will expire on the 31st of this month. That is the rental-housing provision. Under that provision most of our rental housing has been built. I think it would have been very inadvisable to allow that provision to expire. It is incorporated in the conference report, and if you agree to the conference report today, those provisions will continue until June 30 of this year. In the meantime we expect to consider the housing bill, and will place it in the housing bill, as it is a very much needed piece of legislation.

Transient hotels have been decontrolled, except hotels in Chicago and New York where, if 25 percent or more of the occupants are permanent residents, they are still under control.

The SPEAKER. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. SPENCE. Mr. Speaker, I yield myself five additional minutes.

In approaching these matters we have to approach them from a national standpoint. I know there are great sections of the country that do not need any rent control; and they now have the machinery to get from under rent control, if they do not want it, because the decontrol has been made a local matter. But there are areas of this country where rent control is a vital thing to the welfare of the people. Those areas include the great cities of the East. They are asking for it. I know a great deal of the opposition to this bill has come from the rural areas, but I want to call attention to this fact, that we have been dependent in agriculture on price support, and we have asked the people of the great cities to help us. They have never failed. I am greatly interested in that, because the great cash crop of the farmers I represent is tobacco, and it has been essential to them that they have a support price. It has been necessary for the cotton farmer to have a support price. Our colleagues from the North and the East helped the farmers when they were in trouble; now the North and East come and ask to be helped themselves to give their people an opportunity for housing accommodations. I hope you will not fail them, for they have not failed you. I hope you will not consider this matter in the provincial manner, or think only of the interest of your own people. We are here to legislate for the national interest, and we must consider the interests of all the people of our common country. I hope you will vote to agree to the conference report. I am confident that its administration will be very much improved. After all, this is but emergency legislation to continue but 15 months.

The Senate agreed to the House provision that the act be continued for 15 months or until a year from next June.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CANFIELD. Is it not true that the local option feature of this bill is obnoxious to the President of the United States?

Mr. SPENCE. I have never heard that. He has never said it was obnoxious to him, as far as I know.

Mr. CANFIELD. Did he not criticize it bitterly in a speech not so many days ago before the mayors conference?

Mr. SPENCE. I do not know anything about that; anyhow, that is injecting politics where it has no place. We ought to consider these things on their merits.

You have what you asked for, local self-control. You have asked to put it on the State level; now we have got it there, and those who believe in States' rights will have no reason to vote against this bill because of that fact.

The President wants a bill that can be enforced. He knows what would happen if there were no rent control at this time. I know he sincerely has at heart the best interest of all the people of the United States. He may have some preferences, but I can assure you he wants this bill enacted into law, because he thinks it will benefit all of the people. I am confident that it will be so administered, that it will give relief to thousands and thousands of people who otherwise would be the subject of imposition. At the same time it will give relief to some landlords who have not had an adequate income on their property.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CHRISTOPHER. The gentleman from Kentucky referred to those Members who represent agricultural sections of the United States. For the benefit of the House, and for the benefit of the gentleman from Kentucky, let me say that I represent thousands of farmers in Missouri. Let me say further that there

is no more sincere, no more just, no more God-fearing people in the United States than the American farmers. They do not object to rent control. I voted for the bill when it passed the House, and I shall vote for it again today; in doing so I am representing my farmers.

Mr. SPENCE. The gentleman need not sing the virtues of the farmer to me, because about half of my constituents are farmers. I have a very deep affection for them just as the gentleman does; and I assure him my affection and deep regard for them will continue.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CHURCH. I am glad to hear the gentleman state that depreciation is taken into consideration. However, on page 5 of the report the word "depreciation" does not appear following the words "amongst other relevant factors." Is it the gentleman's idea that that is a sufficient statement of intention that depreciation be taken into consideration among other relevant factors.

Mr. SPENCE. I do not see how one could have a net income unless it included all of the costs and depreciation of property; otherwise it would not be net. Net income means the gross income after all expenditures have been made; and I think it would include depreciation before he could have a net income.

Mr. CHURCH. Would the gentleman answer this question then, How is the value of the property to be determined for purposes of a depreciation allowance?

Mr. SPENCE. I cannot spell that out for the gentleman because that is not in the act and I do not know how the value of the property is to be determined.

Mr. CHURCH. Even though the report does not recite the word "depreciation" as one of the things to be taken into consideration, and where it states due consideration shall be given to the following, among other relevant factors: (A) Increases of property taxes; and those other items—the gentleman feels that depreciation must be considered?

Mr. SPENCE. That would be my interpretation of it as it is a relevant factor.

Mr. CHURCH. That is what I want.

Mr. SPENCE. One cannot have a net income unless all the elements of expense and depreciation are taken into consideration.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield myself one additional minute.

Mr. POULSON. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. POULSON. I understood the gentleman to say that the Administrator had the same powers before in the case of hardship to grant an increase and that the powers given in this bill are not additional powers, is that correct?

Mr. SPENCE. There are additional powers. I think they are more general, and I believe the intent of the Congress is more explicitly and more definitely shown.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Louisiana.

Mr. BROOKS. Can the gentleman tell us why the word "reasonable" was stricken out and the word "fair" placed there in lieu of it? Is there any difference in the meaning?

Mr. SPENCE. Because we could not agree in conference. A conference results in concessions and we had to get out a bill. This is the only thing we could get out.

Mr. BROOKS. What is the difference in the meaning of the two words?

Mr. SPENCE. "Fair" in the conference report is used in a different sense than the word "reasonable" in the House amendment. "Reasonable return on reasonable value" means something different than "fair net operating income."

Mr. BROOKS. The gentleman thinks "reasonable" is a better word?

Mr. SPENCE. I think "reasonable" and "fair" in the ordinary sense mean very much the same, and I think probably they could be used interchangeably in the report without great change of intent.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. KEOGH. I notice that the conferees have agreed upon an extension of section 608, the rental-housing section. I am sure that will meet with the approval of all who are interested in that type of housing development.

I wonder if the gentleman will tell us whether his committee has considered making that authority of the Federal Housing Administration permanent?

Mr. SPENCE. Well, I could not tell the gentleman what we are going to do. We are certainly going to consider continuation of that when the housing bill comes before the committee. It was essential to continue it now, otherwise it would expire on the 31st of this month.

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. SPENCE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, it was not my good fortune to sit through the entire conference. I have tried with unusual diligence to find out from a reading of the report what was agreed upon, but the more I read the report, the more I study it, the more confused I become. If we take into consideration the debates in the Senate and the debates in the House and try to arrive at an intent in respect to many of the provisions, we find ourselves in a complete maze of contradictory statements, and confused and incongruous policies, from which no one can determine what we really want to do in respect to the continuance of rent control.

I believe that my very estimable chairman the gentleman from Kentucky [Mr. SPENCE], threw a great deal of light on one particular provision. It will be recalled that when the so-called Brown amendment was before the House it was explained that its purpose was to give to landlords a reasonable return on fair value. Now we find some language in the conference report which is subject to interpretation, and the way it appears now is that the Expediter, if he finds it practicable, shall set the rent in such a manner as to yield the landlords a fair net operating income. Now there is a great deal of difference, of course, between the rent which will result in a fair net operating income and one which will be a reasonable return on fair value.

I wondered what the difference was and I wondered what they were getting at, so I referred to the committee report of the Committee on Banking and Currency in the other body, accompanying the bill, and I find this language which throws some light on the case.

> It is, therefore, important to keep in mind the three terms: "Gross income," which is the amount of rent paid by the tenant; "net operating income," which is gross income minus operating expenses; and, "net income" which is net operating income minus interest and depreciation.

I am very glad that the gentleman from Kentucky has assured the House that net operating income is arrived at after taking into consideration depreciation, because that clears up the inconsistency which might otherwise appear between the language in the Senate report and the language which appears in the conference report. Now, because the interpretation which has been placed upon it by the gentleman from Kentucky comes last, I think we should warn the courts, in the interpretation of this language, that it is to be interpreted in the manner stated by the gentleman from Kentucky and not in the manner stated in the Senate report.

Now, there is a precedent established in this bill which I do not think we should adopt. It is true that the legislatures of many of the States, like New York, Michigan, and Illinois, which have a large city, frequently provide in legislation that it shall apply or shall not apply to cities having a population of over 500,000 or a million, as the case might be; to include only, or to eliminate the large cities.

The Legislature of Michigan occasionally passes legislation which, because of that language, applies only to the city of Detroit. Now for the first time that I can find in the history of the Congress of the United States, we pass general legislation which eliminates, through the application of population standards, two of the cities of the United States, namely, New York and Chicago. We provide that in New York and Chicago—we might as well have mentioned them as to have used the figure 2,500,000—we restore rent control on all hotel units which are not strictly transient units. As I understand it, we restore controls on all hotels which have 75 percent of their accommodations on a transient basis, but it is left to interpretation, very broad interpretation, as to what constitutes a transient hotel.

Of course this eliminates all of the units which might be in Pittsburgh and San Francisco and Dallas and all the other cities. We do not apply the same standards to other large cities as we apply to the cities of Chicago and New York. Everything else is decontrolled.

Mr. Speaker, that was a sop to certain conditions that exist. All through the hearings we were confronted with it.

Finally they came up with what they considered to be a novel idea, which has been used by State legislatures for years but never has been used by the Congress before, to discriminate against the entire country because of peculiar situations that might exist in two of our States. Of course, the sensible thing to do under the Williams amendment would be to apply these controls generally throughout the United States and then let the city of New York and the city of Chicago determine each for itself whether it should or should not remain under rent control, the same policies, the same principles, the same standards which are applied to every other American city.

I wonder if we want to establish this very dangerous precedent of legislating in this particular way.

Under the so-called Williams amendment, many of the advantages which would be given to the localities have been adjusted in such a manner as to present very grave doubts as to whether they will ever be used or not.

When the bill was before the House there was a motion made to recommit the bill with instructions to bring it back and continue rent control as is for only 90 days. I honestly believe that were it not for the Williams amendment, which has been emasculated, and for the Brown amendment, which has been virtually destroyed, the 90-day provision would have prevailed. The sensible thing to do now in the light of the changes which have taken place in our economy ever since the day we passed this bill, and because of these changes which have been made by the conference is to vote down this conference report and give this House an opportunity to make such amendments as may be necessary to make it a workable bill or, preferably, to continue rent control as is for 90 days in order that we may take another look at our economy in the light of whatever changes shall take place.

Mr. SPENCE. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, I am sorry I cannot support the conference report. I am against any rent-control bill which does not give a reasonable return on the reasonable value of one's property. That is not asking too much. When the Government undertakes to control my property, and then does not give me a reasonable return on the reasonable value of my property, that is wrong.

The only segment of our people today who are being controlled are those who own homes to rent. No one else is controlled. It is wrong to say to these people under a law which Congress has written that we will not give them any profit, but will only see to it that they might get enough to pay their operating expenses.

When the people of this country, who have invested in homes for rent cannot receive any return for the investment they have made, they have a right to complain. We all know it is wrong not to allow them some form of a just return.

Many people, especially widows, have invested all their savings and small amounts left to them by their husbands in a small home or homes to rent in order to obtain enough income to live on.

The House, by a vote of 311 to 47 a few days ago, said that unless we have the fair return yardstick in this bill it should not become law. The conferees' amendment to the so-called Brown amendment practically destroys, as I see it, the meaning of the entire amendment. This is my opinion. Some of my good friends on the conference committee may not agree with me. I appreciate the fact the House conferees stood by the reasonable return amendment through Friday and Saturday and until Monday morning, but in my opinion the conference committee's amendment to my amendment in the words "fair net operating income" does not mean anything more than has been in the law for the past years. It certainly does not take into consideration any value of the property. The effect, as I see it, destroys the purpose of the so-call Brown amendment. For that reason I could not go along with the conferees.

Whoever heard of a man or woman who rents a house being referred to as the operator of a house? The hotel owner might operate a hotel, but in the case of a small home owner, the word is a misfit.

I did not understand the meaning, when these words were agreed upon in conference. I asked the members of the conference to write the meaning of the words "fair net operating income" in the report. They agreed to do it. Then the legislative counsel of the House said, "Mr. BROWN, we do not know what it means, and we cannot write the meaning."

Mr. Speaker, I have devoted a lot of time and have done a lot of work trying to get a good bill that would be just to both the landlords and tenants.

What better proof could I offer of the soundness of my contention relative to the so-called Brown amendment as amended by the conferees than to quote what the distinguished Senator from Alabama [Mr. SPARKMAN] stated to newspaper reporters, as given in this morning's Washington Post, as follows:

> The new formula amounted to practically what the Housing Expediter is doing now with respect to the hardship provisions under the present law.

That is saying in a few words we have cut everything out of the Brown amendment. More than that, the 10-percent increase across the board in the Senate bill was eliminated, so there is nothing now to correct the inequities except what is in existing law.

If you people are satisfied to continue rent control without any profit guaranteed or allowed, then this conference report should be satisfactory to you. There is no profit or return beyond operating expenses guaranteed under the present law. While the law is in operation, these people who have their investment in rental properties are entitled to some kind of a profit. Many of them are dependent on it for a livelihood. It is not fair. If we continue this kind of legislation, what are we coming to?

I led the fight for a reasonable return but not more than a reasonable return. The administration leaders at one time were against my amendment. They finally came to the conclusion that my amendment was just and proper and supported the amendment in this form a few days ago when we had the bill up for consideration. The attorney for the Expediter finally said it was legal and could be carried out. The sentiment that was expressed on the floor 2 or 3 weeks ago is the view of 311 men who stood up and voted for it against 47 who dissented.

Now, Mr. Speaker, in extending rent control let us have something workable, something that will guarantee some kind of return to the people who own these properties. No tenant could object to this and no selfish landlord could take advantage of a tenant under this formula.

The SPEAKER. The time of the gentleman from Georgia [Mr. BROWN] has expired.

Mr. SPENCE. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. BROWN of Georgia. On the first day when we went into executive session to report the bill out, I offered the so-called reasonable return amendment. This was on February 28, and on March 4 or 5 the bill was voted out and my amendment lost by one vote. During all this time between February 28 and March 5 I stuck to my views, but there are some people and classes of people who would like to destroy you when your views conflict with theirs and who fail to give you credit for being honest.

The CIO Political Action Committee, who I understand strenuously opposed my amendment, called my office on March 1 and asked if I had any opposition last year. My secretary replied that I had never had any opposition from the time I was first elected in 1933 when I obtained 87 percent of all the votes in 16 of the 17 counties of the district and there were nine in the race.

That did not appeal to me. I took it as a veiled threat to deter me from what I thought was right. Then in the March 14 issue of the CIO News, on page eight, under the heading "Against control, Reds," this paper stated "the 'fair return' amendment, sponsored by Representative PAUL BROWN, Democrat of Georgia, sailed through easily. Rejected in committee, the southerner's proposal was his contribution to his fight against rent control and against 'communism'."

This same paper on March 21 again criticized and took another dig at me.

Then Drew Pearson, who delights in trying to destroy everyone who differs with him, said over the radio Sunday night that I had admitted I was representing the Metropolitan Fair Rent Committee of New York. This is untrue and he knew it was untrue when he made the statement. One William E. Russell, chairman of this committee, testified before our committee. I believe everyone on the committee was impressed with his honesty and sincerity. He stated he was in favor of continuing rent control. I referred to this on March 10 in a speech I made on the rent-control bill in the

House and read a letter that was dated March 9, which I received on the morning of the tenth, the day I made my remarks on the floor of the House. This letter was signed by one H. B. Brill, executive secretary. This letter in part said:

I want to take this opportunity to express our deep and everlasting gratitude to you for your recognition of the fact that a provision for a reasonable return on a fair value is the only prescription that can lead to a cure of one of the major inequities in the rent law.

I never communicated or talked with Mr. Brill or anybody connected with the Metropolitan Fair Rent Committee in my life. My amendment was introduced on February 28 in the committee, and the letter referred to was dated March 9. Drew Pearson's attempt to create the impression I was representing the views of anyone in New York, without any foundation of fact, is typical of this man who would destroy anyone to carry his point.

It is most unfair for a Member of Congress who is honest and diligent in giving his views on public questions to be maligned in such a fashion.

The tactics which I have just related will not frighten me nor will they deter me now or ever from doing what I think is right. I believed my amendment was right and I still believe it is right.

I have heard Drew Pearson vilify men in Congress who were not present and missed many roll calls. I have heard him vilify men who had some member of their family, who could do good work in the office, on the pay roll, but I have never heard him praise anybody for never missing a roll call or committee meeting, or for not having any relative on the pay roll.

A man who is always looking for something bad and nothing good in his fellow man is a dangerous citizen to any community or to his country.

When I believe I am right no man or class of men can deter me from this course by fear of threats.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Speaker, last summer the President of the United States called a special session of Congress that we might consider the problem of price control. During that special session 100 speeches and articles appeared in the CONGRESSIONAL RECORD about price control. Since the Eighty-first Congress has convened I have watched rather carefully but have not found a single speech or a single suggestion on the part of any of the Members on either side of the House asking for price control.

The gentleman from Michigan [Mr. WOLCOTT], in debating this bill on the floor of the House the other day said that we should continue it for only 90 days in order that we might determine the economic situation in the country before we took further action. It seems that he is rather a prophet, because the Senate Committee on Banking and Currency in reporting this bill said:

Large sections of our population among the low- and fixed-income groups would suffer in the event we did not have rent control.

Already we are concerned about the increase of unemployment and the decrease in savings, in the increased growth of installment buying and small loans, in the decline and leveling off of purchasing and even industrial production. So we find advanced now a new basis for the retention of rent control. That basis as announced by the Senate Committee on Banking and Currency is that because we are entering into an era of low production we are now facing the possibility of a shortage of reasonable houses at a reasonable price. So we are entering the road which leads to permanent rent control if we agree with the conference committee.

Mr. Speaker, I suggest that we vote down this conference report. A vote "No" means that we shall have an opportunity to amend the bill to make it more satisfactory. That we return it to the conference committee with the suggestions of the House, including therein the amendment offered by the gentleman from Georgia [Mr. BROWN] and including the Williams amendment which I think has been emasculated in this report. The Williams amendment provided, as you will recall, for local option; but this conference report emasculates the local option provision by requiring that the Governor of the State approve decontrol before a particular area can be decontrolled. I think it will place upon the Governor of each of our States too much pressure and that it will do away with any possibility of local option.

The gentleman from Massachusetts talked about the fact that this is an urban problem and not a rural problem. We from the rural areas believe that it is now time we should have decontrol and we say to the people from the large cities such as Chicago, New York, and the other great cities that if you desire rent control you may have it. We should provide for that in the local-option feature. But we also say, "Do not force upon us in our community a law which penalizes the tenant as well as the landlord."

The tenants are penalized in this bill, the tenants will be penalized; they will be penalized by a shortage of houses as they are penalized today. There are 2,000,000 less rental units in the country today than there were when rent control began. Some tenants have been living in larger apartments because they can afford to pay for them, being subsidized by the landlord. Other tenants are thus penalized, because they cannot find a place to live, or must pay exorbitant rents, or buy a high-priced house. The law defeats its avowed purpose, for it freezes housing and prolongs the shortages.

So, Mr. Speaker, I ask that the House vote down the conference report and return it to the conferees in the form such as the House is willing to accept it.

