amend the Life Insurance Act of the District of Columbia; with an amendment (Rept. No. 1177). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 2015. A bill to authorize the Secretary of Agriculture to convey and exchange certain lands and improvements in Grand Rapids, Minn., for lands in the State of Minnesota, and for other purposes; without amendment (Rept. No. 1178). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 4090. A bill to extend the benefits of section 23 of the Bankhead-Jones Act to Puerto Rico; with an amendment (Rept. No. 1179). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 5601. A bill to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes; without amendment (Rept. No. 1180). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 5679. A bill to authorize the transfer of certain agricultural dry land and irrigation field stations to the States in which such stations are located, and for other purposes; without amendment (Rept. No. 1181). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 310. Resolution providing for the consideration of the bill (H. R. 1758), to amend the Natural Gas Act approved June 21, 1938, as amended; without amendment (Rept. No. 1182). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 311. Resolution providing for the consideration of the bill (H. R. 5526), to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; without amendment (Rept. No. 1183). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 312. Resolution providing for the consideration of House Joint Resolution 297, joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949; without amendment (Rept. No. 1184). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 298. Resolution creating a Select Committee on Lobbying Activities; without amendment (Rept. No. 1185). Referred to the House Calendar

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on the District of Columbia. H. R. 4059. A bill to clarify exemption from taxation of certain property of the National Society of the Sons of the American Revolution; without amendment (Rept. No. 1170). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 622. An act for the relief of Isaiah Johnson; without amendment (Rept. No. 1171). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1484. A bill for the relief of Mrs. Mary Capodanno, and the legal guardian of Vincent Capodanno; with an amendment (Rept. No. 1172). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 3498. A bill for the relief of the Gluckin Corp.; with an amendment (Rept. No. 1173). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 4563. A bill for the relief of Mrs. Sarah E. Thompson; without amendment (Rept. No. 1174). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 5777. A bill for the relief of Joe D. Dutton; without amendment (Rept. No. 1175). Referred to the Committee of the Whole House.

Mr. VINSON: Committee on Armed Services. House Joint Resolution 281. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes; without amendment (Rept. No. 1176). 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. BARRETT of Pennsylvania:

H. R. 5862. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. CELLER:

H. R. 5863. A bill for refund of customs duties to the preparatory Commission for the International Refugee Organization; to the Committee on the Judiciary.

By Mr. LYNCH:

H. R. 5864. A bill to repeal the tax on business and store machines; to the Committee on Ways and Means.

By Mr. PRIEST:

H. R. 5865. A bill to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REDDEN:

H. R. 5866. A bill to adjust and define the boundary between Great Smoky Mountains National Park and the Cherokee-Pisgah-Nantahala National Forests, and for other purposes; to the Committee on Public Lands.

By Mr. TOLLEFSON:

H. R. 5867. A bill authorizing certain works for the improvement of navigation, the control of floods, and the conservation and utilization of the waters of the Columbia River and its tributaries, and for other purposes; to the Committee on Public Works.

By Mr. HART:

H. R. 5868. A bill to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report; to the Committee on Expenditures in the Executive Departments.

By Mr. KENNEDY:

H. R. 5869. A bill to provide specific measures in furtherance of the national policy established in the Employment Act of 1946; to the Committee on Ways and Means.

By Mr. TEAGUE:

H. R. 5870. A bill to grant hospitalization to certain widows and children of deceased World War II veterans; to the Committee on Veterans' Affairs.

By Mr. McMILLEN of Illinois:

H. J. Res. 333. Joint resolution prohibiting the promulgation of certain rules and regulations of the Home Loan Bank Board published in the Federal Register on July 16, 1949, the same to become effective August 15, 1949; to the Committee on Banking and Currency.

By Mr. JACKSON of Washington:

H. Con. Res. 119. Concurrent resolution relating to the extension of transportation facilities from Prince George, British Columbia, Canada, to Alaska; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BAILEY introduced a bill (H. R. 5871) for the relief of Davina Teh-hsing Huang; which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

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

1377. By Mr. CASE of New Jersey: Petition of 72 residents of the Sixth Congressional District of New Jersey relative to Federal excise taxes on alcoholic beverages; to the Committee on Ways and Means.

1378. By Mr. RICH: Petition of Mrs. Viola L. Smith and other residents of Bradford, Pa., and vicinity, in opposition to H. R. 4643, Federal aid to education; to the Committee on Education and Labor.

SENATE

THURSDAY, AUGUST 4, 1949

(Legislative day of Thursday, June 2, 1949)

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

Rev. Albert J. McCartney, LL. D., director of the Chicago Sunday Evening Club, Chicago, Ill., offered the following prayer:

O Thou who knowest the way that we take, may we remember that the steps of a good man are ordered of the Lord. As Thy servants address themselves to the crowded calendar of another day wilt Thou fulfill to each one the promise "as thy days so shall thy strength be." If any amongst us are pressed down with some personal anxiety, or private sorrow, or distress of soul, encourage us to cast all our cares over upon Thee, Thou great burden bearer.

And now let Thy special blessing rest upon the Presiding Officer of this Chamber, upon the President of the United States and his household, and upon those into whose hands Thou hast placed the leadership of the people in this great hour. God save the state. We ask this in the name of Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 3, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 3, 1949, the President had approved and signed the act (S. 1742) removing certain restrictions imposed by the act of March 8, 1888, on certain lands

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authorized by such act to be conveyed to the trustees of Porter Academy.

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. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2290) to provide for cooperation by the Smithsonian Institution with State educational and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams.