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I am speaking this afternoon for the adoption of the conference report to extend rent control. We men in the Republican Party from the industrial areas know that rent control is necessary in the big cities. We know it is necessary both from the point of view of the real-estate owner and the tenant that it should be extended on a fair basis to each, for more than a 90-day period. This short period would cause confusion and would result in the necessity of many more leases being signed. It would be a settlement of the tenant-landlord relations for just that period of time.

We also know that unless there is good adequate rent control in the cities there is a great probability of street demonstrations against unwarranted rental increases, and not without justification. There are simply not the housing accommodations, however much we might wish otherwise. Thus a rent control extension bill is necessary at this time.

In order that the cities may have the chance to have rent control, I feel there should be local option which permits strict rent control where the people want and need it. That permits the people from the farm areas and the places where there is not the pressure of population likewise to determine what they want to do. To me that is a good Republican principle, returning this to the States, and with full responsibility and control in the local communities, under the consent of the governor of the State.

I therefore believe the conference report should be adopted.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS]

Mr. JAVITS. Mr. Speaker, I consider this conference report as being at least a resolution of the conflicting claims on rent control. There is much in it we could all disagree about, and it leaves much to be desired for firm rent control; however, our problem is to get the job done now when it needs to be done and before Federal rent control expires within only 2 days. I shall therefore support the conference report.

I am glad to see that the report retains the provision of the House bill inserted by an amendment I proposed conditioning landlords' hardship or inequity increases on their giving maintenance and decoration services to tenants, customary for the premises before rent control. The tenants will not have to go through the difficulties of complaining to the Office of the Housing Expediter.

Mr. SPENCE. Mr. Speaker, I yield 8 minutes to the gentleman from Texas [Mr. PATMAN].

RENT-CONTROL BILL

Mr. PATMAN. Mr. Speaker, this bill is much better than either the bill that passed the Senate or the bill that passed the House.

The Brown amendment, according to the way I view the Brown amendment, has not been weakened. It has been strengthened instead. As evidence of that fact we had the general counsel for the Housing Expediter take 121 hardship cases, that is applications that had been filed for hardship relief, and find out how these landlords would come out un-

der existing law, then determine how they would come out under the Brown amendment as it passed the House. Out of those 121 cases, 101 of them would have gotten relief under existing law, whereas only 56 would have gotten relief under the Brown amendment, and under the Brown amendment it would have been possible for rents to be rolled back and reduced as well as increased in some cases. Therefore it was necessary that the Brown amendment be rewritten, so in rewriting the Brown amendment the final conclusion was the House wanted a fair net income for the landlords and the Senate insisted that we should put into that phrase the word "operating" to make it "fair net-operating income." The argument that was made, to my mind, was irresistible, and that argument was this: Suppose we have two houses; each house worth $10,000. One house does not have any mortgage at all; the other house is mortgaged 90 percent. Under the language without the word "operating" in it, the owner of the house that is encumbered to the extent of 90 percent would be entitled to not only the same rent as his neighbor was receiving but an additional amount sufficient to take care of the interest and amortization on the loan. You could not justify that. No one wants that. The word "operating" will prevent that from happening, and they will get exactly the same rent, as they should. The Brown amendment as now written is just as plain as I believe any language can be written, and that language is that the rents shall be set "at levels which will yield to landlords a fair net-operating income from such housing accommodations." In determining whether the maximum rent for controlled housing accommodations yields a fair net-operating income, certain factors are specifically named, but that does not exclude from consideration other factors, and the language of the amendment says that. It says, "among other relevant factors." In other words, every relevant factor must be considered in connection with these that are specifically mentioned. So, I think the Brown amendment has been greatly improved.

LOCAL ASSISTANCE

This bill has one provision in it that will be very helpful, and that is to have a local person at every rent-control office whose duty it is—and he is designated for that purpose by the local board—to help the landlords in preparing their papers for hardship cases and, in addition, if tenants desire help, they will be given the help. It will not be necessary for them to employ a lawyer or any other person in order to get the relief that either the landlord or the tenant is entitled to under this act.

RECONTROL THE DECONTROLLED

Not only that, in the past the Housing Expediter was reluctant to decontrol areas that were on the fringe. He was just doubtful whether they should be decontrolled or not. But under a new provision in this law, if it is adopted by this House, he will no longer be reluctant to decontrol an area about which there is a doubt. He can go ahead and run the risk. Then, if rents get out of line, he can recontrol that area. So that will cause 100 or 200 or more areas or portions of areas to be decontrolled almost immediately. I think that is a fine provision.

SENATE YIELDED ITS INCREASE

In rewriting the Brown amendment as we did, the Senate yielded "five and five." The Senate had agreed to give all landlords across the board 5 percent in October and another 5 percent next April. So in rewriting the amendment, the Senate yielded the "five and five."

The hotels under this proposal are not recontrolled, they are left just as they were. The residential and apartment hotels in areas of over 2,500,000—Chicago and New York—are changed and some of them are recontrolled, and should be recontrolled, because when they were taken off and maneuvered around, the rents went up in some cases 400 percent, and people cannot pay that much.

Under the act passed by the Eightieth Congress in 1947 the tenants were disarmed—they had no rights except to sue for triple damages, and if they did, the landlords were armed with sufficient power to evict them. So, in order to have a place to live millions of tenants have paid illegal rents. Under this bill tenants have protection against eviction. It would not surprise me if thousands of triple-damage suits are filed by tenants. We tried to get an amendment that would prohibit anyone from soliciting these cases, but we could not agree on the language suggested by our counsel. If such suits are filed, it will be because of the weak law passed in 1947 enticing the landlords into that vulnerable position.

NEW HOUSES NOT INCLUDED

This proposed law, as stated in this conference report, does not include new houses. It does not include a one. You can go out and build all the new houses you want to under this bill, and they will not be under rent control at all. It does not touch them in any way. It does not touch transient hotels. It does not touch new housing. I think it is a good bill.

EXTENDED FOR 15 MONTHS

The House passed a bill for 15 months. The reason we had the extra 3 months over a year is to make it the end of a fiscal year. We did not want it to expire in 1 year and come back here the first thing in January and have to take up the matter of rent control first. So by making it 15 months, which the Senate agreed to accept, it will expire June 30, 1950, and we will have 6 months next year in which to pass upon this important question. I hope we will not have to have another rent-control act.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I should like to ask the gentleman from Texas if it is not true that any rental building which has been let since 1947, does not come under this bill, so that if I had a house to rent and I had not rented it before, if the Expediter cannot come under this bill and say what I will charge for renting my own house in that area.

Mr. PATMAN. I do not get the gentleman's question. Is he talking about the houses that were decontrolled that had remained vacant for 2 years?

Mr. NICHOLSON. I am talking about some that have never been controlled that are recontrolled under this bill.

Mr. PATMAN. I do not think I understand the gentleman. I hope he will pardon me for not trying to answer it in view of the fact that my time is so short.

WHAT BROWN AMENDMENT MEANS

It has been suggested here that language could not be written to explain the revised or rewritten Brown amendment. I am going to insert in the RECORD a statement that came from the Housing Expediter's office. In that statement an explanation is given, and I think a fair explanation, as to how this amendment will be executed or administered.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. That is an extremely valuable contribution, and I suggest that the gentleman read it to the House right now so we can know about it.

Mr. PATMAN. I will read one paragraph now:

> The conference amendment would provide a much more equitable method of adjusting rents than the one under existing law. It would treat all landlords equitably and would grant relief to those landlords who need it most because they are in the worst operating position. The Expediter would determine what percentage of gross income would constitute a fair or equitable net operating income according to the class of accommodations. The Expediter would take into account any differentials between small structures and large structures, between those supplying furniture and other services, and those which do not, as well as any other pertinent factors.

The other paragraphs are just as interesting. They tell you exactly, specifically, how this can be operated, and the landlords will be given a fair net operating income.

Mr. KUNKEL. Does the gentleman define that operating income at any place in there?

Mr. PATMAN. He tells exactly how it will be operated. That is a definition. It will be operated fair to both landlord and tenant.

Mr. Speaker, this is the best bill we could get. We cannot get another bill. The law expires day after tomorrow night. It is a question of rent control in those areas that need it or no rent control at all. It must be voted up or down, and I hope you vote for the conference report.

Mr. Speaker, the statement from the office of the Housing Expediter to which I referred is as follows:

> Under the present hardship provision the Expediter compares the landlord's current operating position with his operating position in his best 2 years since 1939. He grants an adjustment in an amount which will compensate the landlord for increased costs since the base period which have not been offset by increased income. For example, if Landlord A has a gross rental income in the base period of $1,000 and operating expenses of $600 and if his operating expenses have increased to $800 but his rents have not increased, the Expediter would grant a rent adjustment of $200 so that the landlord's net operating income would be restored to that of his two

best years. This provision takes care of many landlords, but does not take care of those landlords who were not in a favorable position during any 2-year period since 1939. Landlord B, for example, may have had the same rental income of $1,000 in his base period as Landlord A, but expenses of $700. If his expenses have risen to $800, the same as for Landlord A, Landlord B would only get an adjustment of $100 a year.

Under existing law and regulations, there is a second provision for relieving a landlord's financial hardship. This provision is called operating at a loss. If, for example, Landlord C currently has a gross income of $650 and operating expenses of $800, the Expediter will grant him an adjustment of $150 so that he will no longer be operating at a loss.

Under the conference amendment, the Expediter is required to provide for adjustments of maximum rents in order to assure the landlord a fair net operating income. In other words, he will not merely restore the landlord to a break-even position or to the position of some earlier period, but he will provide additional rents so that the landlord's gross rental income will be in excess of his operating expenses by a fair amount.

In the two examples of Landlords A and B, under the present regulations, each of the landlords had exactly the same operating expenses in the current year, but they would receive different adjustments because of the way the hardship and operating-at-a-loss provisions now work. The conference amendment would replace the hardship and operating-loss provisions by a single fair standard and would give each of these landlords exactly the same gross rental income.

The conference amendment would provide a much more equitable method of adjusting rents than the one under existing law. It would treat all landlords equitably and would grant relief to those landlords who need it most because they are in the worst operating position. The Expediter would determine what percentage of gross income would constitute a fair or equitable net operating income according to the class of accommodations. The Expediter would take into account any differentials between small structures and large structures, between those supplying furniture and other services and those which do not, as well as any other pertinent factors.

If, for example, the Expediter found that the fair net operating income for a particular class of accommodations would be 35 percent of the gross rental income, and the gross rental for the particular accommodation was $1,000, and the current operating expenses $800, the landlord would be entitled to an adjustment of $150. It is to be observed that this type of adjustment differs entirely from the existing hardship provision. As stated previously, in the existing hardship provision the landlord is restored to his net operating position for his base 2 years regardless of the percentage relationship between his operating expenses and his gross income.

Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, there is really only one issue which faces the House today. It is whether you want to continue rent control or kill it tomorrow night at midnight.

You do not always get exactly the kind of bill that you want out of the House or the Senate or out of the Congress as a whole. It is a matter of give and take. It is a matter of compromise. I think we have the best bill that two houses of Congress could agree upon in compromise, in view of the division which exists in the country, and in the Congress today.

There are two features in this bill which I think are important. One is the Congress recognizing the need for speedier decontrol of small areas and trying to move that decontrol back closer in every constitutional way to the local city and State levels.

I would like to yield to my friend, the distinguished author of the local option amendment, the gentleman from Mississippi [Mr. WILLIAMS] to ask him if this amendment which we have brought back from conference destroys the theory of the so-called Williams amendment?

Mr. WILLIAMS. In answer to the gentleman's inquiry, I will say that in my opinion I would be splitting hairs if I were to take exception to the differences between the language contained in the amendment which I offered, and which was accepted by the House, and that contained in the conference report. In my opinion, for all practical effects and purposes, the conference version is the same as the original amendment which I offered.

Insofar as I am concerned, I consider the inclusion of my local option amendment in the conference report to be a great victory for democratic self-government over bureaucratic government.

Mr. MONRONEY. I thank the gentleman, and will the gentleman say that the conferees tried to preserve the spirit of his States' rights amendments?

Mr. COX. Mr. Speaker, will the gentleman yield to me to propound a question to the gentleman from Mississippi?

Mr. MONRONEY. I yield.

Mr. COX. Is the gentleman for the bill?

Mr. WILLIAMS. I shall vote for the bill, although I am not thoroughly satisfied with it.

Mr. COX. I thought the gentleman was opposed to it.

Mr. MONRONEY. Mr. Speaker, I think the gentleman from Mississippi has been fighting a courageous fight to give the authority for decontrolling, so far as constitutionally possible, back to local self-governing units. This bill certainly does that. You have four or five different ways in which local authorities can decontrol areas where they find it is not needed.

The second thing which I think is important in this bill is in how to adjust hardship cases. I think you could probably keep the House in session for 24 days, and could not come up with any language, whether it be the language of the original Brown amendment, with which amendment I was in complete agreement, or whether it be the language brought back by the conferees.

All you can do—no matter what language you use—is to implant in the minds of local adjusters that they now must give the property owner a fair return on his property.

You cannot go to utility law on establishing valuations. You cannot go to transportation law, because there are 14,000,000 properties involved here. If you try to follow out that fine line of distinction, you would probably deny relief to hardship landlords whom you are trying to help by a specific formula, by so encumbering adjustment machinery that no relief in deserving hardship cases could be granted due to complicated questions of fact and law.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, in the brief few moments that I have, I should like to state that the compromise rent bill as coming out of the conference between the two Houses embodies the basic philosophy as asked by President Truman. The President urged that the present law be tightened up in a number of particulars and extended.

It is to be hoped that in the ensuing 15 months that the building industry will maintain a high level of production, especially of rental housing. It is only through the production of many new homes and apartments that the present shortages may be adequately met.

Time does not permit to go into a detailed analysis of the provisions of the bill.

I should like to speak about a few points.

First. Decontrol. Under this law individual States can remove rent controls throughout the State and, or, in parts of the State. If the legislature passes such a law and the governor approved, or even if the governor disapproved, the legislature could override him. Special machinery is provided for decontrol of cities and towns on their own initiative. It would work in this way. The governing body, after a public hearing announced 10 days in advance, could by resolution call for decontrols and if the governor disapproved that would end it. If the governor approves the city or town would have to be decontrolled by the Federal Housing Expediter.

Second. Now as to increases. It requires the Housing Expediter to make individual adjustments to observe the principle of maintaining maximum rents at a level which would yield landlords a fair net operating income—so far as is practicable.

The conference compromise, however, would require the Housing Expediter to assure a landlord of a net operating income that is a fair or equitable percentage above his cost. In other words, instead of bringing the landlord who is operating at a loss to a break-even basis, he would be required to increase his rent to an amount that would insure that he receives an income that is a fair percentage above his cost. Likewise, as against his present method of granting hardship petitions, he would put all landlords in the same position with reference to the ratio of operating income as against cost. Net operating income would take into consideration all factors in the cost and maintenance of rental properties, excluding interest but including depreciation.

The question might well arise as to what is the fair percentage that the Housing Expediter would be required to maintain. On the basis of surveys made by the Expediter's office, it is apparent that landlords generally are better off today than they were prior to rent control. However, a number of landlords are below the average and some might

well be operating at a loss. The Housing Expediter would be required under the conference substitute to make adjustments that would bring those landlords that are well below the average or operating at a loss to the more favorable position of the average landlord. In other words, he would be required to determine what was fair net operating income just as he would have been required under the House version to determine what is a fair return based upon the factors which were included in the House language.

Whatever may be said of the specific provisions of the conference bill, that fact is that in its basic philosophy it will meet the test over the next 15 months and provide proper safeguards to both tenants and landlords.

Mr. Speaker, I believe this to be a fair compromise proposal and rather than have a system of inflated rents and black-market conditions, we may be sure of orderly procedure over the next 15 months, I ask the Members of the House to support this conference report.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I shall support this conference report and urge my colleagues to do likewise.

We now have a stronger rent-control bill than this House originally passed at this session. Of course, it is not as strong as some of us would like to have it. Those opposed to rent control can similarly say that it is not as weak as they want it. But time has run out on us. Rent controls expire in less than 2 days. If we do not adopt this conference report now, we will throw thousands of the tenants of our country to the wolves who are waiting to pounce upon them. The fair-minded landlord will not complain about this bill. His rights are fully protected. This bill has received full and deliberate consideration in both Houses of the Congress. The conference report has reconciled the differences fairly, having in mind that compromise was absolutely essential in order to get any extension of rent control.

The elimination of the percentage increase of rents as proposed in the other House's version of the bill was a tremendous victory over another flight up the inflationary spiral.

The conferees are entitled to the thanks of the Congress and of the people of the country for the splendid work they have done.

Mr. SPENCE. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, we are now faced with the final vote on this particular bill. Unless we adopt the conference report today, the chances are that rent-control legislation will expire. Even if it expired for a short time, and another bill was passed later, irreparable damage would be done.

In my opinion, the House conferees are to be congratulated because they have brought back to the House the bill substantially as it passed the House.

The gentleman from Mississippi [Mr. WILLIAMS] has expressed his views in relation to his amendment. I listened with great interest to the remarks of my dear and valued friend, the gentleman from Georgia [Mr. BROWN]. The gentleman from Georgia knows, as the result of his years of experience, that when you get into conference and there is disagreement, the conferees must get together some place in order for a completed bill to be brought back to both Houses. From what I read in the newspapers the House conferees stood by the Brown amendment. I think the action of the conferees is a victory for the Brown amendment. The Senate amendment was rejected. It is true there is certain language inserted into the Brown amendment with which the gentleman from Georgia disagrees, but you and I who have had experience as conferees know that where there is one question remaining, we have to try to get together on it. Particularly is that so when there is a dead line; not when we have weeks ahead to consider a bill in conference but as, in this case, where there is a dead line, March 31, and time is of the essence. It was absolutely imperative that the conferees get together. This seems to me to be the best bill that could pass this Congress. I am frank in stating it does not go quite as far as I would like to see it go. On the other hand, it may go farther than other Members would like to have it.

There are certain Members who are absolutely opposed to any extension of rent control. As far as they are concerned, they will vote against the conference report. I respect their views even in disagreement. But this report should concern itself with the Members of the House who believe that some kind of extension should be put into operation. The provision for 15 months adopted in the House has been put into the conference. The Williams amendment, in substance, has been adopted in conference. The greater part of the Brown amendment has been adopted in conference. A bill that can be administered with regard to the proper protection of the tenants is about to be enacted into law if we adopt this conference report today. At the same time, fair consideration, with proper administration for hardship cases in the case of landlords is also contained as provisions of this bill.

We do not have to consider those who are opposed to the bill, because they will vote against the conference report, but certainly those of us who believe that some extension should take place can with confidence, not being entirely satisfied with the bill in its entirety or some provisions of the bill, but like every bill in its entirety, we can vote with confidence to adopt this conference report. It is either this conference report, in my opinion, or no rent-control bill at all.

I hope the House will adopt the conference report.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. SPENCE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. SPENCE. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 263, nays 144, not voting 26, as follows:

[Roll No. 55]

YEAS—263

Abbitt
Addonizio
Allen, La.
Andrews
Angell
Aspinall
Auchincloss
Bailey
Baring
Barrett, Pa.
Bates, Ky.
Bates, Mass.
Battle
Beall
Beckworth
Bennett, Fla.
Bennett, Mich.
Bentsen
Biemiller
Bland
Blatnik
Boggs, Del.
Bolling
Bonner
Breen
Brooks
Bryson
Buchanan
Buckley, Ill.
Burke
Burnside
Burton
Byrne, N. Y.
Canfield
Cannon
Carnahan
Carroll
Case, N. J.
Cavalcante
Celler
Chelf
Chesney
Christopher
Chudoff
Clemente
Coffey
Cole, N. Y.
Combs
Cooley
Cooper
Corbett
Coudert
Crook
Crosser
Davenport
Davies, N. Y.
Davis, Tenn.
Dawson
Deane
DeGraffenried
Delaney
Denton
Dingell
Dollinger
Donohue
Douglas
Doyle
Durham
Eberharter
Elliott
Engel, Mich.
Engle, Calif.
Evins
Fallon
Feighan
Fenton
Flood
Fogarty
Forand
Frazier
Fugate
Fulton
Furcolo
Gamble
Garmatz
Gary
Gordon
Gore
Gorski, Ill.
Gorski, N. Y.
Granahan
Grant
Green
Gregory
Gross
Hall, Edwin Arthur
Hall, Leonard W.
Hand
Hardy
Harris
Hart
Havenner
Hays, Ark.
Hays, Ohio
Hébert
Hedrick
Heffernan
Heller
Herter
Heselton
Hobbs
Hoffman, Ill.
Holifield
Holmes
Horan
Howell
Huber
Hull
Irving
Jackson, Wash.
Jacobs
James
Javits
Johnson
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karst
Karsten
Kean
Kearney
Kearns
Keating
Kee
Kelley
Kennedy
Keogh
Kerr
Kilburn
King
Kirwan
Klein
Kruse
Kunkel
Lane
Larcade
Latham
LeFevre
Lesinski
Lichtenwalter
Lind
Linehan
Lodge
Lynch
McCarthy
McConnell
McCormack
McDonough
McGrath
McGuire
McKinnon
McSweeney
Mack, Ill.
Mack, Wash.
Madden
Magee
Mansfield
Marcantonio
Marsalis
Marshall
Martin, Mass.
Miles
Miller, Calif.
Mills
Mitchell
Monroney
Morgan
Morris
Morrison
Morton
Moulder
Multer
Murdock
Murphy
Nelson
Nixon
Noland
Norblad
Norrell
Norton
O'Brien, Ill.
O'Hara, Ill.
O'Neill
O'Sullivan
O'Toole
Pace
Patman
Patten
Patterson
Perkins
Pfeiffer, William L.
Philbin
Plumley
Polk
Poulson
Powell
Price
Priest
Quinn
Rabaut
Rains
Ramsay
Rhodes
Ribicoff
Riehlman
Rivers
Rodino
Rogers, Mass.
Rooney
Sabath
Sadlak
Sadowski
St. George
Sasscer
Scott, Hardie
Scott, Hugh D., Jr.
Secrest
Sheppard
Sikes
Sims
Smathers
Spence
Staggers
Sullivan
Sutton
Tackett
Talle
Tauriello
Taylor
Thomas, Tex.
Thornberry
Tollefson
Trimble
Underwood
Van Zandt
Vinson
Wagner
Walsh
Walter
Welch, Calif.
White, Calif.
Wier
Wigglesworth
Williams
Willis
Withrow
Wolverton
Woodhouse
Yates
Young
Zablocki

NAYS—144

Abernethy
Albert
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.

Arends	Gossett	Pickett
Barden	Graham	Poage
Barrett, Wyo.	Gwinn	Potter
Bishop	Hagen	Preston
Blackney	Hale	Rankin
Bolton, Md.	Halleck	Redden
Bolton, Ohio	Harden	Reed, Ill.
Boykin	Hare	Reed, N. Y.
Bramblett	Harrison	Rees
Brehm	Harvey	Regan
Brown, Ga.	Herlong	Rich
Brown, Ohio	Hill	Rogers, Fla.
Burleson	Hinshaw	Sanborn
Byrnes, Wis.	Hoeven	Scrivner
Camp	Hope	Scudder
Carlyle	Jackson, Calif.	Shafer
Case, S. Dak.	Jenkins	Short
Chiperfield	Jennings	Simpson, Ill.
Church	Jensen	Simpson, Pa.
Clevenger	Keefe	Smith, Kans.
Cole, Kans.	Kilday	Smith, Va.
Colmer	Lanham	Smith, Wis.
Cotton	LeCompte	Steed
Cox	Lemke	Stockman
Crawford	Lovre	Taber
Cunningham	Lucas	Teague
Curtis	Lyle	Thompson
Dague	McCulloch	Towe
Davis, Ga.	McGregor	Velde
Davis, Wis.	McMillan, S. C.	Vorys
D'Ewart	McMillen, Ill.	Vursell
Dolliver	Mahon	Wadsworth
Dondero	Martin, Iowa	Weichel
Doughton	Mason	Werdel
Eaton	Meyer	Wheeler
Ellsworth	Michener	Whitten
Elston	Miller, Md.	Whittington
Fellows	Murray, Tenn.	Wickersham
Fernandez	Murray, Wis.	Wilson, Ind.
Fisher	Nicholson	Wilson, Okla.
Ford	O'Hara, Minn.	Wilson, Tex.
Gathings	O'Konski	Winstead
Gavin	Passman	Wolcott
Gillette	Peterson	Wood
Golden	Phillips, Calif.	Worley
Goodwin	Phillips, Tenn.	

NOT VOTING—26

Boggs, La.	Jenison	Somers
Bosone	Macy	Stanley
Buckley, N. Y.	Merrow	Stefan
Bulwinkle	Miller, Nebr.	Stigler
Burdick	O'Brien, Mich.	Thomas, N. J.
Chatham	Pfeifer, Joseph L.	Welch, Mo.
Gilmer	Richards	Whitaker
Granger	Smith, Ohio	White, Idaho
Hoffman, Mich.		Woodruff

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Stanley for, with Mr. Miller of Nebraska against.

Mr. Joseph L. Pfeifer for, with Mr. Macy against.

Additional general pairs:

Mrs. Bosone with Mr. Stefan.

Mr. Boggs of Louisiana with Mr. Jenison.

Mr. Gilmer with Mr. Merrow.

Mr. Stigler with Mr. Smith of Ohio.

Mr. Whitaker with Mr. Hoffman of Michigan.

Mr. Welch of Missouri with Mr. Woodruff.

Mr. Richards with Mr. Burdick.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON FOREIGN AFFAIRS

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the Republican minority of the Committee on Foreign Affairs may have until midnight tonight to file minority views on the bill H. R. 3748.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. POAGE asked and was given permission to extend his remarks in the RECORD and include some tables.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. UNDERWOOD asked and was given permission to extend his remarks in the RECORD.

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD.

Mr. CHRISTOPHER asked and was given permission to extend his remarks in the RECORD.

RENT-CONTROL BILL

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, I have just examined the conference report on the new rent-control bill. The decision of the conferees to change the control date on permanent accommodations in apartment hotels from October 31, 1948, to March 1, 1949, comes as a distinct surprise and shock to me. I had hoped that when this bill was considered originally, controls would be established on permanent accommodations in apartment hotels as of June 30, 1947, and when the House adopted the Rains amendment, which for all practical purposes removed such controls, I was very much disappointed. There can be no doubt that many of the owners of apartment hotels took advantage of the period of decontrol to raise rents to unconscionable levels. Because of their unrealistic position, unrealistic in this period of a monopolistic housing market, I believed controls should be imposed as of the date I suggested.

When the Senate provided for the reimposition of regulation as of October 31, 1948, I felt that this was a warranted compromise. Although it would not have remedied many of the abuses which had intervened prior to that date, at least it would have protected tenants of permanent accommodations from the increases which had taken place subsequent to that time. It would have protected those who had leases expiring in November and December of last year. More than that, it would have cancelled the ill-advised efforts of many property owners who tried to qualify their properties as transient hotels by collecting rentals on a daily or weekly basis. This practice has only taken place since the last election, when such landlords realized that rent control would be continued and strengthened.

I regret the action of the conferees. The change of date to March 1, 1949, will serve as a springboard to those property owners who require control and who will seek to take advantage of their tenants by claiming that their properties are transient hotels. I predict there will be much litigation.

The most that can be said for the action of the conferees is that it will prevent increases from now on. I hope that it will not result in the deprivation of the services which apartment hotels have offered in the past and that there will be no additional charge to tenants for such service . The tenants should be advised of their rights—that they can obtain relief from the Office of the Housing Expediter if they are deprived of reasonable services.

I shall vote for this bill only because I believe it is better than no rent-control law at all. I would have preferred a much stronger bill.

EXTENSION OF REMARKS

Mr. FORD asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Akron Beacon-Journal.

Mr. MARCANTONIO asked and was granted permission to extend his remarks in the RECORD and include a radio address by Henry A. Wallace.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1950

Mr. KIRWAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3838, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Ohio [Mr. KIRWAN] is entitled to recognition for 1 hour, and the gentleman from Iowa [Mr. JENSEN] will be entitled to recognition for 1 hour.

Mr. KIRWAN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the Interior Department appropriation bill for the fiscal year 1950 contains a total of $536,000,000, and the total budget estimates came to $616,000,000. We have cut this $80,000,000, or 13 percent.

In addition, the budget requested contract authority for $54,000,000. We have cut this down to $41,112,500. Considering together the appropriations and contract authorizations, the bill contains 14 percent less than the budget requested.

Fortunately, we did not have to do the entire job of trying to reduce expenditures. The Interior Department asked the Bureau of the Budget for a total of $874,272,384. The President and the Bureau of the Budget reduced this 29½ percent. So, we made less of a reduction than the President did.

On the other hand, we have recommended $126,821,934 more than was appropriated by the last session of the Eightieth Congress. More funds will be appropriated for 1949 before the year is out, so the increase we have recommended over 1949 will amount to less than the amount I have stated. For instance, the first deficiency bill, which has already been passed by the House, contained nearly $25,000,000 for the Department of the Interior, and other deficiency estimates are under consideration.

We have made cuts in the estimates for every bureau in the Department. The table at the end of the report shows the figures for each bureau and for each appropriation.

I am not going to talk about every item in this bill. It is 95 pages long, and just to read it would take more than an hour. The bill needs to be revised on some kind of orderly basis, and this has been mentioned in the report.

CONSTRUCTION

The bill contains funds for construction of dams, irrigation works, electric transmission facilities, and so forth. These are principally under the Southwestern Power Administration, the Bonneville Power Administration, and the Bureau of Reclamation. Construction funds are also included under the Bureau of Indian Affairs and in smaller amounts elsewhere in the bill.

I believe construction costs will be coming down in the next year. Neither you or I can tell now just how much they will come down. But as I see it, the Committee and the Congress have the duty of trying to get the most we can out of every dollar that comes out of the Treasury. So, we have recommended a cut of 15 percent in construction money. If this percentage is wrong, we can take care of that later. But I think it is important that we make a determined effort to get as much for the public's money as possible. That is what we are trying to do. The report on the Army civil functions bill explained why construction costs are expected to be lower, and there is no need to repeat that in this report. The same reasons apply to the Interior Department.

SOUTHWESTERN POWER ADMINISTRATION

Last year the appropriation for the Southwestern Power Administration was $260,000, to cover operation and maintenance for only 8 months. No construction money was appropriated for 1949. If this agency is going to carry out its duty under the Flood Control Act of 1944, and to transmit and sell to preferred customers the electricity generated at flood-control dams, it has to have funds. We have approved the entire program as proposed in the budget for this agency. The cut we made will not prevent or delay the work on a single power line or substation proposed in the budget for 1950.

BONNEVILLE POWER ADMINISTRATION

The entire program of the Bonneville Power Administration as recommended in the budget for 1950 has been approved. A cut in the appropriation and contract authority has been made, but every electric line and substation is to be constructed and on the same time schedule as planned. A line to tie in Hungry Horse Dam in Montana with Grand Coulee over in Washington will have to be started at once in order to be completed when Hungry Horse starts producing power in 1952. It will be a race against time even if they set the first pole at 1 minute after midnight on June 30th of this year. It is only by connecting these two dams, which have different low-water periods, that the serious power shortage in the Pacific Northwest can be overcome. Other lines are also needed for this purpose.

BUREAU OF RECLAMATION

First, let me say that there is no money in the bill for starting any new reclamation projects. Funds are provided only to continue work on authorized projects already under way. With only two exceptions, every project, dam, irrigation ditch, power line, and so forth is authorized by the action on the bill to go forward as planned for 1950. The cut of 15 percent which has been made below the budget estimates will not cut out or slow down any project except the Glendo project, in Wyoming, and a power line from Havre to Shelby, Mont. Three hundred thousand dollars requested for the Glendo project has been cut out, and the same restriction carried in the bill last year is repeated. This is to hold up work on the project until Nebraska and Wyoming can work out their disagreement over the water of the North Platte River. We cut out $1,300,000 requested for the Havre-Shelby transmission line, because this area is already served with power. The installation of a relatively inexpensive voltage regulator should provide entirely adequate service, and no good reason has been presented for duplicating the line already there.

BUREAU OF INDIAN AFFAIRS

We have cut $6,873,459 from the budget estimate for Indian Affairs. We gave a part of the increase requested for administrative work, but by no means all. I am not interested in voting money to hire people to come to Congress each year and tell us how bad off the Indian is. Every dollar requested for Indian education is approved, and the boarding schools at Pipestone, Minn., and Eufaula, Okla., are to be kept open. Also, we have approved the entire budget estimates for roads on reservations, and for conservation of health. These are the things that can really help the Indians, and I am in favor of doing that.

BUREAU OF MINES

We made only small reductions in the amounts requested for the Bureau of Mines. The relatively small sums spent by the Federal Government in helping make the mines safer to work in are well spent. Industry in the country cannot run if someone does not get the coal and metals out of the ground. I do not want to hear about men being killed or injured while digging underground to get out the coal that keeps me warm or feeds the blast furnaces so I can have a new automobile to ride in. Also, we need to spend every dollar we can to develop new and better processes for using our limited supply of minerals.

NATIONAL PARK SERVICE

The estimates for the National Park Service were reduced relatively little. Visitors to the parks during the past couple of years have been in greater numbers than ever before. Camping facilities, comfort stations, and other facilities are not adequate to take care of the visitors. And the number of attendants employed to maintain and operate the parks has not been nearly enough. Many roads and trails are badly in need of repair. While we have been fairly generous so far as the budget estimates are concerned, the funds in the bill will only cover the most urgent requirements of the Park Service.

FISH AND WILDLIFE SERVICE

Reductions made in the Fish and Wildlife Service budget are not very large. Officials of this service stated that hunters are breaking game laws all over the country. Commercial fishermen are breaking regulations and seriously reducing the salmon supplies in the Pacific. Funds to enforce fishing and game laws are necessary to protect the future supply.

ALASKA

Many millions of dollars could be spent in Alaska without more than scratching the surface. Lack of transportation facilities is one of the most serious handicaps in the development of this large area. Nearly all the funds requested for highway construction are approved in the bill. However, the appropriation for the Alaska railroad has been kept at the level of 1949 funds. An ambitious program of rehabilitation is proposed for this railroad. And each time we see the representatives of the railroad, their estimates for the job go up and up. It does not seem wise to pour large sums into this railroad. Highway transportation in this country is driving the railroads to the wall, and we should not fail to keep our eyes open to this so far as Alaska is concerned. Alaska cannot be developed without people. People will travel in automobiles and haul goods and materials in trucks if we will give them roads. But investment of millions and millions of dollars in a railroad is poor business.

VIRGIN ISLANDS

The budget estimates for the Virgin Islands and the Virgin Islands Co. have been approved entirely. The people of these islands have been living in poverty for many years. It is the direct responsibility of our Government to see that they get a chance to live like Americans. The relatively small amount for these islands in the bill will help only a little.

As I said before, I am not going to talk about every item in the bill. The report explains what the bill contains, and is here for all to read if interested. I think we have done a good job on the bill, and I hope it will be reported out and passed without change.

Mr. Chairman, this is the largest Interior Department appropriation bill ever presented to this Congress in the history of this country. My only regret is that this bill is not for $2,000,000,000. A nation that gave to us from the interior of America a national income of over $200,000,000,000 last year. Now all the money we are recommending to be spent on this country, the greatest country in the world, is just half a billion dollars. I repeat, I wish the bill was for $2,000,000,000. Then we might be able to correct some of the abuses that have occurred in this great Nation during the past hundred years.

The Interior Department celebrated its one hundredth anniversary on February 24. Let us just go down the line and try to see what happened in this country and in other countries during that time.

About 1856 oil was discovered in Pennsylvania. Even at that early date people were complaining just as they are today, and saying "The Government is being put into business." In the beginning, everybody who had a hundred dollars thought it was their right to drill an oil well. The oil tanks would hold probably 50 barrels, and they were made out of wood. When the oil came in there was no market for it as oil but there was a market for kerosene. All the by-products that we have today were not yet discovered. The oil ran back into the Allegheny River by the millions of barrels, wasted and destroyed in that river and the Ohio River and the Mississippi River as well. Today we are going all over the world spending billions of dollars hunting for oil, just because we had no supervision back in those days.

Our next move was into the coal mines and the coal industry which are today under the jurisdiction of the Interior Department. I remember working in the mines for 3 years as a boy. In those days they would mine the coal and let the debris lie on the top of the earth. Rain would come and wash it into the rivers; the river would carry it down 300 miles into Chesapeake Bay or Delaware Bay, depending on what river it went into; and it would destroy the farms because of the deposits laid on them by the rivers that carried it in flood. Instead of the mine operators' taking that debris and putting it right back into the mines and sealing up the holes, holding up the surface of the earth as they do today, they let it lie on top. On a trip our committee made 6 years ago I saw a hospital falling into a mine hole, a brand new hospital. It looked like it had been cut in two with a knife. That hospital had cost a million dollars to build. The State of Pennsylvania is appropriating hundreds of millions of dollars every year in an effort to cure the evils inherent in old mining methods, and all because the Bureau of Mines in its early days—and today—did not have sufficient authority to correct that waste.

We next move into the forests. I was raised in the foothills of the Pocono Mountains. I remember the warnings given back in those days, the early nineties, against the wasteful methods used: "It is wrong," we were told, "you will live to regret it." They would go into the forests and burn trees it took God 200 years to grow just to get at trees that it took God 400 years to grow. What was the result? Today we have to go to Canada for lumber, wood products, wood pulp, paper and the like and pay three prices for it.

Everything in this country has been wasted. Today we have the problem of strip mining. Go through Ohio, Pennsylvania, Indiana, Illinois, Missouri, if you will, and everywhere you see mountains of dirt piled up, left from strip-mining operations. The rain comes and washes it down into the Ohio or Mississippi River. Today at the mouth of the Mississippi we have great dredges trying to keep ahead of the waste and destruction simply because we will not make the strip-mine operators level off the earth; and the cost to us is hundreds of millions of dollars annually.

It seems we are afraid to spend a dime on this country. This bill I think is one of the biggest that ever came to the House. It contains 95 pages. What is the reason? If we were appropriating $16,000,000,000 for Europe we would not even have to tell what we were going to spend the money for; but because this money is to be spent in America we must tell what every dime, what every single quarter, what every penny, is to be spent for. That is why it is so large and so detailed.