The message further announced that the House had passed a bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 111. An act for the relief of Mrs. Pearl Shizuko Okada Pape;

S. 317. An act for the relief of Margita Kofler;

S. 905. An act for the relief of John Sewen;

S. 1076. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended;

S. 1745. An act to authorize the transfer to the Attorney General of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., to supplement the farm lands required for the United States prison system; and

H. J. Res. 327. Joint resolution making an additional appropriation for control of emergency outbreaks of insects and plant diseases.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

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

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

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate may present petitions and memorials, introduce bills and joint and other resolutions, and place routine matters in the RECORD, as though the Senate were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF COTTON AND WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which was to strike out all after the enacting clause and insert:

That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of 500 pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of 21,000,000 acres. Such proclamation shall be made not later than November 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within 30 days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the 5 years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of 22,500,000 acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, 79th Cong.) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over 1,000,000 acres and less than 50 percent of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, 79th Cong.) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of 22,500,000 acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of 22,500,000 acres) shall not be less than the larger of (1) 95 percent of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 percent of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than 22,500,000 acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to 22,500,000 acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions

of Public Law 12, 79th Cong.) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton for 1950, 1951, and 1952 shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the four calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, and for each year thereafter shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: *Provided*, That the State committee may reserve not to exceed 10 percent of its State acreage allotment (15 percent if the State's 1948 planted acreage was in excess of 1,000,000 acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, 79th Cong. in any one of the 3 years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) 5 acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, 79th Cong.) to cotton in any year of such 3-year period.

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each form under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, 79th Cong.) to cotton during any of the preceding 3 years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, 79th Cong.) in any such year.

"(3) The county committee may reserve not in excess of 10 percent of the county allotment (15 percent if the State's 1948 planted cotton acreage was in excess of 1,000,000 acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, 79th Cong.) during any of the 3 calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided*, That not less than 30 percent of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding 15 acres may be made under other provisions of this subsection.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 percent of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided*, That no allotment shall be established for any such farm unless application therefor is filed within 3 years after acquisition of such farm by the applicant or within 3 years after the enactment of this act, whichever period is longer: *And provided further*, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"(i) Notwithstanding any other provision of this act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(j) Notwithstanding any other provision of this act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) 4,000 acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such act in the following manner:

"(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determine that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 percent of the

parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty and the amount of cotton to be stored or delivered pursuant to this section to postpone or avoid payment of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty or storage computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The Secretary shall issue regulations under which the farm marketing excess of cotton may be stored. Upon failure to so store the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess computed as provided in this section shall be paid by the producer.

"(d) Subject to the provisions of section 347, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored, except depletion resulting from some cause beyond the control of the producer or from substitution of cotton authorized by the Secretary.

"(e) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 percent per annum from the date the penalty becomes due until the date of payment of such penalty.

"AUTHORIZED REDUCTIONS IN STORAGE

"SEC. 347. (a) If the planted acreage of the then current crop of cotton for any farm is less than the farm acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm-acreage allotment exceeds the acreage planted to cotton.

"(b) If the actual production of the acreage of cotton on any farm on which the acreage of the commodity is within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment: *Provided*, That the reduction under this subsection shall not exceed the amount by which the normal production of the farm-acreage allotment, less any reduction made under subsection (a), is in excess of the actual production of the acreage planted to cotton on the farm.

"LONG-STAPLE COTTON

"SEC. 348. (a) Unless marketing quotas are in effect under subsection (b) of this section, the provisions of this part shall not apply to cotton the staple of which is 1½ inches or more in length.

"(b) Whenever during any calendar year the Secretary determines that the total supply of the cotton specified in subsection (a) of this section for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 percent, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year: *Provided*, That the Secretary may exempt from such quota any variety or kind of such cotton if he finds that the total supply does not exceed the normal supply thereof by more than 8 percent. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of such long-staple cotton adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of the act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such long-staple cotton."

SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: "'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 percent in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 percent of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting "(a)" before the first paragraph and by adding the following new paragraph:

"(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment."

(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum."

SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and."

SEC. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following new matter: "*Provided further*, That the allotment established for any State for any year subsequent to 1949 shall be not less than 60 percent of the acreage of peanuts harvested for nuts in the State in 1948 and any additional acreage so required shall be in addition to the national acreage allotment and the production from such acreage shall be in addition to the national marketing quota."

SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

(B) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the alendar year 1948.

adjusted in the same ratio as the national average seedings for the production of wheat during the 10 calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938, as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided*, That no acreage shall be included under (A) or (B) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

Mr. THOMAS of Oklahoma. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. HOEY, Mr. ANDERSON, Mr. AIKEN, Mr. YOUNG, and Mr. THYE conferees on the part of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

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

PAN AMERICAN UNION

A letter from the Secretary of State, transmitting a draft of proposed legislation for the relief of the Pan American Union (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF TRAVEL EXPENSE ACT OF 1949

A letter from the Secretary of Agriculture, transmitting a draft of legislation to amend

section 3 of the Travel Expense Act of 1949 (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

PETITIONS

Petitions, etc., were laid before the Senate, and referred as indicated.

By the VICE PRESIDENT:

Resolutions adopted by the Associated Townsend Clubs of Hillsborough County, the Associated Townsend Clubs of Dade County, and the Miami Townsend Club, No. 1, of Miami, all in the State of Florida, praying for the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

H. R. 3191. A bill to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes; with amendments (Rept. No. 836).

DENTAL CARE FOR PERSONNEL OF ARMY AND AIR FORCE—REPORT OF A COMMITTEE

Mr. HUNT. Mr. President, from the Committee on Armed Services I report an original bill to provide more efficient dental care for the personnel of the United States Army and the United States Air Force, and I submit a report (No. 835) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2380) to provide more efficient dental care for the personnel of the United States Army and the United States Air Force, was read twice by its title, and ordered to be placed on the calendar.

REORGANIZATION PLANS—REPORTS OF A COMMITTEE

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted the following reports:

Reorganization Plan No. 3 of 1949—Post Office Department (Rept. No. 837);

Reorganization Plan No. 4 of 1949—Transferring the National Security Council and the National Security Resources Board (Rept. No. 838);

Reorganization Plan No. 5 of 1949—United States Civil Service Commission (Rept. No. 839); and

Reorganization Plan No. 6 of 1949—Designated to strengthen the administration of the United States Maritime Commission by making the Chairman the executive and administrative officer of the Commission and vesting in him responsibility for the appointment of its personnel and the supervision and direction of their activities (Rept. No. 840).