We are wasting the resources of this country. The pay-off will come, and when it comes it is going to be terrific, and all because we have not got the courage to spend the money needed on this, the greatest country in the world, to right what is wrong, and to put a few dollars back into the country where it will do the most good.

Out in western Pennsylvania today there are coal mines that have been burning for 10 or 15 years. It has gone to the extent that the earth is undermined and buildings are falling into the holes; but we are afraid to appropriate a little money to put out the coal-mine fires in Pennsylvania. If we should hear about a coal-mine fire in some island in the Pacific, for instance, the people of the Nation would raise their hands in horror and ask why we did not appropriate some money to put that fire out; yet they accuse us of wasting money if we try to appropriate Federal funds to put out a fire in a mine in this country. I repeat, from Maine to California there is waste and destruction of our national resources; yet every time we try to appropriate some money to correct it the cry is raised against us that we have got to economize.

Think of the American Indians, the people we drove into their present destitute and desolate position. I have been in the DP camps of Europe. I was never in a DP camp that did not have its hospital, its nurses and doctors inside the enclosure so that if one of the DP's got sick he would have attention—and I am for that, do not think I am not; but in our own country south of Tucson, Ariz.—not the Navajos that you have been reading about—there is an Indian reservation and for 90 miles there is only one highway through it. For 45 miles on each side of that highway there is not one doctor or not one nurse. That is out on the desert. And when they drag their weary bones in to that emergency hospital, and I mean they drag them in, over 45 miles of desert, there is a sign "All filled. We cannot admit you."

Go out to the Navajo country, go out to the Hopi country, go to any Indian reservation in this country and that is what you will find. They are out on the rocks. But we always complain when we come in asking for funds for the Indian Bureau.

What was the Indian Bureau established for in the first place? All they do is report back to the Congress the suffering of the Indians, but for 200 years the Congress has never done anything for the Indians. All we do is sink them deeper and deeper, and we want the rest of the world to follow in our footsteps.

As you look around the country, you see the destruction that went on when they were building our great railroads across it and remember we gave every other section to the railroads free to exploit the people in those areas and what a job they did. Yet they are complaining and asking for higher rates.

We come on down now to modern times and to the subject of power. Out in California the citizens voted back in the late twenties to construct what is known as the Central Valley project. That was the building of a great dam and reservoir at the foot of Shasta Mountain to develop and generate power. What has happened since the Federal Government took it over as a Federal project? For every inch of the way this project has been fought against insofar as building transmission lines and producing and generating the power from them were concerned. The private power companies will tell you that the Government is getting into the power business. All the power that the Government is going to take away from the B. G. & E. of California will be taken when they build their third and last dam. Every ounce of energy they get out of that dam or dams will only come to 17 percent and there is 83 percent left for the P. G. & E. Just 17 percent for the project; just 17 percent for the people.

Governor Warren, who was elected on the Democratic and Republican tickets sent a telegram to the Congress asking for every dime that the budget requested be spent on that project. The President of the United States has requested it and the people of California have requested it. Yet you find the P. G. & E. all along the line and all along the way objecting to spending one penny on transmission lines. Here is a power project generating electricity for the people, and allowing them to move the energy over their own lines, involving about $1,500,000.

Down in the southwestern part of the country where the Flood Control Act gave that part of the Nation the right and privilege to go in there and construct five dams, they did that, and all of the power that comes from the five dams under flood control, recreational facilities and generating power will only amount to about 8 percent. Yet you find the same private utility group in there opposing the construction of the power lines, although 40 percent of the population living down there is still in the dark age. They have no electricity on their farms.

In the late war, we defeated three nations—Japan, Italy, and Germany. The three of them were electrified to the extent of 85 percent. But in this great country of America, and it is the greatest in the world, only 54 out of every 100 families tonight have electricity in their homes. Just think of this great country being in that situation where 46 out of every 100 families have no electricity in their homes.

Yes, you can hire a bus or a truck and tell them to move you to some place out in the far West and to many places in the Middle West and East. They will start off on a three-lane highway, then go on to a two-lane, then onto a one lane, and finally get down to where they have to ford

a river. That is a new industry. But here is the electric industry with 65 years of experience and when the truck delivers the furniture there are no lights. After 65 years they have not been able to take care of the situation.

Let us take the State of Nebraska. Up until the thirties private power was in operation in Nebraska. Today it is public power. After 45 years, under private power company operation, the State of Nebraska has less power than any State in the Union. We hope to correct that situation through public power. For 45 years the private power companies had that opportunity and delivered hardly any power to the farmers.

Yes, I am asking you today to give this bill your very earnest consideration. Read what is in it. Read the hearings, and read the report of the committee. The national income last year was over $200,000,000,000, and that all came from the interior, from good earth, from our air and sky, by means of rainfall onto that earth. If our economy produced $200,000,000,000 last year, surely it is worth spending half a billion to protect it, and that is what you are faced with today. I am asking every member of this committee today and tomorrow to listen carefully to these debates and then to vote for every dollar that is requested by the committee. If you do that, and spend a few dollars correcting the evils that went on in this country for 200 years, you will be doing something for posterity. Do not listen to those who say, "Those are the sins of our fathers." I say they are sins that we are committing today, and if we do not hurry up and try to make a fair confession of the sins we are committing now, God help this country the next 100 years.

Take a look at Lake Erie. A part of that area is in my district where the original marker was placed just 100 short years ago marking the boundary of Pennsylvania and Ohio. The marker today is back 3 miles from where they placed it originally. Can you imagine the highways, the buildings, and everything that dropped into that lake? Erosion did it. You can roll the Columbia River, the Mississippi, and the nearby mountains and streams, into one, and they would not make what Lake Erie is. Through Lake Erie there was hauled 88,000,000 tons of ore last year; 31,000,000 tons of coal and oil, and 15,000,000 tons of limestone and miscellaneous products, and I do not think the Federal Government spent $200,000 on the whole lake. Oh, no; you cannot continue to evade your responsibility and expect to keep on having a $200,000,000,000 income. Somewhere along the line something has got to give. It is our resources that are giving out now. We have agents traveling to all parts of the world, to Peru, Chile, Brazil, and Labrador to find where they can get ore. Yes, we are building a 70-group Air Force. For what? To go over across the seas to find oil and protect it? It is oil we have in mind. But, there are other things that we should have in mind, and that is to protect our resources. So far we have done a great job of destroying most of what we had. So, I again ask this committee to see to it that this bill is passed and that every dollar will be forthcoming that we ask for to benefit the people of the greatest country on earth, the United States of America.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Ohio.

Mr. McSWEENEY. May I say to my colleague from Ohio that this is perhaps the most down-to-earth speech on conservation that I have heard in the House. It brought the matter right back to our very doorstep. I remember the great Englishman, Johnson, saying that you cannot get wealth from India unless you take wealth to India. So today the gentleman from Ohio [Mr. KIRWAN] is suggesting that we cannot continue to give this vast wealth from America without bringing some wealth to it. I thank him for this marvelous contribution. I am only sorry there were not more Members present to hear it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from California.

Mr. HOLIFIELD. I want to take this time as a Member of the House of Representatives from the State of California to thank the distinguished gentleman from Ohio for his masterful presentation of this tremendous subject of conservation. It is all the more remarkable that the gentleman has brought forth this bill, and I want to give credit to him and the other members of his committee who have brought it forth, because I realize that the great reclamation projects are not in his district. They are in the districts of other Members. The thought, the care, and the concern he has given this subject for the good of the whole Nation are indeed remarkable. We are certainly grateful that he has brought this great bill before the House, and we pledge to him our support in the passage of the bill because we believe it is an investment in the future of America and not an expense to the taxpayers of this country.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Arizona.

Mr. MURDOCK. May I add my word of thanks and appreciation. The gentleman recognizes the interdependency of all parts of this great country. While we are conserving the natural resources, we are building up the great eastern manufacturing centers to supply the material they need in the West, which will in turn supply what is needed here. The gentleman has a broad view.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Montana.

Mr. MANSFIELD. May I add my compliments to those already extended to the gentleman from Ohio and remark that in the years that I have been here I have never heard a speech with more common sense and more in it to think about than the gentleman has given us this afternoon. He has said on occasion that as far as he is concerned about the only thing he personally gets out of this bill is a 25-cent appropriation to light the wick on the Perry Monument on Lake Erie. The gentleman shows a national consciousness when he recognizes the problems that confront us of the West especially. I wish to express publicly and without reservation my wholehearted respect and admiration for what he has done for us of the West over the years, and to hope that he will be with us for many, many years to come to carry on the great work he has undertaken. You are a credit not only to your district and your State but, more important, you are a credit to our country. You are, in my opinion, a Congressman's Congressman.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from California.

Mr. JOHNSON. Let me also compliment the gentleman on his speech in general, and particularly I want to refer to the Central Valley project of California. What he and his committee have recommended in this bill, under his leadership, is what the people of California approved by a State-wide vote in 1933. The legislature had approved the Central Valley project, including transmission lines and a steam plant, and it had been referred to the people on a referendum. I thank the gentleman most heartily for his contribution in submitting these features of this project to the House for its approval.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. MILLER of California. I should like to compliment the people of the gentleman's district for sending him to Congress.

Mr GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I, too, compliment the gentleman on a very fine statement. I appreciate his reference to oil. I quite agree with him and his presentation of the situation existing in Pennsylvania. Many years ago oil was discovered in Pennsylvania. Today we are buying the best brains and ability that money can buy to get the greatest good and value out of the oil we still have left. The average production in the Pennsylvania fields is, I believe, less than a quarter of a barrel per well per day. The $650,000 which you have set up here for oil and gas investigations is a pitiful sum as compared to what should be set up to see if we cannot by new and scientific research methods get the billions of barrels of oil out of the earth that still remain there, for the benefit of the American people. I appreciate the consideration that has been given by his committee to this oil investigation matter.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KIRWAN. Mr. Chairman, I yield myself one additional minute.

I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I am sure my distinguished colleague and old neighbor, the gentleman from Ohio, is trying to sit down so his colleagues cannot shower

any more words of gracious praise upon his noble Roman brow. However, he was raised in my congressional district, the Eleventh Congressional District of Pennsylvania, and I am proud to be MIKE KIRWAN'S Congressman. When we first came to the House we sat at his feet to hear words of advice and instruction and we profited well. Pennsylvania is sorry to lose this great public servant, and Ohio has made a great gain.

Not only do I congratulate the Youngstown Congressional area, but I congratulate the House of Representatives upon being so fortunate as to have MIKE KIRWAN at our service and command.

Mr. KIRWAN. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I enjoyed the remarks of my chairman. As you know, I was chairman of this committee during the last session of the Eightieth Congress. The gentleman from Ohio [Mr. KIRWAN] was very cooperative and courteous. I am pleased that this session of Congress in this bill is carrying through the record which the Eightieth Congress established. As you know, the Eightieth Congress appropriated almost twice as much for irrigation and reclamation for the 17 Western States as was ever appropriated by any session of the Congress.

Many of these projects are coming up to the peak of construction, and of course, it is necessary to spend more money on such projects when construction is fully under way; to do otherwise would be penny wise and pound foolish, but let me add that unless this Congress does an aboutface regarding a lot of useless spending certainly it will not be long until Congress will have nothing to spend for worthy and necessary things for anybody or anything. I am in accord on almost all of the items in the bill. I think, however, that when we reduce the bill 15 percent for construction straight across, horizontally, it is bad procedure. I do not think we can justify a 15-percent horizontal cut because every project should be treated individually, and we should appropriate accordingly.

The minority had little to say about that. When the bill was being marked up, the gentleman from Missouri [Mr. CANNON] saw to that. The distinguished gentleman from Pennsylvania [Mr. FENTON] and I are the two minority members of the committee. We sat through the hearings, which, of course, were less than half as long as they were last year. Then, during the marking up of the bill, we discovered we had another member of the committee, the gentleman from Missouri, the Honorable Mr. CANNON, chairman of the full Committee on Appropriations. He had not sat for one single minute with the subcommittee during the hearings on this bill; but he was there during the marking up of the bill. This bill, as it comes to the floor of the House, is, in effect, the Cannon bill not only in amount but in language. We had much restricting language, limiting language, in the bill made law last year which proved to be good. Congress directed the Bureau of Reclamation to do certain things and also forbade it to do certain other things. Because of that, the construction program of the Bureau of Reclamation went forward at a more rapid rate than ever before in the history of America. In other words, we put them to work. We said, "Now, get out and do this job." Before that time for at least the past 10 years they always had a carry-over—an unexpended balance in the Bureau of Reclamation fund of from $45,000,000 to $90,000,000. But they spent all the money each of those years for administrative costs that the Congress appropriated. The Commissioner of Reclamation, Mr. Michael Straus, said to a gathering of Interior Department representatives from all over the country that his face was red whenever he went before the Congress and had to explain why they had these carry-overs in construction funds. He said, "It is difficult to explain. We spend all our appropriated administrative fund. It would seem we are not very good constructors, but we are mighty good pay rollers." That, in effect, was Michael Straus' own words about 2 years ago to a large gathering of BPA officials here in Washington, D. C.

This 15-percent horizontal cut, of course, does not mean much, because the report says, "We expect you to carry on the program just as it was ordered to be carried on in the budget request. We did reduce it 15 percent," the report says, "but if you run out of money we invite you to come on back and get more."

Now, that is about what the report says. This is the first time I ever saw language of that kind in a report on an appropriation bill. We make a cut. Then we apologize for it. Then we say, "Come on back and Congress will take care of you."

If I had had anything to do with the writing of this report or if the gentleman from Pennsylvania [Mr. FENTON] had had anything to do with it, I am sure we would have insisted that that kind of language not be written into the report. But we were not invited to help write the report as is the custom and no meeting of the committee was even called to approve the report.

Now, why do I say it is not right and proper and good business to make this 15-percent horizontal cut? I will give you a little example. I was called out to California to the Coachella Valley project last fall by Representatives of Congress of that State who urged me to come out, and the water users of the district who wired me and telephoned me urging me to come out and look the job over. I went out in the latter part of November last year. What did I find? I found that 14 years ago the water users of that irrigation project agreed and signed a contract to irrigate about 75,000 acres, and the Bureau of Reclamation agreed that the job would be done in 30 months. That was 14 years ago, and the cost was to be a little over $11,000,000. Since that time they have been required to sign other contracts amounting to millions of dollars; if not, the construction would stop.

There is not a drop of water on a speck of land in the Coachella Valley yet that was put there by the Bureau of Reclamation construction work as such. The water is in the main canals all around the project and they are now just in the process of laying in the concrete conduits to bring the water to the land.

In this bill is an item from the budget of a little over $5,000,000 for the fiscal year starting July 1 of this year. The water users of the Coachella Valley have requested that $7,000,000 be allowed in this bill, which would complete the job in the fiscal year 1950; instead of putting the $7,000,000 in to complete the job, the five million plus has been reduced by 15 percent.

Why did they ask for that? Why were they so interested? Because the Bureau of Reclamation had on last November, when I was there, 137 Federal employees on the pay roll of the Coachella Valley project and charged to the water users, costing about $2,500 a day, which the water users of the Coachella Valley must pay. I was told that 25 employees would be sufficient to do the job. They had one-hundred-thirty-some employees in the town of Coachella, which is about in the center of the valley, but that was not enough; they went 50 miles north of the valley at Banning, set up another office, put 50 more employees up there and charged their pay to the water users of the Coachella Valley. In addition to that they are charged with a part of the district office engineering for the Coachella Valley. I do not wonder that they want to finish this thing up next year and get that terrific expense off their backs. That, my friends, is a fair example of what goes on here.

The greatest criticism of the Reclamation Bureau made by the folks of the West who must pay the bill is the terrific administration expense piled on their project year after year. Yes, construction costs are reduced 15 percent in this bill, but only very small token cuts are made on administrative items.

Another project up in North Dakota, the Missouri-Souris project—a wonderful project—which the Eightieth Congress brought from phase B, which is investigation and planning up to phase A, into construction. After it had been in phases B and C for a number of years and they had spent thousands upon thousands of dollars in investigating, in surveys, and in planning, we figured it was about time, and the people in North Dakota figured it was about time, to bring that project into construction. The Eightieth Congress brought it up from phase B to phase A and gave them $200,000 to start construction. But in this bill they push it right back out of construction, right back into phase B. That is not a nice or fair way to treat the people in North Dakota; especially since the Missouri-Souris project is one of the most feasible irrigation projects in the West.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from North Dakota.

Mr. LEMKE. I notice we have been taken out of the bill, but we are going to try to get back in.

Mr. JENSEN. Mr. Chairman, the Eightieth Congress put a limitation of 8 percent on the force account, which is day labor. This bill takes that out. Under this bill all these projects can all

be built by day labor, which is a great deal more costly. The Bureau of Reclamation under this bill can go out and hire every Tom, Dick, and Harry they want to hire and spend all the money they want to for day labor. So they will no doubt dilly-dally around and very little will be done on construction on irrigation projects, as was customary before the Eightieth Congress put them to work. Of course they have all spent every dime appropriated for building power facilities.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, we have in this bill a proposed line running out of the Bonneville area in Washington and Oregon. They want to run a heavy transmission line from Spokane over to Kerr Dam, Mont., and about 150 miles farther down-State to Anaconda. We asked them why. Dr. Raver, BPA Administrator, said they wanted that line because there was a brand-new industry moving from the East to Anaconda and they wanted to run the powerline down there to furnish power to that new industry. They have lines already proposed for a complete network all over the West paralleling already existing lines and covering a great section of the Missouri Valley, where we must have 5½ to 6 mills for the power produced from Federal power plants to make our projects in the Missouri Valley feasible. They are trying to give us competition with 2-mill Bonneville power to the end that we can never justify building our multipurpose projects in the Missouri Valley, which we need so badly for irrigation, power, and flood control.

Mr. Chairman, they are getting over into our bailiwick; they are getting over on our side of the fence, and we are going to do some fighting, we folks in the Missouri Valley, because we know the folks in that valley are well able to run their own business.

Of course, what these hot shots are trying to do is to get their noses under the tent, working with certain money barons in Wall Street to borrow money with which to force out, take over, or buy out a lot of private and municipal plants in the State of Washington in the hope of finally getting complete control of all the power and the water resources of the West, which is only the beginning.

I shall now give you concrete proof of exactly how it is proposed to be accomplished by fair means or foul by a few of the slick planners in and out of Government.

Two kinds of greed, the greed for power and the greed for money, have brought about a strange mating of political forces and money forces in the Pacific Northwest.

From the matters I am about to reveal, it will soon become apparent that a gang of Wall Street promoters has joined hands with the forces of American socialism to socialize the electric-power industry of the great Pacific Northwest country—for the money benefit of the first group, and for the political benefit of the second.

This socialization is to be accomplished at an inflated price—at a price which will load the people of the region with a huge load of unnecessary and wasteful bonded debt—at a price made possible only by the device of robbing the Federal Treasury of tax revenues amounting to millions of dollars a year.

The device is to snatch away from the users of electricity all of the electric-rate benefits that should come with tax exemption, and hand these benefits over to the Wall Street owners of the common stocks of the electric companies which are being socialized.

How rich a dish the promoters share is apparent from the fact that the promoter extraordinary, one Guy C. (Flash) Myers, recently had pending in the tax courts of the United States a $300,000 tax evasion case, covering just 2 years of his take.

The Internal Revenue Bureau alleged that Promoter Myers attempted to dodge payment of more than $300,000 due the United States Government on his 1940–41 income tax. Myers tried to talk himself out of paying that tax on the grounds that he had spent years promoting various public ownership deals in the States of Washington and Nebraska. He claimed that the huge income he received in 1940 and 1941, when the deals finally paid off, should be spread back over a long period, clear back to 1934, when he first smelled the chance to make himself a multimillionaire at the expense of the taxpaying public.

His racket is to capitalize the tax savings by issuing tax-exempt bonds against these savings, and hand the proceeds—less a fat commission—over to the Wall Street owners of the common stocks of the electric companies which are being socialized.

Here is the way Guy Myers' tax-capitalizing device works: Suppose I have a business that is worth only $100,000 on the basis of its net earnings after taxes, and suppose that business is now carrying $2,400 a year in Federal income taxes as part of its operating expenses.

Now, suppose some smart fellow comes along and says to you, "Look, you've got a nice little business here, and I know how you can get a fancy price for it. I've got a client who doesn't have to pay Federal taxes, and he's very anxious to buy you out. If you sell it to a taxpayer like yourself, you know very well that all you can get for it is $100,000, because that's as big an investment as it will carry.

"But if you will sell it to my tax-free client, he can take the $2,400 a year you now pay Uncle Sam and use that money to pay interest on a much bigger investment. That $2,400 will pay 6 percent on $40,000, which means that he can make the business carry an investment of $140,000 and still show the same net return.

"So here's what we can do. I'll get my client to pay you $130,000 for the business, and pay me $10,000 for fixing up the deal, and we'll both make a nice piece of change."

Yes; that is exactly the way Guy Myers works up his deals to sell electric power companies into socialism. Only he is not working for small change. He is dealing in millions and hundreds of millions, and his commissions run into seven figures.

Take the Puget Sound Power & Light Co. deal, for example. That company now pays the Government about $2,500,000 in Federal taxes every year. And once you understand the game, it is easy to see how Myers can offer thirty or forty millions, and his commissions run into owners of the company.

It is a slick trick, a very slick trick. And I think Mr. Myers himself must wonder sometimes why the public has not caught onto it long before now.

One reason the public has not caught on, of course, is the smoke screen of confusion which has been spread by the shrewd and skillful agents of power socialism.

Time and again I have stood in the well of this House and spelled out the inevitable result of the socialistic policies of the Bonneville Power Administration. But not until recently have I been able to quote to this House chapter and verse facts upon which this House will be completely derelict individually and collectively if it does not follow with a full-dress, all-out investigation of a racket which will not end so long as a subservient President with a mistaken code of loyalty stands behind a vicious racket.

What a picture. The Pacific Northwest was taken for a ride by Wall Street in the twenties. Its private utilities, with scandalous write-ups, were sold into great holding-company mergers. The stock was watered. Some of the stock was not worth 10 cents on the dollar in earned value. That money is gone. Wall Street got it. Wall Street kept it. And now, by grace of Harry Truman and his administration, Wall Street is going to collect double. The PUD revenue-bond deals that are pending out there will bail out the holding companies for all the foolish money spent.

Nobody will suffer—nobody except the people of Washington and the little "guy" who has to dig down a little deeper into his own pocket to pay taxes to the Federal Government. Nobody will profit—nobody except the Wall Street promoters.

Puget Sound Power & Light Co. was valued in 1944 at $90,000,000 cash. Inventory of $8,500,000 brought the price to $98,500,000. This is not my word, but the word of Dr. Paul Raver, Bonneville Administrator. In 1945 Guy Myers, on behalf of a public-utility district in Skagit County, Wash., offered to buy the property for $135,000,000. Certainly a watered deal if there ever was one. The Supreme Court of the State of Washington refused to allow this sale because Skagit County would become owner of property far beyond its boundaries and the State law at that time permitted purchase of properties only within the district's own territory.

At the beginning of this year Guy Myers and his "hungry heelers," loaded with "swag-bags," moved into the Capitol Building at Olympia, Wash., and lobbied through a law which would legally permit this deal. At the same time it would allow Howard Aller, president of American Power & Light Co., to unload the common stock of Washington Water

Power Co. at double the amount it is carried on the books of the company. But the "swag" would not end there. Aller also owns the Pacific Power & Light Co. with large properties in the State of Washington, which would be subject to the same kind of inflationary sell-out scheme.

All of these deals would be "cooked up" in a back room somewhere. The huge bond issues to finance them would never be put to a popular vote, because the law of Washington, like the law of Nebraska, allows public-utility district bonds to be sold privately, without an election and without competitive bidding. That is a good thing for the promoters of these deals, because all the recent public-ownership elections out in Washington have shown pretty clearly that the voters are beginning to get a "bellyful" of power socialism.

But the people there are confused by the way Guy Myers juggles millions and millions of dollars. His hand is quicker than the public eye. They have been drugged with the ceaseless cry that public ownership is inevitable.

Persistent propaganda has led honest believers in the free enterprise system to begin thinking that maybe power socialism is different, in some strange and unexplained way, than socialism itself.

The same persistent propaganda has caused equally honest believers in public power to let themselves be used as tools of Wall Street—to be used as respectable "front men" for the financial racket of a kind that we thought had been stopped when the Securities and Exchange Commission was organized.

What these people do not realize is that the oldtime financial racketeers have simply moved over to the public ownership side of the street—the unregulated side of the street—the unregulated side of Wall Street.

They do not yet realize that Guy Myers and his "boodle-bund" are playing the people for suckers—that these slick operators are out to make themselves rich by twisting to their personal advantage the reform legislation of the New Deal.

Was the Holding Company Act of 1935—fathered in this House by our distinguished Speaker, Mr. RAYBURN, who at the time was chairman of the Interstate Commerce Committee—was it intended to bail out the overcapitalized holding companies which headquarter in Wall Street? Was it intended to put public bond issues back of watered stock? Was it intended to substitute political holding companies for financial holding companies?

Is the SEC breaking up the public utility holding companies just to fatten the wallets of the men who made fortunes by putting them together in the first place?

From the standpoint of the little fellow who pays the bill, is there a particle of difference between a watered public utility district bond issue, floated by Guy Myers, and an issue of watered holding company stock? In principle, no—but in actual practice, yes. The Securities and Exchange Commission has been squeezing the water out of the holding company stocks, to protect the consumer, but no one can squeeze the water out of a PUD bond. There is no way to put the public bonded debt through the wringer.

The amazing, the shocking thing about it all is that the indispensable tool and instrument of the Myers' racket is the Bonneville Power Administration, and, by the same token, Guy Myers is the most important single factor in BPA's power socialization program.

It is a well-matched mating—the worst of capitalism, the nest-fouling type, teamed with the weakest form of Marxism.

If I may be forgiven to digress a moment, I would like to discuss the type of Marxism that happens to plague America at the moment. There are two types of Marxists. Both share the same objective—complete totalitarian domination of every human being under the control of the State. The two schools differ in only one respect: the international and revolutionary Marxist thinks to achieve his end by bloodshed and revolution; the American socialist or Marxist believes that the free will of Americans is such that they would resist conquest by blood. They prefer the bloodless revolution that comes with internal sabotage of the processes of government.

If you do not believe that, read the writings of Stephen Raushenbush, who advised the Socialist Party 20 years ago that "one man within the Department of Interior is worth one hundred working outside." When the Eightieth Congress moved in, Steve Raushenbush left his position "within the Interior Department."

The Bonneville Power Administration, as everyone knows, is regarded by its masters as merely an interim agency—an interim agency which up to now has unwillingly had to permit private enterprise in the electric field to live under a sword that hangs by a thread. It is an interim agency which is very impatient with the legislative processes of the Congress. It wants to be turned loose from any congressional controls, wants to be the complete and undisputed master of the Pacific Northwest region. That is why the BPA, the Interior Department, and all the motley forces of Marxism are now centered on a thrust to reach their objective through a Columbia Valley Authority.

Once they get a CVA, if they do, you will see the same forces moving with increased strength to take control of the Missouri Valley, the Central Valley of California, the Colorado, the Arkansas, the Rio Grande—the whole of America west of the Mississippi River. And preceding them will be Guy Myers, stirring up the public confusion which is so essential to the success of his money racket—and also to the advance of Marxism.

These are serious charges which I make, and I make them most seriously, because I have the proof to back them up. The court records in the Guy Myers tax-evasion case are available which prove in his own words how he has been master-minding the PUD movement in the State of Washington since its inception.

Also in my possession is the report by Robert E. Lee on the Bonneville Power Administration. Because of the length of the transcript of the Myers tax case, which would run into scores of pages of the CONGRESSIONAL RECORD, I will not submit it for publication at this time. But in the matter of the Robert E. Lee report, I submit it in full for the benefit of the doubting Thomases who cannot believe that such things be. I further submit the reference to page 113 of the Interior Department hearings for the appropriation bill, 1950. Dr. Raver admits the authorship of the letters attributed to him.

Under the provisions of the Reorganization Act of 1946 Mr. Lee was serving at the time as chief of the investigative staff of the Appropriations Committee. Mr. Lee was not a Republican appointee. He was originally employed in 1944 by the Appropriations Committee under the chairmanship of the present chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON]. He came to the Appropriations Committee on loan from the Federal Bureau of Investigation on the highest recommendation from J. Edgar Hoover because of his brilliant career in that organization as an investigator.

The Bonneville report by Mr. Lee is an objective appraisal of the political activities of the BPA to which I suggest every Member of this House should give full and serious concern.

Out of this factual memorandum I will select one letter. It is directed to C. G. Davidson, Assistant Secretary of the Interior, by Dr. Paul Raver. In this letter, by implication, Raver admits his own violation of his oath of office under the Hatch Act, and, also by implication, he draws in "Jebbie" Davidson. Here is the letter to "Jebbie" from Raver, signed by Raver, and dated July 15, 1946:

> I received your note while I was on my vacation and have turned it over to Bob Willard [former acting general counsel of the BPA, now with the Atomic Energy Commission] to formulate a reply for Cap, setting forth the minimum requirements for a private utility company contract.
>
> As to Loring [refers to Mr. Marlett, assistant to Dr. Raver] and I coming to Washington immediately, we realize the importance of having someone there during the formative period of your organization problem but it is simply out of the question for us to come down until we have formulated certain programs, which we have been working on strenuously the last few weeks.
>
> These three programs are as follows:
>
> 1. Revitalizing the public power movement in the Northwest. Henry Alderman is heading this up and has the program pretty well outlined and we are working on it at the present time.

Who is Henry Alderman? Before the war he used to be on the publicity staff of the BPA. Then he had some kind of a job with a magazine. Then he came back to Raver as his administrative assistant:

> 2. Our long-range as well as 1948 construction program. On this I have insisted that our engineering and system planning organizations tie down a generator installation

schedule with the Army engineers and Bureau of Reclamation for new dams on the Columbia and lay out our program for transmission line construction up to and including 1955 with plans for southern Idaho projected to 1965. Both of these forecasts of generator installations and transmission line construction, of course, are tied in with our load forecast for the region. I see no point in coming to Washington to talk about coordination until we are prepared to present a coordinated plan which can be used as a basis for such orders of the Secretary as he deems necessary to carry out the coordinated construction plan, assuming, of course that he agrees that our plan is feasible.

For the sake of continuity I include the following two paragraphs:

3. With these two programs as a basis, we will also be in a position to present to the coordination committee and to the Secretary, if it seems desirable, an organization plan to carry out the construction and operation program.

All three of these programs are shaping up very rapidly and Loring expects to be in Washington on July 24. I will arrive there Sunday night, July 28.

We come to a significant portion immediately thereafter, as follows:

Loring, Henry Alderman, Frank Ward, and I have been working on the first step of our public-power program today in Seattle. This program involves pulling together all of the public-power forces of the region around an agreed program of public ownership and public acquisition of private utility company properties. As discussed with Cap, it involves fitting municipal-ownership program with REA development in the rural areas into an existing PUD plan and enlisting the support of the PUD's in carrying it out. In order to do this we are trying to work it out in harmony with plans of Carstensen and the Washington Grange so as not to upset their existing plans for private-utility acquisition in the Puget and Washington Water Power Co. areas.

Please note Loring, Marlett, Henry Alderman, somebody named "Frank," and Raver have been working on the first step of Bonneville's—they admit it here and now—public-power program. Note, too, this problem involves "pulling together" all of the public-power forces in the region around an agreed program of public ownership and acquisition of private-utility-company properties. This statement makes it necessary for Dr. Paul Jerome Raver to do a mighty lot of explaining.

Time and again he has denied on the witness stand that his purpose in the Northwest was more than to give countenance to the public-ownership program—to give information and have it available to the normal forces seeking public ownership. I could cite chapter and verse, year after year, beginning even before my time in Congress, when Raver disavowed the very thing that he betrays and spells out in his letter to his Department of the Interior boss.

Let us continue:

As discussed with Cap, it involves fitting municipal-ownership program with REA development in rural areas into an existing PUD plan and enlisting the support of the PUD's in carrying it out.

Now, who in the world could "Cap" be? Secretary of the Interior Julius Krug is commonly known to his friends as "Cap." Cap was in on the deal, too—whoever Cap is—possibly Krug, possibly some less distinguished personage.

Let us turn to the next paragraph:

We reviewed this program at some length with Tompkins [Mort, master of the Oregon State Grange] in Portland last Friday. He realizes the critical situation of the public-power program at the present time, particularly in the State of Oregon, and felt that our approach was sound but desired to check it with his executive committee before making any definite commitments. I told him I was planning to discuss the program with Carstensen [master of the Washington State Grange] in Seattle today and wanted to be sure that we had the full and wholehearted support of the granges of both States on any program that we worked out. Tompkins called Carstensen after our meeting and reported to Hank that Carstensen was receptive to working out a cooperative program, but was adamant in his opposition to mixing up a municipal-ownership campaign with his plans for acquisition through PUD's. He stated that Carstensen was not interested in a municipal-ownership campaign until after he knew the outcome of the election on Initiative 166.

This was a measure to provide for a vote of the public before revenue bonds were issued for the acquisition of private property. It was defeated.

Now who is this Mort Tompkins? He got into State politics in Oregon, and into grange politics. He became overseer of the Oregon State Grange, and when the Bonneville Power Administration was formed he got on the Federal pay roll as a field agent for BPA. His duties seem to have been principally to travel over the State and help with the organization of PUD's.

After 3 or 4 years of this he got himself elected master of the Oregon Grange, a salaried position, and was presumed to have severed his connection with the Bonneville pay roll. But what did we find during the 1948 Interior appropriations hearings? We found that Mort Tompkins was still drawing money from BPA as a consultant—that he was on the Federal pay roll while taking part in many types of political activity.

Suppose it had come out that Tompkins had been on the secret pay roll of a private power company while serving as the salaried head of a farm organization which we all respect? What a scandal that would have been to the membership.

We do not know that Carstensen ever received any money from BPA, but his sustained interest in the Guy Myers schemes to switch ownership of $200,000,000 of electric properties might bear looking into.

We met with Carstensen at 10:30 this morning and I outlined the following situation to him: If the court case (now set for hearing on September 2 with a promise that the decision will be rendered within 10 days of the hearing) is favorable to the PUD's, then the Puget deal must be made prior to December 5 if Initiative 166 carries.

Carstensen stated that he was confident the court case would be favorable and that the deal would be made before the election on Initiative 166. He also stated that the Washington Water Power deal was already made and that the real purpose of the court case was to clear the way for making the Washington Water Power deal. They had expected to have the court case decided in May and the Washington Water Power deal out of the way before this time.

The next three paragraphs of Raver's communication to his boss, "Jebbie" Davidson, require some background explanation to make them meaningful, and to show how BPA is being so helpful to the Guy Myers boodle-bund.

Common stock control of both the Washington Water Power Co. and the Pacific Power & Light Co. is owned by a New York holding company, American Power & Light. That holding company, like others, is under orders from the SEC to dissolve. A constructive dissolution program would simply divorce the Washington and Pacific companies from their parent, and establish them as independent, locally controlled enterprises. This was and is the purpose and intent of the Holding Company Act, under which the SEC is proceeding.

The Bonneville power socialists and their assorted allies do not want such a constructive solution to come about. They do not want their political power satellites to have to meet the competition of streamlined and efficient private power companies. They want the SEC to be an instrument of destruction to free enterprise, not constructive regulatory force. In brief, they are deathly afraid that their watered-down brand of socialism cannot stand up by itself under the test of time. So they want to wipe out private power and municipal ownership in the Pacific Northwest—now.

Neither does Guy Myers want the SEC to order American Power & Light to turn its captive companies free. Myers wants the SEC to close its eyes to the public interest, and to the interest of the men and women who have spent their lives building up efficient public service enterprises, and allow him to hand millions of dollars of unearned profit to the holding company—millions of dollars which must come out of the pockets of users of electricity in the State of Washington.

Myers does not want the Washington and Pacific companies to become independent enterprises, completely subject to regulation by the States in which they operate. He wants to retain the ability to make a deal with one man—one man alone—Howard Aller, the head of American Power & Light. He wants to make that deal so that he, Guy C. Myers, can add another two or three million dollars to the million or so he already has made on similar deals. Aller would like to make the deal so he can turn his watered stock over to the public, in exchange for cold, hard dollars which would come from PUD bond issues, paid for by the people.

So you can see how perfectly the Myers financial game ties in with the BPA-Interior political game. What could be better for Myers than to have an important and influential department of the national administration urging the SEC not to compel Aller to free his captive companies?

I, for one, cannot believe that the Securities and Exchange Commission of the United States will allow itself to be so used by political power grabbers.

Now to continue with Dr. Raver's letter:

I told him if this was the situation that he should use every effort to stop or at least delay the merger of Pacific Power & Light and Northwestern Electric until after the court decision, otherwise the Washington Water Power deal, which he claims is already made, would no longer be effective since Washington Water Power would be out from under Electric Bond & Share at the same time P. P. & L. and NW. E. are merged. I am not sure that Washington Water Power will be divorced from the holding company at the same time NW. E. and P. P. & L. are merged, but I do know that the plan is for Washington Water Power to acquire controlling interest in the comon stock of the merged corporation.

I pointed out to him that in my opinion the NW. E. and P. P. & L. merger was being slipped through without the public realizing that it was only the first step in the further integration of operating companies in the area using Washington Water Power Co. as the original holding company and that subsequent steps might well include the Portland General Electric, whose common stock, as a result of the reorganization of Pepco, was widely scattered in the hands of income bondholders and might well be acquired, as far as the controlling interest is concerned, by the new merged corporation or by the Washington Water Power Co. Furthermore, I pointed out to him that the company might be gambling that the court decision would be favorable to them and they could then step in, bail out Frank McLaughlin at $18 per share for the common stock of Puget and thus very quickly set up a major public-utility-company monopoly that would control the entire power development of the Northwest from here on out.

This analysis was evidently new to Carstensen and he readily agreed to do anything we thought advisable to stop it. I suggested a number of hedges or efforts which various groups could make to stop or at least delay this merger until after the fall elections.