EXEMPTION OF INDEPENDENT PRODUCERS AND GATHERERS OF NATURAL GAS—EXCHANGE OF LETTERS BETWEEN BUREAU OF THE BUDGET AND SENATOR JOHNSON OF COLORADO

Mr. JOHNSON of Colorado. On June 24 of this year I reported, from the Committee on Interstate and Foreign Commerce, Senate bill 1498, and it was given Calendar No. 563.

Yesterday I received from Mr. Elmer B. Staats, Acting Director of the Bureau of the Budget, a letter saying that this bill is not in accord with the President's program. I ask unanimous consent to have his letter to me, and my reply thereto, printed at this point in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
Bureau of the Budget,
Washington, D. C., August 1, 1949.

Hon. EDWIN C. JOHNSON,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate,
Washington, D. C.

MY DEAR SENATOR JOHNSON: The President has directed me to advise the interested agencies that enactment of S. 1498, "To amend the Natural Gas Act approved June 21, 1938, as amended," would not be in accord with his program. Although the Bureau has not been requested by your committee to comment on this measure, I assume you would wish to be informed of the President's position, particularly in view of the present status of this bill.

You may also be interested to know that the President has stated that should some legislation be deemed necessary in this area, he would have no objection to the enactment of a bill along the lines of the measure endorsed by the majority of the Federal Power Commission as an amendment to H. R. 1758, a bill substantially similar in purpose to S. 1498. A copy of this amendment is enclosed.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
August 4, 1949.

Mr. ELMER B. STAATS,
Acting Director, Bureau of the Budget,
Executive Office of the President,
Washington, D. C.

MY DEAR MR. STAATS: I have your letter of August 1 in which you advise me that enactment of the Kerr-Thomas bill, S. 1498, to exempt the independent producers and gatherers of natural gas as intended by the Congress when the National Gas Act was passed 11 years ago, would not be in accord with the President's program.

To say that I am astonished at this pronouncement is putting it mildly. The Kerr bill was introduced on April 4. Seven days of full and complete hearings were held in May and June. This entire problem was thoroughly explored by this committee and the bill was reported favorably with amendments on June 24. Now at this late date we are told, for the first time, that the bill is not in accord with the President's program. Until I received your letter of August 1, I had every reason to believe that the President still was in favor of exempting the independent producers and gatherers. You will recall, I am sure, that in the last Congress the so-called Priest bill, H. R. 4099, similar in purpose and design to the Kerr-Thomas bill, was recommended by Commissioners Smith, Olds, Draper, and Wimberly of the Federal Power Commission, that being the full Commission at the time. In urging enactment of the Priest bill they stated that their position was fully in accord with the legislative program of the President. My committee had every reason to believe, when it reported out this bill, that both the President and the Bureau of the Budget were still in favor of its objectives.

I am sorry you did not advise me earlier that you had switched your position. As you know, this has been the law and the practice for 11 years. Is it your contention that the Commission all of this time has not been acting in accord with the President's program? I cannot believe that the President has changed his mind about this legislation. Presumably there are no new economic or political factors which have come to light during the past 12 months which the committee has not been able to discover after extensive hearings.

I have not changed my position. I was against the Moore-Rizley bill, and, like the President, I was for the Priest bill. And now, for the identical reasons, I am for the Kerr-Thomas bill.

We repealed OPA since it is contrary to the free-enterprise system. We still have limited controls on domestic rental properties and these are practically the only controls remaining. Beyond that we do not go. But a bare majority in the Federal Power Commission is now attempting to impose a new OPA on the independent gas gatherer and producer. No such controls are imposed on oil or coal or any other product. In what particular does the gas industry differ from the coal and petroleum industry which requires this singular and arbitrary action?

Needless to say it distresses me greatly to learn that the Bureau reports the President does not now agree with this committee on this legislation. If he is opposed, even at this late date, I would like very much to know why, since you told Congress a year ago he favored it.

When this bill comes up on the floor of the Senate I want to advise the Senate of the reasons for the change if there has been a change.

We are always glad to have the benefit of your advice and counsel, but hereafter, I hope you will not be so reticent or tardy about communicating to this committee your views or the views of the President on pending legislation when either of you switch your position.

Sincerely yours,

EDWIN C. JOHNSON,
Chairman.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 4, 1949, he presented to the President of the United States the following enrolled bills:

S. 111. An act for the relief of Mrs. Pearl Shizuko Okada Pape;

S. 317. An act for the relief of Margita Kofler;

S. 905. An act for the relief of John Sewen;

S. 1076. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended; and

S. 1745. An act to authorize the transfer to the Attorney General of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., to supplement the farm lands required for the United States prison system.

BILLS INTRODUCED

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

By Mr. GILLETTE:

S. 2376. A bill to amend Public Law 890, Eightieth Congress, pertaining to the Government-owned alcohol plants at Muscatine, Iowa; Kansas City, Mo.; and Omaha, Nebr.; to the Committee on Agriculture and Forestry.

By Mr. TYDINGS:

S. 2377. A bill to amend the Army-Navy Nurses Act of 1947, to provide for additional appointments, and for other purposes; and

S. 2378. A bill to authorize the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy to convey perpetual easements in conjunction with authorized construction projects involving relocation of roads, streets, railroads, and utilities; to the Committee on Armed Services.

By Mr. LONG:

S. 2379. A bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; to the Committee on Post Office and Civil Service.

(Mr. HUNT, from the Committee on Armed Services, reported an original bill (S. 2380) to provide more efficient dental care for the personnel of the United States Army and the United States Air Force, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. LODGE:

S. 2381. A bill to provide for a preliminary examination and survey of the Merrimack River at Salisbury, Mass., for the purpose of determining the advisability of conducting dredging operations to improve conditions for navigation; to the Committee on Public Works.

By Mr. MYERS (for himself and Mr. MARTIN, Mr. LODGE, Mr. SALTONSTALL, Mr. IVES, and Mr. DULLES):

S. 2382. A bill to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at a location to be selected by the Secretary of Defense; to the Committee on Armed Services.

By Mr. THOMAS of Oklahoma:

S. 2383. A bill to give effect to the international wheat agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market; to the Committee on Agriculture and Forestry.