1. Contact Governor Wallgren and ask him to telegraph the SEC to delay proceedings until such time as the State had had an opportunity to examine the implications of this merger. Henry readily agreed to this and suggested that the Governor might have his advisory commission study the matter. Henry felt that he could enlist the support of McLaughlin and Hemphill, who are members of this commission, in formulating a protest because of the disadvantages to the development of the State and the development of its resources if the transmission and distribution of Government power came under the control of one large private-utility monopoly. Carstensen agreed to take this up with the Governor tomorrow. It was also pointed out that the merger would probably have to come before the State Public Utility Commissioner for approval and the Governor would have an opportunity to discuss the matter with his own public-utility commissioner.

2. I suggested to Carstensen that I explore the possibilities of developing municipal-ownership programs in the cities of Spokane, Yakima, and Walla Walla. He objected strenuously to starting anything in Spokane on the basis that the Spokane City Council has agreed to take no formal action on municipal ownership until the Washington Water Power deal is actually made and that the city council and the grange leaders have agreed to let the people in Spokane decide for themselves whether they desire municipal ownership for a PUD after the deal has been made. Of course, he has stated unequivocally that this deal has been made with Aller and, therefore, he is quite anxious to stop this merger, which presumably would take the properties out from under the control of Aller until after the court decision (which he expects to be favorable) at which time, according to Carstensen, the Washington Water Power deal will be made even before the Puget deal. Inasmuch as Carstensen maintained that if the city of Spokane voted for municipal ownership, the Washington Water Power deal would be killed, I agreed with him not to promote municipal ownership with the city council in my meeting with them next Tuesday morning. Consequently, I wish that you would have Cap check with Calder [chairman of the board of Electric Bond & Share Co.] and see if he can get the facts about Washington Water Power deal. It may be well that Carstensen has been misled by Myers about the deal and, if so, we should know about it and then be free to enlist his help or at least his consent in going ahead with the municipal-ownership program in Spokane.

He also objected to our promoting municipal ownership in Yakima at this time but on a different basis. He stated that in his opinion two of the commissioners of the Yakima PUD are strong for public ownership in Yakima County and that they have been misunderstood in their position because of a grange fight which arose out of the grange people trying to dictate to the newly elected commissioners what their position should be with respect to the sale of this property by the P. P. & L. Carstensen felt that it would be very bad at this time to support municipal ownership in Yakima as it would only tend to cause a wider rift between the commissioners and some of the grange officials and other public-power supporters in Yakima. He stated that he was trying to pull all the public-power forces together and he felt confident that all parties would be served best by having the PUD take over instead of municipal ownership. He also stated that he was confident that a new PUD commissioner would be elected this fall who is a strong supporter of acquisition.

I ask you to read the further evidence of connivance to defeat the will of the people of the United States in the following three paragraphs. They are self-explanatory.

He also stated that the present PUD commissioners had determined that if municipal-ownership agitation started in Yakima they would institute condemnation proceedings against P. P. & L. in order to stop it. I made no definite comments about this except to state that we would not want to do anything to cause a break in our public-power forces and wanted to pull them together. My own feeling is (although I did not express it to Carstensen) that some more individual work will have to be done on the situation with Carstensen and other public-power leaders in the Yakima area before municipal ownership can be developed there with any possibility of success.

In both the Spokane and Yakima situations, Carstensen agreed that if they were unsuccessful in fighting Initiative 166 this fall (or in the case of Yakima, in electing a friendly PUD commissioner this fall) that he would come all out for a strong municipal-ownership campaign because, as he stated it, the PUD's were on their last legs and they either had to win this fight or try some other alternative to accomplish the acquisition of the private companies in this State.

We then discussed the Walla Walla situation and Carstensen agreed that municipal ownership in Walla Walla could go ahead without interfering in any way with their PUD program. I requested that he support municipal ownership in Walla Walla if the city council decided to put it on the ballot this fall, but he gave no commitment as to his support.

Dr. Raver's request for help in promoting municipal ownership in Walla Walla takes on greater significance when tied in with the fact that the Bonneville Power Administration maintains a costly and unnecessary district office in that city, and when tied in with the further fact that BPA's district manager, H. R. Richmond, Jr., has long been busy with various schemes to break down that community's stalwart resistance to the socialization of its electric service.

It is a matter of public knowledge that Richmond, a year before Raver wrote his intimately revealing letter to "Jebbie," had been active in the organization of an abortive electric co-op, intended to sneak public ownership into Walla Walla via the back-door route. It is also a published fact that he and one Charles Luce, then Bonneville staff attorney for the district, a few months later helped organize Interstate Electric, Inc., a Guy Myers type of nonprofit corporation, created for the announced purpose of buying the Pacific Power & Light Co. system, and then picking it apart.

In Dr. Raver's own words, testifying before the Securities Subcommittee of the Committee on Interstate and Foreign Commerce on January 29, 1946, Interstate Electric was, and I quote, "a pure legal fiction and a device to accomplish an end."

When Dr. Raver's legal fiction failed of its purpose, we find him turning to the king pin of the Myers public-ownership group for permission to go ahead with an attempt to start a municipal-ownership program in Walla Walla.

I refer to the following paragraph in Dr. Raver's letter particularly because of its reference to Nick Bez, the RFC beneficiary:

We also discussed with Carstensen certain other alternatives that need to be pushed now in order to strengthen the public-power situation in the Northwest and help defeat the merger. I pointed out that while the possibility of a competitive system in The Dalles and the existing competitive situation of the Hood River Co-op were Oregon developments, they had a bearing upon the situation in the State of Washington because they were in Pacific Power & Light territory and that, therefore, the Grange should give its moral support and any other support that it could to these developments. Similarly, we pointed out that a PUD election in Clatsop County (Astoria) was coming up on the fall ballot and that the leaders in the Oregon Grange felt that if sufficient effort were placed on winning this election, they had a very good chance of winning it. I suggested to Carstensen that inasmuch as Nick Bez is a member of the Governor's advisory commission and (according to Carstensen) is a stronger supporter of PUD's that he might try to enlist the assistance of Bez in the problem of getting the issues properly before the people in Clatsop County.

I mentioned also that Benton County had received an award of one and one-quarter million dollars and had been promised financing by Hassock. Carstensen's reaction to the

Benton County award was that it was too high and that the PUD would find itself in the same embarrassing condition that Okanogan County finds itself in today as a result of paying too high a price for its properties. I did not mention to Carstensen the inconsistency of his position on the question of price.

You will note the statement that "the leaders of the Oregon Grange felt that if sufficient effort were placed on winning this election, they had a very good chance of winning it." That was a PUD election in Clatsop County, Oreg., and the top leader of the Grange was the very same Mort Tompkins who was drawing pay from Bonneville in the guise of a consultant. I am happy to be able to say that, in spite of this web of intrigue, this use of taxpayers' money, and of Federal influence, the voters of Clatsop County said emphatically that they were against power socialism and wanted to keep private enterprise in the electric business.

I told Carstensen that certain groups in Portland were interested in circulating a referendum petition when and if the city council acts favorably upon the NW. E. and P. P. & L. application for city approval of their merger plans. Incidentally, Commissioner Lee made a statement in the Sunday morning paper to the effect that she had examined the proposed merger of the two companies and felt it should be approved by the city council because it would result in refinancing the company on a lower interest rate. Our information is that a referendum requiring the city council's action to be submitted to the voters for approval can be secured by a petition containing 2,000 signatures in the city of Portland.

When I told Carstensen about this possibility of delaying the merger proceedings, he inquired as to the possibility of getting an initiative petition circulated and signed up in the city of Portland for municipal ownership or for a PUD in time for the fall election. I indicated to him that I was not informed as to the number of signatures required but that I would look into this possibility purely as a delaying tactic and not with any feeling that such an election could be carried through to a successful conclusion.

I leave the following paragraph as it stands with its own reference to Bonneville Administration's violation of section 9 (a) of the Hatch Act:

I neglected to mention in the proper place that Carstensen is having a meeting in Wenatchee on Monday, July 22, of all organizations interested in defeating Initiative 166. He expects to have the A. F. of L., the Public Power District Commissioners' Association, and the Grange, as well as certain municipalities, represented at this meeting. He proposed to have each of the organizations represented there send telegrams to the SEC, protesting against the merger plans and asking for hearings on these plans in the Northwest. It is our feeling that if these hearings can be held in the Northwest they can be used as a good public forum on the whole public-power issue, including the basic points in Initiative 166.

I refer you to section 9 (a) of the Hatch Act, which reads as follows:

SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects. For the purposes of this section the term "officer" or "employee" shall not be construed to include (1) the President and Vice President of the United States; (2) persons whose compensation is paid from the appropriation for the office of the President; (3) heads and assistant heads of executive departments; (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the Nation-wide administration of Federal laws.

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person.

I have submitted and discussed the letter from Dr. Raver to his boss, Davidson, Assistant Secretary of the Interior, a letter which Raver admits having signed and sent. Taken in its entirety it reveals a prima facie case of law violation by the Bonneville Administration at the highest levels.

It reveals that an important agency of the Federal Government, the Bonneville Power Administration, is deeply involved in political shenanigans, and is contributing to the enrichment of a group of Wall Street promoters and Wall Street holding companies, at the expense of the Federal taxpayers and of the power consumers of the State of Washington.

It is shocking and scandalous that the same holding companies should today have the aid of public officials in unloading these high-priced stocks back on innocent people in the form of inflated revenue bonds.

It is shocking, I repeat, and scandalous, Mr. Chairman, and I recommend a public hearing involving all of the characters mentioned: ex-Governor Wallgren, Nick Bez, Myers, Aller, Raver, Tompkins, Carstensen, and on down the line, with the proviso that all of them be sworn to tell the truth, the whole truth, and nothing but the truth.

Just where is our greater power shortage today? It is in the Tennessee Valley area, and in Washington and Oregon—the Bonneville area. Why? Because years ago Government competition started to drive private utilities out of existence. Private industry and private utilities are unable to get the money for construction and expansion. Consequently, you have the brown-outs and black-outs in those areas where we have the greatest Federal control of electric energy.

Now the Bonneville Power Administration in this bill are asking Congress to furnish a great sum to construct a transmission line from that power-shortage Bonneville area, where they are asking for millions of dollars to build power-generating plants, to build transmission lines, and so forth. I repeat, they are asking this Congress to run a line out of that power-shortage area into a power-surplus area in Montana, where no one has asked for power that they did not get at a fair price. When the gentleman from Ohio [Mr. KIRWAN] talks about 8- or 10-percent Government ownership of power plants and power facilities in America, we all know that unless Congress calls a halt soon it will be 20 percent, then 30 percent, then 40 percent, then 60 percent, as is the case in Washington and Oregon, and at the present rate of scheming 100 percent is the goal.

Mr. Chairman, private enterprise is on the skids today, and unless this Congress wakes up now and stops this kind of Government encroachment on the good private power utilities in America in the interest of every other kind of business in America where Government is getting into the business that they have no business in one of these fine days a commissar will take over your home, your farm, and your business, and make no mistake about it. Now is the time to do a lot of serious thinking.

Tomorrow I shall offer several amendments to this bill. I hope every Member will be here to voice and vote their convictions.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SAVINGS ON ELECTRIC BILLS

Mr. RANKIN. Mr. Chairman, we have just listened to the gentleman from Iowa [Mr. JENSEN] talking about driving private power companies out of business.

It is about time for Congress to pay more attention to what the Power Trust is doing to the American people.

As I have pointed out, time and time again, the power business is a public business.

Instead of the Government engaging in a private business, the Power Trust is trying to monopolize a public business.

Electricity is the life blood of our advancing civilization. The cheaper the rates the more freely it flows, and the more freely it flows the greater are its benefits to mankind.

It has become a necessity of our modern life. No home is complete without it, and no business establishment can operate successfully without it.

It must be handled by a monopoly; and any monopoly of a necessity of life is a public business.

Besides, the water power of the Nation already belongs to the Federal Government. The Supreme Court so held in the Appalachian Power case, as well as in the Ashwander case. The Government has the right and the duty to build the transmission lines necessary to get the power generated at these public dams out to the people.

At this point, Mr. Chairman, I am inserting a table showing the amount of electricity used in each State during the year 1947, the cost of that electricity, and the savings that would have occurred if it had been supplied at the TVA rates, the Tacoma, Wash., rates, the Bonneville rates, or the Ontario rates.

The table referred to follows:

TABLE 1.—*Total electric sales, 1947*

State	Sales			Estimated revenues and consumer savings if services were rendered under basic rates in effect in—							
	Number of customers	Kilowatt-hours	Revenues	Area served by Tennessee Valley Authority		Tacoma, Wash.		Area served by Bonneville Power Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	528,401	5,480,972,000	$52,872,700	$32,438,173	$20,434,527	$26,797,859	$26,074,841	$37,326,851	$15,545,849	$34,642,116	$18,230,584
Arizona	151,468	1,128,795,000	18,228,700	8,583,322	9,645,378	7,542,687	10,686,013	10,191,477	8,037,223	8,956,061	9,272,639
Arkansas	336,529	1,116,014,000	25,904,400	13,484,997	12,419,403	11,418,455	14,485,945	15,732,950	10,171,450	14,365,527	11,538,873
California	3,117,788	18,035,720,000	288,979,100	201,144,595	87,834,505	168,137,160	120,841,940	233,303,657	55,675,443	216,347,302	72,631,798
Colorado	337,671	1,166,990,000	29,007,200	13,670,595	15,336,605	12,038,693	16,968,507	16,216,270	12,790,930	14,141,525	14,865,675
Connecticut	595,613	2,945,948,000	70,241,400	32,772,352	37,469,048	27,962,632	42,278,768	38,165,037	32,076,363	34,054,592	36,186,808
Delaware	83,970	452,731,000	9,567,800	4,341,148	5,226,652	3,735,020	5,832,780	5,088,025	4,479,775	4,536,123	5,031,677
District of Columbia [1]											
Florida	637,712	2,363,649,000	63,900,300	26,086,976	37,813,324	23,271,027	40,629,273	31,043,836	32,856,464	26,431,722	37,468,578
Georgia	612,635	3,421,552,000	56,635,700	31,966,305	24,669,395	27,892,303	28,743,397	37,698,592	18,937,108	33,000,535	23,635,165
Idaho	169,242	1,194,849,000	15,879,300	9,859,890	6,019,410	8,656,935	7,222,365	11,617,941	4,261,359	10,022,988	5,856,312
Illinois	2,407,993	13,946,033,000	268,066,500	132,349,440	135,717,060	112,414,144	155,652,356	154,434,196	113,632,304	139,258,220	128,808,280
Indiana	1,123,529	5,996,387,000	116,255,900	59,467,245	56,788,655	50,319,196	65,936,704	69,157,645	47,098,255	62,640,512	53,615,388
Iowa	741,812	2,564,733,000	62,028,900	31,049,521	30,979,379	27,133,113	34,895,787	36,649,483	25,379,417	32,043,780	29,985,120
Kansas	496,353	2,040,248,000	45,178,300	22,338,963	22,839,337	19,206,293	25,972,007	26,168,195	19,010,105	23,366,004	21,812,296
Kentucky	547,419	2,578,483,000	47,368,300	25,712,700	21,655,600	21,891,503	25,476,797	29,978,220	17,390,080	26,870,359	20,497,941
Louisiana	519,260	2,472,257,000	44,065,400	20,484,896	23,580,504	17,718,967	26,346,433	24,042,533	20,022,867	21,274,184	22,791,216
Maine	275,814	1,142,871,000	22,911,300	10,971,088	11,940,212	9,426,210	13,485,090	12,809,762	10,101,538	11,306,441	11,604,859
Maryland and District of Columbia	734,648	4,995,671,000	82,199,300	45,162,229	37,037,071	38,691,783	43,507,517	53,145,018	29,054,282	48,191,938	34,007,362
Massachusetts	1,439,541	5,400,491,000	144,720,800	63,171,478	81,549,322	53,778,203	90,942,597	73,481,311	71,239,489	65,762,048	78,958,752
Michigan	1,763,974	9,956,502,000	186,239,400	93,696,512	92,542,888	81,655,236	104,584,164	110,185,486	76,053,914	95,994,399	90,245,001
Minnesota	808,590	3,069,935,000	73,562,700	36,857,025	36,705,675	32,278,319	41,284,381	43,430,295	30,132,405	37,696,451	35,866,249
Mississippi	323,945	1,078,294,000	24,587,200	11,922,107	12,665,093	10,404,956	14,182,244	14,044,062	10,543,138	12,286,071	12,301,129
Missouri	1,010,458	4,381,836,000	88,505,700	47,008,810	41,496,890	40,791,691	47,714,009	55,372,835	33,132,865	48,924,908	39,580,792
Montana	151,006	1,851,532,000	18,040,600	10,827,747	7,212,853	9,020,517	9,020,083	12,526,834	5,513,766	11,588,032	6,452,568
Nebraska	330,996	1,132,871,000	26,683,100	14,115,259	12,567,841	12,512,614	14,170,486	16,792,124	9,890,976	14,472,431	12,210,669
Nevada	41,584	394,694,000	6,236,700	3,024,534	3,212,166	2,629,502	3,607,198	3,579,633	2,657,067	3,199,234	3,037,466
New Hampshire	178,261	622,762,000	15,890,100	7,452,558	8,437,542	6,367,034	9,523,066	8,685,703	7,204,397	7,707,876	8,182,224
New Jersey	1,427,679	6,397,912,000	152,825,900	71,936,274	80,889,626	61,204,773	91,621,127	83,857,001	68,968,899	75,504,061	77,321,839
New Mexico	109,992	388,274,000	10,434,900	4,329,724	6,105,176	3,819,080	6,615,820	5,137,766	5,297,134	4,473,981	5,960,919
New York	4,458,147	22,618,807,000	457,911,900	189,435,038	268,476,862	168,271,632	289,640,268	226,318,570	231,593,330	196,511,419	261,400,481
North Carolina	747,689	4,403,786,000	66,363,200	38,059,380	28,303,820	32,232,234	34,130,966	44,239,177	22,124,023	40,060,465	26,302,735
North Dakota	110,944	286,596,000	9,755,300	4,176,700	5,578,600	3,832,613	5,922,687	5,050,294	4,705,006	4,205,484	5,549,816
Ohio	2,247,329	15,494,727,000	253,232,600	136,125,909	117,106,691	114,767,736	138,464,864	158,035,802	95,196,798	143,353,625	109,878,975
Oklahoma	508,612	1,757,374,000	40,594,700	19,717,091	20,877,609	16,978,553	23,616,147	23,108,710	17,485,990	20,572,872	20,021,828
Oregon	428,643	4,311,383,000	43,096,100	29,775,713	13,320,387	25,825,541	17,270,559	34,945,571	8,150,529	30,712,039	12,384,061
Pennsylvania	2,853,776	19,696,741,000	325,872,100	175,862,760	150,009,340	146,409,619	179,462,481	203,005,181	122,866,919	186,965,440	138,906,660
Rhode Island	237,832	951,961,000	25,121,600	10,795,158	14,326,442	9,063,150	16,058,450	12,492,490	12,629,110	11,378,727	13,742,873
South Carolina	359,998	2,120,342,000	30,235,300	17,610,758	12,624,542	14,936,097	15,299,203	20,497,695	9,737,605	18,496,231	11,739,069
South Dakota	128,214	329,142,000	10,545,100	4,404,934	6,140,166	3,981,226	6,563,874	5,294,306	5,250,794	4,492,880	6,052,220
Tennessee	608,018	7,739,687,000	58,838,700	43,707,026	15,131,674	36,729,797	22,108,903	50,597,756	8,240,944	45,914,538	12,924,162
Texas	1,663,099	7,404,697,000	143,606,600	73,232,888	70,373,712	63,366,077	80,240,523	86,305,559	57,301,041	76,998,374	66,608,226
Utah	177,458	928,265,000	16,348,200	9,374,545	6,973,655	8,120,474	8,227,726	10,988,813	5,359,387	9,629,565	6,718,635
Vermont	114,835	418,594,000	10,566,300	5,133,436	5,432,864	4,402,227	6,164,073	5,978,812	4,587,488	5,274,055	5,292,245
Virginia	642,072	3,266,181,000	61,918,400	30,827,617	31,090,783	26,680,643	35,237,757	36,199,864	25,718,536	31,948,089	29,970,311
Washington	674,769	9,604,980,000	77,118,200	55,350,295	21,767,905	47,563,860	29,554,340	64,851,753	12,266,447	57,643,748	19,474,452
West Virginia	414,823	3,568,492,000	50,719,200	27,184,528	23,534,672	21,996,275	28,722,925	31,011,000	19,708,200	29,423,062	21,296,138
Wisconsin	987,089	4,748,573,000	97,959,700	49,902,011	48,057,689	42,952,694	55,007,006	58,585,037	39,374,663	52,211,793	45,747,907
Wyoming	64,720	212,163,000	5,943,900	2,587,005	3,356,895	2,326,582	3,617,318	3,096,838	2,847,062	2,635,391	3,308,509
United States total	38,431,950	217,581,497,000	3,852,764,700	2,009,489,255	1,843,275,445	1,719,152,935	2,133,611,765	2,350,465,966	1,502,298,734	2,107,487,218	1,745,277,482

[1] Included in Maryland data.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, Bonneville, being in my congressional district, I am deeply interested in it from the standpoint of the Third Congressional District, but even above that for the development of the entire Northwest, as well as the Nation at large.