By Mr. SPARKMAN (by request):

S. 2384. A bill to amend title IV of the National Housing Act, as amended, and to amend the Federal Home Loan Bank Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. DOUGLAS:

S. 2385. A bill for the relief of Edward C. Ritche; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2386. A bill to extend the term of Patent No. 1,879,200 for 6 years; and

S. 2387. A bill for the relief of Wallace Swenson; to the Committee on the Judiciary.

ADMINISTRATION OF CERTAIN INDIAN LANDS IN NEW MEXICO—CORRECTION OF ENROLLED BILL

Mr. ANDERSON. Mr. President, I submit a concurrent resolution the purpose of which is to make a correction of a single letter in one word, and I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. The resolution will be read. The legislative clerk read the concurrent resolution (S. Con. Res. 61), as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (S. 1323) to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncita Navajo group in New Mexico, and for other purposes, the Secretary of the Senate be, and he is hereby, authorized and directed to strike out the word "Canoncita", where it appears on page 2, line 12 of the Senate engrossed bill and in the title of the bill, respectively, and in lieu thereof insert "Canoncito."

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, may I ask the distinguished Senator from New Mexico with what the resolution deals.

Mr. ANDERSON. It provides for the correction of a letter at the end of a word. The word began correctly, but for some reason was not completed.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

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

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 88, JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. O'MAHONEY submitted the following resolution (S. Res. 150) which was referred to the Committee on Rules and Administration:

Resolved, That there be printed 2,000 additional copies of Senate Report No. 88, the report of the Joint Committee on the Economic Report on the January 1949 Economic Report of the President, for the use of said joint committee.

HOUSE BILL REFERRED

The bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, was read twice by its title, and referred to the Committee on Banking and Currency.

MODIFICATION OR CANCELLATION OF CERTAIN ROYALTY-FREE LICENSES GRANTED TO THE GOVERNMENT—AMENDMENTS

Mr. DOUGLAS submitted amendments intended to be proposed by him to the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, which were referred to the Committee on the Judiciary and ordered to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENTS

Mr. MAGNUSON submitted an amendment intended to be proposed by him to 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, which was ordered to lie on the table and to be printed.

Mr. MAGNUSON (for himself, Mr. MURRAY, Mr. KERR, Mr. KEFAUVER, Mr. HILL, Mr. SPARKMAN, Mr. MORSE, Mr. HUNT, Mr. TAYLOR, Mr. JOHNSON of Texas, and Mr. HUMPHREY) submitted an amendment intended to be proposed by them, jointly, to House bill 3838, supra, which was ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS

Mr. KEM submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendments, namely: On page 12, after line 12, insert the following:

"SEC. 202. No part of the appropriations contained in this act shall be furnished to any participating country, the government or any agency thereof, which shall, after the date of enactment of this act, acquire or operate, in whole or in part, any basic industry thereof, other than industries the acquisition of which has been completed prior to the date of enactment of this act."

On page 12, line 13, strike out "SEC. 202" and insert in lieu thereof "SEC. 203."

Mr. KEM (for himself, Mr. WHERRY, and Mr. MCCLELLAN) also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

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

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENT RELATING TO AID TO CHINA

Mr. KNOWLAND. Mr. President, on behalf of myself and 13 of my colleagues, the Senator from Nevada [Mr. MCCARRAN], the Senator from New Jersey [Mr. SMITH], the Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. YOUNG], the Senator from Michigan [Mr. FERGUSON], the Senator from South Dakota [Mr. MUNDT], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Washington [Mr. CAIN], the Senator from Connecticut [Mr. BALDWIN], the Senator from Nebraska [Mr. WHERRY], the Senator from Vermont [Mr. FLANDERS], the Senator from Maine [Mr. BREWSTER], and the Senator from Kansas [Mr. REED], I submit a China-aid amendment, intended to be proposed by us to the bill (S. 2341) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, which is now before the combined Foreign Relations and Armed Services Committees.

Thirteen of my colleagues have joined me in sponsoring this amendment, and more than twice that number have indicated their friendly interest in the need for a change from our current "wait until the dust settles" lack of policy to a positive policy more in line with that which we follow in Europe.

Tomorrow the China white paper will be released for publication. I hope that this is meant to be the starting point for a new policy and not merely justification for a bankrupt one.

The State Department has announced the appointment of a far eastern committee headed by Mr. Jessup. If this is to help find an affirmative policy to prevent all of China and perhaps most of Asia from being taken behind the iron curtain it is an encouraging sign. If it is a group set up to whitewash the white paper, then both the Congress and the public will soon sense it.

Today is no time for recriminations. Mistakes have been made by the executive branch and by the Congress. They

have been made by the Government of China also. All that is water over the dam. Learning from those mistakes, can we not now develop a policy which will have widespread support on both sides of the aisle?

If it is important, as I believe it is, to prevent 200,000,000 people in western Europe from going behind the iron curtain is it not also important to prevent 400,000,000 people of China from becoming absorbed by international communism?

Can we save for our children a free world of free men by following the example of the little Dutch boy of a timely stopping of the leak in the European defense dike while we are unconcerned about a major destruction of the dike in Asia? We can be drowned in the Red tide flowing in from the Pacific while we are standing with our thumb in the dike in the Atlantic area.

We can be critical of what Chinese leaders have done or left undone. They can with some considerable justification be critical of us.

But no American should overlook the fact that when it might have been to his advantage to do it, Chiang Kai-shek turned down overtures to quit the war against Japan. Had he done so more than a million Japanese troops would have been available to use against us in the Pacific and the war might have been prolonged with much greater cost to us in manpower and resources. This we must never forget.

To our friends in China I point out that our Republic has been through some dark days. At the very birth of our Nation during the winter of Valley Forge things looked black indeed. No outside help can take the place of the will and determination of the people directly concerned to fight and if need be to die for the cause of human freedom. Outside help can supplement but it cannot supplant that basic fact.

We are at one of the great turning points of history. If all of China falls then it will be difficult for the balance of the Continental of Asia to resist. Do we dare contemplate a billion people of Asia tied to and allied with international communism?

The time has come when we must recognize that the peace of the world and our own national defense must be considered and planned for on a global basis. To do less is folly.

I ask unanimous consent that immediately following my remarks a copy of the amendment may be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committees on Foreign Relations and Armed Services, jointly, and, without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. KNOWLAND (for himself and other Senators) is as follows:

On page 7, line 2, strike out the period and insert in lieu thereof a common and the following: "of which $175,000,000 shall be expended for the purpose of providing military assistance to non-Communist China in the form of equipment and materials, services, and financial aid. No equipment, materials, services, or financial aid (either by funds or by credit) shall be furnished to non-Communist China under the provisions of this act until such time as there shall be detailed to assist the Government of China such number of persons in the employ of the Government of the United States and such number of members of the armed forces of the United States as the President may deem necessary to advise the Government of non-Communist China with respect to the effective use of any equipment, materials, services, and financial aid furnished to non-Communist China under this act. The provisions of the act of May 25, 1938 (52 Stat. 442), shall be applicable to civilian personnel, and the provisions of the act of May 19, 1926 (44 Stat. 565), shall be applicable to members of the armed forces of the United States, detailed under this act to assis the Government of China. No officer or employees of the United States shall be detailed under this act to assist the Government of China unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of Defense, and until the Secretary of Defense has certified in writing (and filed copies thereof with the Senate Committees on Foreign Relations and Armed Services and the House Committees on Foreign Affairs and Armed Services) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate."

CONSTRUCTION OF EXPERIMENTAL SUBMARINE—INDEFINITE POSTPONEMENT OF BILL

Mr. TYDINGS. Mr. President, on Monday last, the House of Representatives passed the bill (H. R. 4007) to amend the act entitled "An act to authorize the construction of experimental submarines and other purposes," approved May 16, 1947. An identical bill, S. 1505, had previously passed the Senate on June 2, 1949, and was passed by the House without amendment on August 2. The Navy Department is anxious to commence work on this experimental submarine, for reasons which can easily be visualized in this day and time of the schnorkel and the like.

Inasmuch as the Senate bill has passed both Houses, I ask unanimous consent that House bill 4007, now lying on the desk, may be indefinitely postponed.

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

PRINTING OF STATEMENT OF SENATOR O'MAHONEY ON BEHALF OF THE JOINT COMMITTEE ON THE ECONOMIC REPORT, ON S. 2085, AMENDING THE EMPLOYMENT ACT OF 1946 (S. DOC. NO. 103)

Mr. O'MAHONEY. Mr. President, during the last call of the calendar, when Senate bill 2085, to amend the Employment Act of 1946, with respect to the Joint Committee on Economic Report, Calendar No. 602, was reached, objection was made to the consideration of that measure, which had been reported unanimously by the Committee on Banking and Currency. That objection was made by the senior Senator from Ohio [Mr. TAFT] on the ground that he felt the measure should have been considered by the Joint Committee on the Economic Report.

Of course that committee has no legislative jurisdiction; but in compliance with the suggestion made by the Senator from Ohio, the joint committee has considered the bill, and desires to file a report with respect to it. However, this report must be printed as a Senate document, inasmuch as the joint committee has no legislative jurisdiction.

Therefore, I ask unanimous consent that the statement I hold in my hand may be printed as a Senate document, to be considered when Senate bill 2085, Calendar No. 602, is next reached upon the call of the calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

MR. CHURCHILL'S SPEECH

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD excerpts from a speech delivered by Mr. Winston Churchill on July 23, 1949, published in the London Times, which appear in the Appendix.]

STATES' RIGHTS—LETTER FROM TOM HENDERSON TO THE GREENSBORO (N. C.) DAILY NEWS

[Mr. HOEY asked and obtained leave to have printed in the RECORD a letter dealing with States' rights, written by Tom Henderson, of Yanceyville, N. C., to the editor of the Greensboro (N. C.) Daily News, which appears in the Appendix.]

NEW CAPITAL OF EUROPE—ARTICLE BY WILLIAM PHILIP SIMMS

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "New Capital of Europe," by William Philip Simms, from the Washington Daily News, which appears in the Appendix.]

UN-AMERICAN ACTIVITIES—STATEMENT BY H. A. CAMERON POST, NO. 6, AMERICAN LEGION

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a statement by H. A. Cameron Post, No. 6, American Legion, Department of Tennessee, regarding un-American activities, which appears in the Appendix.]

BASING-POINT LEGISLATION—ARTICLE BY W. K. KELSEY

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article on basing-point legislation, by W. K. Kelsey, from the Detroit News of July 22, 1949, which appears in the Appendix.]

RELEASE OF VLASTA VRAZ BY THE CZECHOSLOVAKIAN GOVERNMENT—LETTER FROM THE STATE DEPARTMENT

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a letter on the subject of the release of Miss Vlasta Vraz, of Berwyn, Ill., by the Government of Czechoslovakia, written by the State Department under date of June 29, 1949, to the chairman of the Foreign Relations Committee, which appears in the Appendix.]

MILITARY AID TO FOREIGN COUNTRIES—EDITORIAL FROM THE CHICAGO SUN-TIMES

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an editorial entitled "Chicago Bridge Doctrine," published in the Chicago Sun-Times July 28, 1949, which appears in the Appendix.]

THE COOPERATIVE MOVEMENT

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "D-Day for America's Cooperatives," written by former Representative Jerry Voorhis, executive director of the Cooperative League of the United States of America, and published in the June 1949 issue of the Progressive magazine, of Milwaukee, Wis., which appears in the Appendix.]

A VERY IMPORTANT POLITICAL DECISION—ARTICLE BY ARTHUR KROCK

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an article entitled "A Very Important Political Decision," written by Arthur Krock, and published in the New York Times August 4, 1949, which appears in the Appendix.]

LEAVES OF ABSENCE

Mr. AIKEN asked and obtained consent to be absent from the sessions of the Senate from Friday noon of August 5 until Tuesday morning, August 9.

On request of Mr. CHAPMAN, Mr. WITHERS was granted permission to be absent from the sessions of the Senate for the remainder of this week.

Mr. BALDWIN asked and obtained consent to be absent from the Senate tomorrow.

Mr. TOBEY asked and obtained consent to be absent from the Senate from tonight until Tuesday next.

Mr. SCHOEPPEL asked and obtained consent to be absent from the Senate from 4 o'clock this afternoon until Monday next.