We have a very peculiar situation there, as you no doubt realize. We have a dearth of hydroelectric power. We thought after the war—I know many of us in Congress felt—that with the speeded-up program during the war for the construction of hydroelectric generating facilities, we would probably have a let-down and have electricity running out of our ears, as one high official said. As a matter of fact we have utilized not only every kilowatt of existing facilities, but we are critically short. We are not able to carry on the ordinary activities requiring hydroelectric power in the Northwest area. In fact, the newspapers have been carrying ads by utility companies for several months urging their customers to discontinue the use of electricity so far as possible from 4:30 to 6:30 in the evening. This curtailment did result in a considerable saving of hydoelectric power at critical peak periods in the day when they did not have the facilities to meet the demands. As a matter of fact, as you know, Bonneville and Grand Coulee have had their generation facilities running not only at the ordinary rated capacity but 10 to 15 percent above that without any units available in reserve in case of a breakdown, so they have been in a very critical situation.

The appropriations for Bonneville under the Interior Department are for the facilities for getting this power over the backbone transmission facilities to the areas where it is needed and where it is turned over to industrial enterprises and private utilities for distribution. In addition to that, we require funds for maintenance and upkeep and carrying on this enterprise. I will give the figures with respect to the various items; you have them in the budget, and I will submit a list of them for the record. I am pleading with you, as you have done in the past, to view our problems with a critical eye, with the thought in mind of making us adequate appropriations to carry on the normal activities of this big enterprise which really belongs to Uncle Sam. The profit, of course, goes to him, and unless we can meet the demands of the area for hydroelectric power we are not only penalized, but Uncle Sam himself will lose revenue to boot. So that is the problem facing us.

The North Bonneville-Troutdale line is presently nearing the field-construction stage. Actual construction will be performed during 1950 fiscal year as the line must be energized by November 1949 in order to reinforce the two existing 230-kilovolt lines from North Bonneville to the Portland load centers. The power flow in November is estimated to be 500,000 kilowatts, an excessive load for two lines.

The Troutdale substation additions include several items, one of which is the permanent installation of static capacitors which have been temporarily connected. Also transformer No. 4, a 250,-

000-kilovolt-ampere bank, is now being installed and will be energized this fiscal year but the installation of much of the auxiliary equipment will carry over into the 1950 fiscal year. The addition of this large transformer bank and a third 230-kilovolt line west from North Bonneville Substation requires adjustment of the relay and protective scheme. Some of the older types of relays now installed are to be replaced with new and improved types. A 230-kilovolt potential transformer is necessary to provide a reference voltage for adjusting line-potential devices and to provide accurate voltage indication for metering and system control.

The St. John substation additions include the installation of 15,000 kilovolt-amperes of static capacitors and the replacement of some oil circuit breakers which have become overloaded because of system growth. The work is now under way and is scheduled for completion in the 1950 fiscal year. A large portion of the funds are for liquidation of prior years' contract authorization.

The transmission-system additions include customer metering requirements, small system additions, system relay changes to newer type relays, a small storage building for tools and equipment at St. Johns, and other minor installations and replacements which become necessary during the fiscal year.

The control-cable replacements are necessary at several substations in the western portions of Oregon. The number and frequency of cable faults at some of the earlier installations warrant the replacement of the original cable with a type which can better withstand the moisture conditions at these several substations. St. Johns substation is one of the principal stations requiring control-cable replacements.

The list of major projects shows primarily those facilities required for the system, and, therefore, necessary to bring power to the borders of my district, and to other districts as well.

The operation and maintenance requirements of the Administration are increasing as the system expands; and as the loads grow, it becomes more important to prevent interruptions to service. The needs of the AEC in particular must be given special attention so as to avoid, if possible, any disruption to their power supply. Engineers of both the AEC and the Administration have discussed operations and maintenance, including the methods of relaying and means of communication to be used to minimize operating troubles. The engineers have reached substantial agreement on the technical problems, but in the past the funds available have not been adequate to provide a high grade of service. The 1950 budget estimate includes substantial increases for both the operation and maintenance of the system. There are two main reasons for the increases: First, the expanding system requirements demand more operators and more maintenance men; second, the standards of operation and maintenance must be brought up to normal, both to satisfy the requirements of the AEC and to meet the needs of other customers. Proper operation and maintenance of the Administration's system is of fundamental importance, and the increases requested are the minimum that will permit a normal commercial grade of service to be rendered to the AEC, industries, utilities, and public agencies of the region.

Mr. Chairman, the following items affect my district:

THIRD OREGON DISTRICT, BONNEVILLE POWER ADMINISTRATION—1950 FISCAL YEAR BUDGET SUBMISSION

Major projects located outside of district to bring power from upstream plants to border of district

Budget symbol	Project	Cash	Contract authorization	Total
I-III	Grand Coulee-Columbia No. 3	$1,356,000	$300,000	$1,656,000
I-IV	Grand Coulee-Columbia No. 4	355,000	811,000	1,166,000
I-V	Columbia-Midway No. 2	57,000	325,000	382,000
I-VI	Midway-Goldendale No. 3	97,000	813,000	910,000
I-VII	Goldendale-Detroit	1,671,000	2,801,000	4,472,000
I-VIII	Detroit-Goshen (Eugene)	1,832,000	755,000	2,587,000
I-IX	Control-cable replacement	127,000		127,000
I-X	Grand Coulee Midway No. 3	565,000	1,840,000	2,405,000
IA-1	Covington-Olympia	2,912,000	441,000	3,353,000
IB-1	North Bonneville-Troutdale No. 1	1,086,000		1,086,000
IB-2	Troutdale substation additions	276,000	13,000	289,000
IB-3	Longview substation additions	51,000	127,000	178,000
IB-4	Chehalis substation additions	379,000	217,000	596,000
IB-6	J. D. Ross substation additions	321,000	156,000	477,000
IB-7	St. Johns substation additions	160,000		160,000
IIC-3	McNary-Pasco	97,000	625,000	722,000
IIC-8	Midway substation additions	917,000	356,000	1,273,000
IV-2	Communications facilities [1]	125,000		125,000
IV-3	Tools, equipment [1]	1,009,000		1,009,000
IV-4	Preliminary engineering studies [1]	110,000		110,000
IV-5	Telemark [1]	23,000	60,000	83,000
IV-6	Telemetering [1]	2,000	240,000	242,000
IV-7	Emergency power transformers [1]	1,000	200,000	201,000
IV-8	Warehouse stock [1]	550,000		550,000
III-1	Hungry Horse-Kerr No. 1	197,000		197,000
III-3	Hungry Horse-Kerr No. 2	117,000	481,000	598,000
III-4	Kerr switching station	5,000	181,000	186,000
III-6	Kerr-Spokane line No. 1	319,000	1,817,000	2,136,000
	Total	14,717,000	12,559,000	27,276,000

[1] These items cover entire system.

Following items in submitted budget (designated by budget symbols) necessary to secure full use of western leg of 220-kilovolt loop in State of Washington to use the full capacity of this transmission line for feed into State of Oregon from Grand Coulee and Hungry Horse plants:

I-1 IA-7 IB-4 IC-7 IC-1
I-2 IC-5 IB-8 IB-16 IC-2
IA-1 IB-3 IB-9 IB-18

Projects located within district and included in 1950 fiscal year budget

Budget symbol	Project	Cash appropriation	Contract authorization	Total
IB-1	North Bonneville-Troutdale	$1,086,000		$1,086,000
IB-2	Troutdale substation additions	321,000	$13,000	334,000
IB-7	St. Johns substation additions	160,000		160,000
IB-18	Transmission-system additions	50,000		50,000
I-9	Control-cable replacements [1]	127,000		127,000
	Total	1,744,000	13,000	1,757,000

[1] Applies to system.

Mr. Chairman, by reason of the hydroelectric power generated in the Northwest, we were able to make aluminum in vast quantities during the war, and now we have a very critical situation due to the need for more electricity for use in making aluminum for use in our rearmament plan. We supplied about one-third of the aluminum which went in the war effort, and before the war we did not make a pound of aluminum. Now we are in that business and it takes a big block of power. Also we are using a big block of power at Hanford, Wash., in the atomic plant; so it is used not only in the atomic-energy experiments and manufacturing at Hanford, but also in the production of aluminum, which is used Nation-wide.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. KIRWAN. Mr. Chairman, I yield 15 minutes to the gentleman from Arkansas [Mr. NORRELL].

Mr. NORRELL. Mr. Chairman, it did me good a few minutes ago when so many of my friends and able and courageous Members of the House complimented my chairman and his subcommittee for presenting this bill to the House today. I am not going to talk about my section of the country except to say this: We are all familiar with the Southwestern Power Administration. A few of you will remember that I have opposed some activities of the Southwestern Power Administration. A few years ago I told them that I would be anxious to vote to tie the dams together by transmission lines if they would not try to create a mammoth power concern down there; but that is water over the dam now. The amendment offered was adopted. I

know how things go. First, we desire just to tie the dams together, then this little line and that one, then others. Now they offer a power-transmission system of about $50,000,000. Part or all requested now has been allowed and the whole system has been approved, according to the report.

I belong to the Democratic side of the committee. I do not always agree with them. They are good, honest, and honorable men. I reserve the right to disagree sometimes. Thank God, that is an old-fashioned rule of the Democratic Party. I am from a State that does not have to offer apologies. We do not know anything but Democratic Party. My State has never gone Republican. In the last campaign I made a public statement, as did the other Members of Congress from Arkansas, and these statements were published in practically all the papers of the State, that we expected to support the Democratic nominees for President and Vice President.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. NORRELL. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Is there something wrong if some State goes Republican?

Mr. NORRELL. No; not a thing; but I am sure the distinguished gentleman understands what I have reference to.

The papers carried these statements all over Arkansas. We voted the Democratic ticket. The Democrats carried Arkansas. I say again, thank God that we have a right in the Democratic Party to use our own judgments, and thank God we have a right under the American system of government to make a mistake. I make them and you make them. I do not favor this entire bill, not all of the projects and not all of the sums that have been allowed. Even the projects may be desirable but we may be unable to supply them. We should maintain a balanced budget and taxes ought not to be increased.

The bill before you is about like it came to us from the Bureau of the Budget with the exception that 15 percent has been discounted. That is not a cut, that has been brought about because of the economic trend. The report so states. Therefore, the bill has practically not been cut at all.

I like the Interior Department. I liked Harold Ickes when he was in charge of the Interior Department, and his associates, and of course I like Mr. Krug, the present Secretary and his associates. In this connection, I like Douglas Wright, the Administrator of the Southwestern Power Administration. He stated to the committee, and it is in the hearings that the REA in Arkansas is buying cheaper power, paying less money for it from the private utilities, than the Southwestern Power Administration is selling it to the REA. This evidence can be found on pages 71, 72, 73, and 74 of the hearings before you.

In conclusion I want to say I have reserved the right to vote for a few amendments, if they should be offered. I urge you to think about this. We, as a Congress, ought to establish three categories of projects: One, the necessities; two, the desirables; and, three, the miscellaneous items.

The necessities must be carried on. The desirables ought to be, if we have the money. We did not get to be a billion-dollar Government until 1916. This bill has over half a billion dollars in it. It ought to be reduced some. Some of the other items, miscellaneous probably to a few of us, ought to be cut out. We ought to build the necessary and desirable projects and then do the rest if our money will permit.

I do want to impress this one thing on you, and that is the miscellaneous projects ought to be weighed carefully. This bill contains many. Some are good. Many items are good. Others are bad. I expect to vote to delete the bad ones if amendments are offered. Are we going to put the national budget out of balance by including some items that we really could get along without? It is good to get your projects allowed, get your money, and go back home. I know how good it feels; we all feel good when our projects are approved. However, gentlemen, this bill carries too much money. We provide as much money for the Bonneville Power Administration in this bill as another subcommittee provided for the great lower Mississippi River, and all its tributaries, which you might say drain almost the total area of the country, this side of the Continental Divide.

I am trying to say that if you vote for all the items in this bill and all the items in the other appropriation bills, if they contain the budget estimates, then when the administration presents a tax bill to get $4,000,000,000 additional taxes, I am sure I will not hear any of you say that you are against a tax increase. I am going to make my record. I am going to vote against a few of the items in this and other appropriation bills. I am going to vote against some of the items which I would place in the miscellaneous category. I would not put the budget out of balance to construct those items. I would not do that. I would not have the national budget go in the red, so to speak—I would not create a deficit in order to do those things. If I had my way, I would not do that. I am not going to vote for a tax increase in order to construct these projects, whether they be in my district or yours. The President has been fair about this matter. He says it will require $4,000,000,000 additional in new taxes to do the things that he has recommended. He is correct, and I want to tell you that it will cost that much, if you spend the money recommended in the entire budget. It is up to you. If you do not vote to cut the budget, then you ought to vote a tax increase, in order that the country may continue to maintain a balanced budget.

Mr. Chairman, I thank you for the attention you have given me. I hope you will consider that I am sincere in my statement and honest in the opinions that I have expressed.

I want to avoid a tax increase and a budget deficit. The only way to do that is to cut the budget and eliminate items possibly desirable, but not necessary, absolutely essential.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Arkansas [Mr. NORRELL] yields back 3 minutes.

Mr. JENSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, this is the third year that I have sat in hearings of the Subcommittee on Appropriations for the Department of the Interior; and, while I have enjoyed the work very much I want to say that I am concerned about the administration of several of the Department's subdivisions—its Bureaus. On the other hand it is consoling to find that the Interior Department does have other bureaus that function well.

The chairman of our subcommittee, the gentleman from Ohio [Mr. KIRWAN], was fair in his handling of the work of the committee, and to its members. He was fair to the witnesses who appeared before us.

The five members of the committee got along very well together even though our opinions and ideas varied at times. But as far as I am concerned those differences were left in the committee room.

However, as Members of Congress we have the right to know and we have a right to challenge anything which we think will eventually tend to turn the minds of the American people away from the ideologies and basic principles of the founders of this great country. If you will read the hearings you will see that there were a number of verbal clashes over policies and in the arguments for the justification for certain items.

The members of this subcommittee sitting for week after week on what the Interior Department officials sometimes refer to as its "board of directors" are privileged to listen to many details for appropriations. The Department of the Interior is indeed—what our distinguished chairman often calls it—the all-American department.

I have learned much about reclamation, power, irrigation, flood control, and the other features that go into multiple-purpose dams. Some sections of our country may need one or more of those features. If they are necessary they should be given. But where an area does not need all of the features of the multiple purpose dam we should not permit the Bureau of Reclamation, Bonneville, or the War Department engineers or any other outfit to encroach upon private industry under the guise of shortages of power in some instances, and flood control in others.

When we ask whether or not there is cooperation between our Federal officials and the heads of private industry in certain areas we find them saying in one breath that there is and in another breath that there is not. Now somebody is wrong and that is what I mean when I say I am concerned.

The previous speakers of this committee have gone into the details of the Bonneville Administration, reclamation, and southwestern power projects. I will discuss some of the other bureaus.

BUREAU OF INDIAN AFFAIRS

The committee has allowed $52,127,971 for fiscal 1950. The Bureau of the Budget recommended $59,001,520. This is a decrease of $6,873,549 under the budget and an increase over 1949 of $7,817,657.

There has been and still is a great deal of unfavorable talk about the management of the Bureau of Indian Affairs. Some of it may be justified but a great deal of it cannot, in my opinion.

I have tried to be impartial in evaluating this criticism.

Scattered out over the entire United States and Alaska the many and varied problems of the Indian Bureau are bound to create many difficult problems.

In this Bureau we find many items that could probably be better and more efficiently administered if they were distributed where they rightfully belong.

There are, for instance, the following functions—which are for the rest of the citizenry of the United States—in other departments:

First. Education: United States Public Instruction.

Second. Health: United States Public Health Service.

Third. Welfare: Federal Security.

Fourth. Reclamation and Irrigation: United States Bureau of Reclamation.

Fifth. Treaties: State Department.

Sixth. Land: Bureau of Land Management.

Seventh. Agriculture and Forests: Agriculture Department.

Eighth. Construction: Public Buildings.

We could probably go on and cite more instances but it would not do any good at this time.

In other words, the Indian Bureau appears to me from all the criticism aimed at it as being a "Jack of all trades and master of none."

Now if you will read the statement that Mr. Zimmerman made before our subcommittee you will agree that there is confusion. When the Acting Commissioner, Mr. Zimmerman, of the Bureau of Indian Affairs, says:

> I should like to talk about the scandalous condition of Indian health (p. 583 of the hearings).

When he says that—

> Approximately 19,000 children of school age are not going to school because the Federal Government has not provided facilities (p. 583).

That 31,000 children are in public schools, and 27,000 are in Federal schools. He further states that one-quarter of the Indian children have no place to go to school—now I say it is a sad condition.

With Mr. Zimmerman's statement I am in full accord, and I think he should be congratulated for his forthrightness in telling the facts. Yet criticism prevails when it is impossible to administer health and education under the present conditions and set-up.

Another significant part of Mr. Zimmerman's statement, page 583:

> The Indians are essentially a rural people. Most of them still subsist on the land. In 1887, the Indians had in their use or in their ownership 138,000,000 acres of land. Today they have 56,000,000. During that same period the Indian population increased from roughly 240,000 to 400,000. Therefore, you can see very clearly that the Indian land base today is perhaps 40 percent of what it was in 1887, while the population has almost doubled. The deficiency of the Indian land base is even more apparent when you look at the kind of land they have. Most of the Indian lands, roughly 80 percent, have an annual rainfall of less than 20 inches. Practically all of the Indian lands, in other words, are in an area where crops mature with some irregularity, where water is the very life of the population. Only a very small fraction of Indian land is agricultural land. The bulk of it is forest and grazing land. There is an appreciable part of it, particularly on the Navajo, which is barren land and not fit for any kind of use.