On request of Mr. LUCAS, Mr. PEPPER was excused from attendance on the sessions of the Senate from 2 o'clock this afternoon and until Monday next.

INTERSTATE COMMERCE COMMISSION—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by the Interstate Commerce Commission on the Hoover Commission recommendations as they affect that agency.

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

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today a letter from Mr. Charles D. Mahaffie, Chairman of the Interstate Commerce Commission, in which he comments on recommendations of the Hoover Commission which affect the ICC.

Mr. Mahaffie states that there are no specific recommendations in the Hoover Commission reports which directly affect the ICC, but calls attention to a provision of S. 942, introduced by Senator McCLELLAN, "to establish principles and policies to govern generally the management of the executive branch of the Government" which was compiled by a draftsman for the Hoover Commission and designed to implement the report on general management of the executive branch. He points out that section 102 (a) (5) of this bill might have an adverse effect on the operations of the ICC, and suggests that the Commission should be specifically exempted, stating that:

"We fear that there may be an unintended ambiguity in category (5) in its not clearly indicating whether it is intended to include what are generally referred to as "regulatory agencies," such as the Interstate Commerce Commission. * * * We regard it as very important that the ambiguity therein be corrected in order that the Congress may understand fully what the consequences of the enactment of this bill might be and that subsequent uncertainty and possible litigation as to the effect of the measure may be avoided."

The same objection was raised by the United States Maritime Commission and the Securities and Exchange Commission. In committee release No. 81-1-63 (CONGRESSIONAL RECORD, July 11, 1949, pp. 9184-9185) the Maritime Commission interpreted recommendation No. 14 (Report on General Management of the Executive Branch) to establish a clear line of authority extending down through every step of organization into the operation of all independent regulatory commissions, thus bringing the Maritime Commission under the direct control of the President. The report then contends that "if these recommendations were carried out, it would bring about a complete reversal in the constitutional development, beginning in 1887, with the enactment of the Interstate Commerce Act, of vesting in independent bipartisan or nonpartisan agencies primarily responsible to the Congress, functions which are quasi-legislative and quasi-judicial in character. * * * The Congress placed such functions and activities as regulation of railroads, regulation of radio, and other methods of communication, regulation of the electric energy industry, the issuance of securities, the regulation and promotion of air transportation, and the maintenance and promotion of the American merchant marine, in independent agencies, which, in general, are to be of a bipartisan or nonpolitical character and are not to be subject to fluctuations of political changes in government and pressures of a short view or selfish character."

The Securities and Exchange Commission (release No. 81-1-64, CONGRESSIONAL RECORD, July 11, 1949, pp. 9185-9186) also discussed the inclusion of the SEC within the proposed centralization of Executive control in Senate bill 942, contending that it disagrees with the task-force report on the SEC which "evidences the importance generally attached to independence in achieving effective administration of the major statutes under the jurisdiction of this Commission" (see p. 144, Appendix N). The SEC recommends that "the changes which are presently envisioned should not require any alterations in the statutes administered by this Commission" because the changes proposed can be accomplished by administrative action within the agency. The Chairman concludes: "I would hesitate to recommend legislation which might impair the advantages of proceeding cautiously in this difficult field."

The letter from the Chairman of the Interstate Commerce Commission follows:

"INTERSTATE COMMERCE COMMISSION,
"Washington.

"Hon. JOHN L. McCLELLAN,
"Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

"MY DEAR CHAIRMAN McCLELLAN: I duly received your letter of May 23, 1949, with which you enclosed two printed documents based on the reports and task-force appendixes of the Commission on Organization of the Executive Branch of the Government, and requesting a detailed report from the Commission relative to the application of the various recommendations and textual discussions in the Commission reports which affect this Commission, either directly or indirectly, supported by relevant factual information that might be helpful in the consideration of the Commission's proposals.

"With respect to your request for an analysis of pending legislation intended to effectuate specific recommendations of the Hoover Commission, we are not advised that any such bills have been introduced which would specifically relate to the Interstate Commerce Commission. If any should be introduced in the future, we shall keep in mind your request for comments. It would facilitate our compliance with your request if your staff would call our attention to the introduction of any which might affect this Commission, and we would promptly submit our comments.

"Our attention has been called to S. 942, introduced by you, 'To establish principles and policies to govern generally the management of the executive branch of the Government.' Section 102 (a) (5) of this bill states that 'for the purposes of this act the principal executive agencies are * * * miscellaneous independent agencies that are not in, or organizational units of, any other executive agency.' We fear that there may be an unintended ambiguity in category (5) in its not clearly indicating whether it is intended to include what are generally referred to as 'regulatory agencies,' such as the Interstate Commerce Commission.

"We shall not undertake to outline the arguments which might be made in support of one construction of section 102 (a) (5) or another. However, we regard it as very important that the ambiguity therein be corrected in order that the Congress may understand fully what the consequences of the enactment of this bill might be and that subsequent uncertainty and possible litigation as to the effect of the measure may be avoided. We recommend that the clarification be accomplished by adding the words '(not including the Interstate Commerce Commission)' after the word 'agencies' in line 16 of page 4.

"If we can be of further service to your committee in connection with this subject, we shall be glad to comply with your request.

"Very truly yours,
"CHARLES D. MAHAFFIE,
"Chairman."

AMENDMENT OF NATIONAL HOUSING ACT, FEDERAL HOME LOAN BANK ACT, AND HOME OWNERS LOAN ACT OF 1933—MEMORANDUM, STATEMENT, AND LETTERS

Mr. SPARKMAN. Recently I introduced Senate bill 2325, by request, the request being made of me because I happen to be chairman of the Subcommittee on Housing of the Banking and Currency Committee.

I now ask unanimous consent to have printed at this point in the RECORD a memorandum presenting an analysis of that bill; also a letter addressed to me by the National Savings and Loan League, giving their analysis and objections to certain provisions of the bill; also a letter addressed to me by the National Savings and Loan League requesting me to introduce a bill corresponding very closely to House bill 5596; and also a statement explaining that bill, given before the House Committee on Banking and Currency by the Chairman of the Home Loan Bank Board.

There being no objection, the memorandum, letters, and statement were ordered to be printed in the RECORD, as follows:

MEMORANDUM IN RE S. 2325

This is a bill to amend title IV of the National Housing Act, the Federal Home Loan Bank Act, and Home Owners Loan Act of

1933, and to amend certain sections of the Federal Criminal Code, all of which is legislation administered by the Home Loan Bank Board.

The bill provides for the members to buy the stock of the Federal home-loan banks from the Government at cost—about $100,000,000 outstanding, for the members of the Federal Savings and Loan Insurance Corporation, to buy its stock from the Government at cost—$100,000,000 outstanding, for Treasury support of the home-loan banks and said Insurance Corporation similar to that provided for other such Government corporations, to reduce the premium for insurance of accounts from one-eighth to one-twelfth of 1 percent, to revise the reserve requirement for insured institutions, to revise the language for termination of insurance of accounts for State chartered associations, to revise the language for the liquidity requirements for Federal home-loan banks which results from the retirement of Government capital, to provide a temporary secondary market in the home-loan banks for veterans' loans held by member associations, to rewrite the section providing for appointment of conservators and receivers for Federal savings and loan associations and the procedure therefor, to authorize such associations to make property improvement loans up to $2,500 instead of $1,500, as at present, and to authorize such associations under certain conditions to make limited investment in housing for rent, and to amend the criminal code to make it applicable to Federal examiners of these insured savings institutions and others dealing with them, and to prohibit slander and libel of them.

The following is a review of the bill section by section with some comment:

Section 1: This section makes an addition to section 402 of the National Housing Act to require insured savings and loan associations within 2 years to buy stock of the Federal Savings and Loan Insurance Corporation equivalent to 1 percent of their insured savings accounts, and to maintain such stock ownership on such basis, and authorizes the issuance and transfer of such stock. This is similar to the ownership of the Federal Reserve banks by member banks. It makes no change in Federal Savings and Loan Insurance Corporation as a Government instrumentality or in its operation and control by the Government. Federal associations and most State associations would be able to buy such stock promptly, but in a few States, State legislation may be required, and, therefore, 2 years is allowed. These associations now have about 20 percent in cash and Government bonds and are able to make such purchase, and after full discussion a great majority of them request it. It is expected that this provision would retire all of the Government capital within the 2-year period. This section also would authorize this Insurance Corporation to borrow up to $750,000,000 from the United States Treasury. This provision is similar to that now provided for in the Federal Deposit Insurance Corporation and other Government corporations.

Section 2: This section would amend section (b) of section 402 of the National Housing Act by striking out the present language requiring insured associations to provide reserves and substituting new language requiring such. The present law requires such associations to build up 5 percent reserves within 20 years from the date of insurance of accounts, and prohibits the payment of dividends unless such reserves are paid, except with the approval of the Insurance Corporation in Washington. This is objectionable because (1) it provides no formula to reach said 5 percent in 20 years, (2) rapidly growing associations find it difficult to adjust their business to the situation, and (3) it seems foolish to build up such reserves and not be able to charge losses thereto except with penalty referred to. The revised language would require allocation of 15 percent of all net income to loss reserves (and in certain cases up to 25 percent) until such loss reserves are equal to 10 percent of all insured accounts. This requires the allocation of about twice as much earnings, and eventually builds twice as much reserves for the protection of all concerned, including the Insurance Corporation. But in the event of depression, the losses could be charged to such reserves. This requirement is about twice that required of such savings associations by most State laws.

Section 3: This section would reduce the premium for insurance of accounts from one-eighth to one-twelfth of 1 percent. This question has been repeatedly considered by the Banking and Currency Committee of the House and Senate, has passed the House three times and the Senate once, and was vetoed by the President with a suggestion that the Government capital be retired at the same time, which is provided in this bill.

Section 4: This rewrites section 407 of the National Housing Act merely to provide for Federal savings and loan associations to carry insurance of accounts at all times, and to provide an equitable basis for the termination of insurance of accounts by State insured associations. This is believed to be satisfactory to all concerned.

Section 5: This amends section 6 of the Federal Home Loan Bank Act to provide for the members to purchase and hold at all times stock in the Federal home-loan banks equivalent to 2 percent of their home mortgages. It is believed that this would retire the Government capital within 1 year.

Section 6: This amends subsection (g) of section 11 of the Federal Home Loan Bank Act to redefine the liquidity requirement for the Federal home-loan banks. This is necessary on account of the retirement of the Government capital.

Section 7: This amends subsection (h) of section 11 of the Federal Home Loan Bank Act by the addition of a provision for the Federal home-loan banks to invest up to 50 percent of their assets in veterans' guaranteed or insured loans to be purchased from their member institutions. It limits such purchase to 18 months or as extended by the Home Loan Bank Board, and to 25 percent of the veterans' loans held by the seller or 50 percent of those made since April 30, 1948.

Seciton 8: This amends section 11 of the Federal Home Loan Bank Act to authorize the Secretary of the Treasury to purchase obligations of the Federal home-loan banks up to $1,000,000,000. This is similar to Treasury support of other Government corporations.

Section 9: This amends section 20 of the Federal Home Loan Bank Act, and the effect is to require the Federal home-loan banks to be examined annually instead of twice annually, as at present.

Section 10: This rewrites subsection (d) of section 5 of the Home Owners' Loan Act of 1933 to provide for the appointment of conservators and receivers of Federal Savings and Loan Associations, and the procedure therefor. The present law is completely indefinite on the subject, and it is believed that all concerned desires an improvement of it. This draft has been processed amongst the savings and loan people and among the Home Loan Bank Board, and it is believed that there is no objection to it.

Section 11: This amends subsection (c) of section 5 of the Home Owners' Loan Act of 1933 to authorize Federal Savings and Loan Associations to make title I, FHA, VA, or other nonsecured property improvement loans up to $2,500 instead of $1,500, as at present, and also would authorize such associations having at least 5 percent general reserves to invest up to twice that amount in rental property.

Sections 12, 13, 14, and 15: These sections amend certain sections of the United States Code to make Federal criminal law applicable to the Federal examiners of the Home Loan Bank Board and others dealing with these savings institutions, subject to the Federal criminal law, and also provides a new slander and libel section.