So my colleagues you can see that a great deal of the trouble comes from misplacement of the Indian population. Water is very necessary not only for irrigation and agriculture but for sanitation and health and education. They certainly do not have it in the Navajo area where there are 80,000 or 90,000 Indians.

Now I could go on at great length but I will refer you to the details in the hearings on this Indian problem.

I do however want to bring to the attention of the House and the country the terrible and wholly unnecessary conditions that exist amongst some of the Indian tribes—particularly the Navajo and Hopi Tribes. Also conditions of the Indian Service in Alaska as far as health and sanitation are concerned.

TB death rate in Alaska 300 per 100,000. In United States, 34 per 100,000.

Three thousand and eighty-nine TB cases recorded in Alaska.

Will have 1,000 beds in 1952.

Two thousand cases need hospitalization. Infant mortality—Alaska, 236 per 1,000 births. In United States, 36 per 1,000 births.

UNITED STATES INDIANS

TB death rate over 300 per 100,000.

Twenty-seven percent of deaths in Navajo are from TB.

Infant mortality—300 per 1,000 births from diarrhea. Also typhoid fever and diphtheria.

Time does not permit me to go into the details of this problem except to say that the tubercular death rate of the Indians in the United States and Alaska is about 8 to 10 times as great as our general population.

The infant mortality rate is greater in the Indian population of the United States than in Alaska according to the figures given us by the Indian Bureau. In both instances, however, they are five to eight times as great as in the general population of infants in the United States.

Now all this mortality and morbidity of Indian infants in Alaska and the Indian infants in the United States is due to unsanitary conditions—lack of proper food, milk, and poor housing. In the case of the Navajo Indians the scarcity of water plays an important part. In fact, I think it is the major cause of infant mortality and tuberculosis. Water is basic for sanitation.

Now what should we do about these conditions? The best solution for the Navajo and Hopi tribes is to transfer them to new locations where they can get water and have decent sanitation; otherwise, we are just appropriating huge sums of money with no results. We will still hear the same old wail of a high TB death rate and high infant mortality rate. I am firmly convinced that the USPHS should take over the functions of sanitation and the preventive measures necessary. I am also convinced that the present medical setup for the Indian hospitals needs revamping. There are a number of very fine hospitals in the Indian Service. They are, however, improperly staffed and should be taken out of civil-service requirements. Until that is done the Indian Service will not be able to get proper staffs for their institutions.

Under the present set-up the medical personnel is under the domination of people who are not familiar with medical problems, and for that reason they do not have a free hand to handle medical problems.

I want to repeat what I have said on many occasions before our committee, before the Indian Service officials, the Department of the Interior heads, and publicly, "I believe the Indian Affairs Bureau has been assigned a job—impossible to carry out efficiently—as far as health, sanitation, and education are concerned under the present program."

Tuberculosis, infant morbidity, infectious diseases like typhoid fever and diphtheria are all diseases that can be prevented. The least that can be done would be to reduce them to a minimum.

What I have said about conditions of the Indians in the United States is applicable to the Alaskan Native Service, particularly TB and infant mortality.

I know the officials of the Bureau of Indian Affairs is concerned about the situation. I know also that the Assistant Secretary of the Interior, Mr. Warne, is troubled about it, and they are suggesting a 10-year program.

I hope, in view of the fact that we have the greatest medical and sanitary professions in the world, that this great Government of ours will correct these conditions which are a blot on us.

The money appropriated year after year has been enormous. It is being used like a person running around in circles—getting nowhere fast.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. NICHOLSON. I should like to ask if the gentleman can tell me something about projects in the bill starting on page 37 under, Construction. I wish to know what it means. It states "Santa Barbara County project, California, $5,000,000; Boise project, $2,000,000; Lewiston project," and several Indian names that I cannot pronounce.

Mr. FENTON. I believe the gentleman is talking about the Reclamation Bureau there.

Mr. NICHOLSON. No; I am talking about this bill.

Mr. FENTON. Yes; but I am dealing with the Indian Bureau at the moment.

Mr. KEEFE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Mr. Chairman, the House is considering in Committee a bill involving nearly $600,000,000. There is just a mere handful of Members on the floor. The debate that is now taking place is of tremendous importance and ought to be heard by all Members. I therefore make the point of order that there is not a quorum present.

Mr. KIRWAN. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. PRIEST, having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may include in the remarks I made in the Committee of the Whole a table on power rates which I inserted in the RECORD in 1948.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BARING, for Wednesday, on account of illness in family.

To Mr. SASSCER, for 1 day, March 30, on account of attending funeral.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1731. An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 30, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

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

463. A communication from the President of the United States, transmitting a draft of a proposed provision and supplemental estimates of appropriation for the fiscal year 1949 in the amount of $2,426,760 for the Federal Security Agency (H. Doc. No. 143); to the Committee on Appropriations and ordered to be printed.

464. A communication from the President of the United States, transmitting proposed provisions and a revised estimate of appropriation involving a decrease of $4,275,000 for the fiscal year 1950 for the National Military Establishment, Departments of the Army and Navy, in the form of amendments to the budget for said fiscal year (H. Doc. No. 144); to the Committee on Appropriations and ordered to be printed.

465. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a draft of a bill to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study; to the Committee on Armed Services.

466. A letter from the Secretary of Defense, transmitting a report listing the contracts negotiated by the Departments of the National Military Establishment for the period from July 1 through December 31, 1948; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. S. 208. An act for the relief of Ella L. Browning; without amendment (Rept. No. 334). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 748. An act for the relief of Charles L. Bishop; without amendment (Rept. No. 335). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 631. A bill for the relief of Mrs. Dorothy Vicencio; without amendment (Rept. No. 336). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 636. A bill for the relief of B. G. Jones; with amendments (Rept. No. 337). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 639. A bill for the relief of certain employees of the Post Office Department; with amendments (Rept. No. 338). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 718. A bill for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa; without amendment (Rept. No. 339). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1011. A bill for the relief of the Pearl Assurance Co., Ltd., and the Bankers & Shippers Insurance Co.; without amendment (Rept. No. 340). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1053. A bill for the relief of Frank O. Ward; with amendments (Rept. No. 341). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1062. A bill for the relief of Lorrayne E. Graus; with amendments (Rept. No. 342). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1058. A bill for the relief of Frederick W. Lass; with amendments (Rept. No. 343). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1131. A bill for the relief of James Fred Girdley; with amendments (Rept. No. 344). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1497. A bill for the relief of Ralph A. Wood; with amendments (Rept. No. 345). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2069. A bill for the relief of Alton Bramer; without amendment (Rept. No. 346). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2078. A bill for the relief of Winston A. Brownie; without amendment (Rept. No. 347). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2710. A bill for the relief of Emma Armstrong; with amendments (Rept. No. 348). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2935. A bill for the relief of Mrs. Benjamin Betts; without amendment (Rept. No. 349). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3663. A bill for the relief of Lawrence Reves; with amendments (Rept. No. 350). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3727. A bill for the relief of the Marden Construction Co., Inc.; without amendment (Rept. No. 351). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CELLER (by request):

H. R. 3866. A bill to provide for the protection of patent rights where enforcement against direct infringers is impracticable, to define "contributory infringement," and for other purposes; to the Committee on the Judiciary.

By Mr. CLEMENTE:

H. R. 3867. A bill to exempt the fares of maritime passengers from liens in certain cases, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DENTON:

H. R. 3868. A bill to limit the removal of civil actions from State to Federal courts; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 3869. A bill to provide for the conveyance of a certain housing project in Decatur, Tex., to Decatur Baptist College; to the Committee on Banking and Currency.

By Mr. HAYS of Ohio:

H. R. 3870. A bill to make it unlawful to use the mails for the transmission of matter prepared by or for any party or organization which has as one of its aims the overthrow of the Government of the United States by force or violence, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LYNCH:

H. R. 3871. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, by extending the benefits of titles II and III to certain persons who have continued on active service; to the Committee on Veterans' Affairs.

By Mr. MARTIN of Massachusetts:

H. R. 3872. A bill to amend section 2402 (a) of the Internal Revenue Code, as amended, and to repeal section 2402 (b) of

the Internal Revenue Code, as amended; to the Committee on Ways and Means.

By Mr. MITCHELL:

H. R. 3873. A bill authorizing the construction of a dam and reservoir on the Green River in Washington for flood control, and for other purposes; to the Committee on Public Works.

By Mr. TOLLEFSON:

H. R. 3874. A bill authorizing the construction of a dam and reservoir on the Green River in Washington for flood control, and for other purposes; to the Committee on Public Works.

By Mr. WALTER:

H. R. 3875. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, with respect to suspension of deportation of aliens; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 3876. A bill to provide that in State insolvency proceedings certain debts due for wages shall have a priority of payment ahead of the United States; to the Committee on Ways and Means.

By Mr. MITCHELL:

H. R. 3877. A bill to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes; to the Committee on Banking and Currency.

By Mr. PETERSON:

H. R. 3878. A bill to authorize the Secretary of the Interior to procure with available funds, including those made available by the State of Florida, the remaining lands and interest in lands within the boundary agreed upon between the State of Florida and the Secretary of the Interior, within and less than that authorized by the act of May 30, 1934 (48 Stat. 816), and within which the State has already donated its lands, and for other purposes; to the Committee on Public Lands.

By Mr. WALSH:

H. R. 3879. A bill to establish a United States Air Force Academy; to the Committee on Armed Services.

By Mr. CASE of South Dakota:

H. R. 3880. A bill to amend the Federal Crop Insurance Act with respect to the payment of claims for losses; to the Committee on Agriculture.

H. R. 3881. A bill to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs upon petition therefor; to the Committee on Public Lands.

By Mr. DAVENPORT:

H. R. 3882. A bill to suppress the evil of anti-Semitism and the hatred of members of any race because of race, creed, or color; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 3883. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for widows of certain former Federal employees who had rendered 30 years of service; to the Committee on Post Office and Civil Service.

By Mr. BLAND:

H. J. Res. 206. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STOCKMAN:

H. J. Res. 207. Joint resolution proposing an amendment to the Constitution relating to the terms of President and Vice President; to the Committee on the Judiciary.

By Mr. WILLIAM L. PFEIFFER:

H. J. Res. 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938; to the Committee on Foreign Affairs.

By Mr. DOUGHTON:

H. J. Res. 209. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; to the Committee on Ways and Means.

By Mr. WOOD:

H. Con. Res. 52. Concurrent resolution authorizing the printing of additional copies of the publications entitled "100 Things You Should Know About Communism in the U. S. A.," "100 Things You Should Know About Communism and Religion," as amended, "Spotlight on Spies," "100 Things You Should Know About Communism and Education," "100 Things You Should Know About Communism and Labor," and "100 Things You Should Know About Communism and Government;" to the Committee on House Administration.

By Mr. McCORMACK:

H. Res. 171. Resolution authorizing the Sergeant at Arms of the House of Representatives to insure the funds of his office; to the Committee on House Administration.

By Mr. BYRNE of New York:

H. Res. 172. Resolution providing for one additional clerk for the Committee on the Judiciary; to the Committee on House Administration.

By Mr. SULLIVAN:

H. Res. 173. Resolution providing for the payment of 6 months' gratuity and $250 funeral expenses to Mrs. Maude E. Stanford, widow of Fred L. Stanford, late an employee of the House; to the Committee on House Administration.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to having the Mammoth Pass road in California constructed as a postwar construction project; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States relative to fair and firm farm price supports; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relating to the program of rehabilitation of the landless Indian in Montana; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relating to the payment of grants by the United States Government to the State of Montana for the use and benefit of the several counties of Montana in lieu of taxes on lands owned by the United States Government in the State of Montana; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to give Hawaii immediate consideration for appropriations from any funds provided by the Congress for emergency work projects upon the same basis as any State in the Union for the relief of unemployment, by providing for the employment of employable persons on essential public works; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to enact legislation authorizing the continuance of housing of a temporary character until the appropriate local authorities decide such housing is no longer needed; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to enact legislation providing for a new postoffice building at Kapaa, county of Kauai; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

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

Mr. CASE of South Dakota:

H. R. 3884. A bill authorizing the issuance of a patent in fee to Katherine Nelson Flesh; to the Committee on Public Lands.

By Mr. CELLER:

H. R. 3885. A bill for the relief of Monroe Kelly, rear admiral, United States Navy, retired; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 3886. A bill authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns; to the Committee on Public Lands.

By Mr. FUGATE:

H. R. 3887. A bill for the relief of Holly Nelson Carter; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 3888. A bill for the relief of Salvatore Panariello; to the Committee on the Judiciary.

H. R. 3889. A bill for the relief of George Sarris; to the Committee on the Judiciary.

By Mr. KIRWAN:

H. R. 3890. A bill for the relief of Francesca Cammarata; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 3891. A bill for the relief of Gennaro Loffredo; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 3892. A bill for the relief of Giulio Carone; 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:

389. By Mr. PLUMLEY: Resolution of Harmony Pomona Grange, No. 9, requesting Senators AIKEN and FLANDERS and Representative PLUMLEY to support legislation embodying, as nearly as possible, the principles of the Taft-Hartley law; to the Committee on Education and Labor.

390. Also, resolution of the Vermont Hospital Association, adopted by the midyear conference of presidents and secretaries of State hospital associations, advocating the best medical and hospital care for veterans and commending the proposed study of the problem of integrating and coordinating all of the hospitals of the Nation as a means to further improvements in the quality of hospital care available to citizens of this Nation; to the Committee on Expenditures in the Executive Departments.

391. By Mr. RICH: Petition of citizens of Mansfield, Pa., for repeal of the 20-percent Federal excise tax on toilet goods; to the Committee on Ways and Means.

392. By the SPEAKER: Petition of M. W. Clark and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

393. Also, petition of Mrs. Mary Nelson and others, St. Petersburg, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

394. Also, petition of James F. Mullahy and others, Orlando, Fla., requesting passage of

H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

395. Also, petition of Mrs. Anna B. Knopf and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

396. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, requesting that such legislation as proposed in H. R. 2756 not be passed; to the Committee on Banking and Currency.

397. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, requesting the withdrawal of the membership of our country from the International Labor Organization; to the Committee on Foreign Affairs.

398. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, requesting that such legislation as proposed in S. 5 and H. R. 783 not be passed; to the Committee on Interstate and Foreign Commerce.

399. Also, petition of W. T. Dillon, American Ports Cotton Compress and Warehouse Association, New Orleans, La., concerning Wage-Hour Act amendments and the Taft-Hartley Act; to the Committee on Education and Labor.

400. Also, petition of the National Lumber Exporters Association, Memphis, Tenn., concerning the exports of hardwood lumber; to the Committee on Foreign Affairs.

401. Also, petition of S. B. Tatom, president, Fairbanks Chamber of Commerce, Fairbanks, Alaska, relative to their endorsement of statehood for Alaska; to the Committee on Public Lands.

402. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, relative to their opposition to any favorable legislation dealing with any authority control of the Columbia Basin; to the Committee on Public Works.

403. Also, petition of Dr. L. J. O'Reilley, president, American National Fur Breeders Association, Wausau, Wis., expressing appreciation for the application of tariff on the importation of silver foxes and their furs; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MARCH 30, 1949

(Legislative day of Friday, March 18, 1949)

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

Rev. H. Frank Ledford, minister, First Methodist Church, Ashland, Ala., offered the following prayer:

Unto Thee, our heavenly Father, do we come with our humble supplications. We are mindful that Thou art almighty and terrible in Thy immutable justice, but we are also conscious of Thy grace and mercy.

We are grateful for Thy multiplied blessings. Continue them upon us, we pray.

Grant Thy Spirit's guidance for this body. May those delegated here have a deep knowledge of Thy way and a firm resolve to be in that way at any hazard. Whenever they are tempted to be small of soul come with Thy love and wisdom and make them aware of how much Thy kingdom's coming depends upon them.

Bless the President of this body. Give him wisdom.

Bless the President of these United States as he seeks to lead this Nation in "paths of righteousness." May he be conscious of Thy presence.

Bless Thou our beloved Nation. May we ever be reminded that "those to whom much has been given, much will be required." Help us to lead all nations into the knowledge of Thy salvation. We pray in the name of our blessed Redeemer. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 29, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

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

On March 28, 1949:

S. J. Res. 52. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

On March 29, 1949:

S. 90. An act to provide for permanent residence status of Richard Kim.

S. 271. An act to provide for the appointment of an additional district judge for the middle district of Georgia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

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

RESTRICTED REPORT ON CONTRACTS NEGOTIATED BY DEPARTMENTS OF NATIONAL MILITARY ESTABLISHMENT

A letter from the Secretary of Defense, transmitting, pursuant to law, a restricted report on contracts negotiated by the departments of the National Military Establishment (with an accompanying report); to the Committee on Armed Services.

TRANSFER BY NAVY DEPARTMENT OF NAVAL MOTOR LAUNCH TO JUNIOR MIDSHIPMEN OF AMERICA, NEW LONDON, CONN.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Junior Midshipmen of America, Inc., of New London, Conn., had requested the Navy Department to transfer a motor launch to be used in training boys in seamanship, navigation, boat handling, and related subjects; to the Committee on Armed Services.

REPORT OF UNITED STATES ADVISORY COMMISSION ON INFORMATION

A letter from the Acting Chairman of the United States Advisory Commission on Information, transmitting, pursuant to law, a report of that Commission on international information activities (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON CERTAIN CONTRACTS ENTERED INTO BY FEDERAL PUBLIC HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting a report concerning certain contracts entered into by the Federal Public Housing Authority on a cost-reimbursement basis plus a fixed fee and a fixed amount for overhead (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT ON EXAMINATION OF COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the Commodity Credit Corporation, for the period ended June 30, 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Chairman of the Export-Import Bank of Washington, transmitting, pursuant to law, a report on the operations of that bank as of the close of business December 31, 1948 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF FEDERAL MEDIATION AND CONCILIATION SERVICE

A letter from the Director, Federal Mediation and Conciliation Service, Washington, D. C., transmitting, pursuant to law, the first annual report of that Service for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT ON HISTORY OF TRADE AGREEMENTS PROGRAM

A letter from the Chairman of the United States Tariff Commission, transmitting, pursuant to law, part II of the First Annual Report of the Tariff Commission on the operation of the trade-agreements program, for the period June 1934 to April 1948 (with an accompanying report); to the Committee on Finance.

REPORT OF ARCHIVIST OF THE UNITED STATES

A letter from the Archivist of the United States, transmitting, pursuant to law, his fourteenth annual report for the fiscal year ended June 30, 1948, together with four supplements to the report listing the accessions of the same period (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT ON FRANKLIN D. ROOSEVELT LIBRARY

A letter from the Archivist of the United States, transmitting, pursuant to law, his ninth annual report on the Franklin D. Roosevelt Library, for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Rules and Administration.

BITTER ROOT IRRIGATION DISTRICT, MONTANA

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his report, together with a draft of proposed legislation to approve a repayment contract negotiated with the Bitter Root irrigation district, Montana, and to authorize its execution, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

KITTITAS RECLAMATION DISTRICT, WASHINGTON

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his report, together with a draft of proposed