Section 16: This is a separability section.

NATIONAL SAVINGS AND LOAN LEAGUE,
Washington, D. C., August 2, 1949.

Hon. JOHN J. SPARKMAN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR SPARKMAN: Your suggestion that I comment on this bill is much appreciated.

First, let me report that pursuant to a suggestion made during a hearing before a subcommittee of the Senate Banking and Currency Committee during the Eightieth Congress, the Federal Savings and Loan Advisory Council, a statutory body, created a coordinating committee on Federal legislation for the savings and loan industry. This committee consists of two representatives of each of the Nation-wide trade associations, two representatives of the presidents of the Federal home-loan banks, and two representatives of the Federal Savings and Loan Advisory Council.

The coordinating committee held meetings in 1948 and again in 1949. During each of its meetings it conferred with members of the Home Loan Bank Board regarding legislative proposals. Complete agreement was reached within the coordinating committee and between the coordinating committee and the Home Loan Bank Board on several proposals. Agreement could not be reached on other proposals.

Section 1 of S. 2325 provides for the retirement of the Government stock in the Federal Savings and Loan Insurance Corporation by the substitution of privately held stock required to be purchased by the insured savings and loan associations in amounts equal to 1 percent of their insured accounts.

This formula was not approved by the coordinating committee of the industry nor by the Home Loan Bank Board, as reported by Chairman Divers in his testimony before the House Banking and Currency Committee July 20, 1949. The reasons for the opposition to this plan for retirement of the stock of the Insurance Corporation are several. First, there are many States which have not authorized the purchase of stock of the Insurance Corporation by State-chartered savings and loan associations. In the event any State-chartered association were unable to purchase stock of the Insurance Corporation it would be forced either to lose insurance of accounts or to convert to Federal charter. Another reason which has been cited is that this plan would result in the private ownership of a public trust. It has also been suggested that the Government stock of the Federal Savings and Loan Insurance Corporation should be retired in much the same manner, in principle at least, as was the stock of the Federal Deposit Insurance Corporation, namely, out of earnings.

In 1948, the coordinating committee and the Home Loan Bank Board approved a plan for the orderly retirement of the Government stock from the Insurance Corporation out of the income of the Corporation. This formula is included in H. R. 5596.

Section 2 of S. 2325 would set up a new and revolutionary requirement with respect to accumulation of reserves by each insured association. This proposal was not approved by the coordinating committee nor by the Home Loan Bank Board. The reason for the opposition to this proposal is that while it is aimed at relieving each insured

association from the necessity of ever getting the approval of the Insurance Corporation for the payment of a dividend, it might on the other hand place certain insured associations in a strait-jacket and cripple their ability to function normally.

Section 3 provides for a reduction in the insurance premium collected by the Federal Savings and Loan Insurance Corporation from one-eighth to one-twelfth of 1 percent. Such reduction was approved by the coordinating committee but not by the Home Loan Bank Board.

Section 4 is the same as section 3 of H. R. 5596 and was approved by the coordinating committee and the Home Loan Bank Board.

Section 5 is practically the same as section 6 of H. R. 5596 and has been approved by the coordinating committee and the Home Loan Bank Board.

Section 6 has not yet been approved by the coordinating committee, nor, so far as I know, by the Home Loan Bank Board.

Section 7 was approved by the coordinating committee but not by the Home Loan Bank Board.

Section 8 is similar to section 5 of H. R. 5596 which was approved by the coordinating committee and the Home Loan Bank Board.

Section 9 is the same as section 8 of H. R. 5596 which was approved by the coordinating committee and the Home Loan Bank Board.

Section 10, setting up the conditions and procedure for the appointment of a conservator of a Federal association, was approved by the coordinating committee but has not yet been approved by the Home Loan Bank Board.

Section 11, authorizing Federal associations to invest a limited amount in home sites and housing for sale or for rent, was considered by the coordinating committee and the Home Loan Bank Board and cleared in a general way.

Section 12 was considered by the coordinating committee and the Home Loan Bank Board and cleared in a general way.

Section 13 was considered by the coordinating committee and the Home Loan Bank Board and cleared in a general way.

Section 14, the same as section 10 of H. R. 5596, was approved by the coordinating committee and the Home Loan Bank Board.

Section 15, the same as section 11 of H. R. 5596, was approved by the coordinating committee and the Home Loan Bank Board.

Sincerely,

OSCAR R. KREUTZ,
Executive Manager.

NATIONAL SAVINGS AND LOAN LEAGUE,
Washington, D. C., August 2, 1949.

The Honorable JOHN J. SPARKMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR SPARKMAN: Thank you for your kindness in taking time to see me this morning when you were so busy. Thank you also for your fairness in the matter of savings and loan legislative proposals.

I am enclosing a copy of H. R. 5596, all of the provisions of which have been approved by the Home Loan Bank Board after favorable action by either the 1948 or 1949 coordinating committee of the industry. This coordinating committee is made up of two representatives of each of the Nationwide trade associations of the savings and loan business, two representatives of the Federal Home Loan Bank presidents and two representatives of the Federal Savings and Loan Advisory Council, a statutory body.

Although the Home Loan Bank Board itself had concurred in all of these provisions as I have just stated, Chairman Divers in testifying before the House Banking and Currency Committee, July 20, 1949, on this bill stated that certain of these provisions had not yet been cleared by the Bureau of the Budget. Unless otherwise indicated in the following section by section analysis of H. R. 5596, each section, we are told, is acceptable to the Bureau of the Budget:

Section 1 would retire the Government capital from the Federal Savings and Loan Insurance Corporation in an orderly manner out of income (the same principle as in the retirement of the Government capital in the FDIC). Several lines in section 1 of the attached bill have been stricken to conform to the recommendation of Chairman Divers of the Home Loan Bank Board before the House committee.

Section 2 authorizes the Insurance Corporation to borrow up to $750,000,000 from the Secretary of the Treasury if necessary for insurance purposes (similar to FDIC authority).

Section 3 provides an improved procedure for the termination of insurance by an insured institution.

Section 4 authorizes the Insurance Corporation to make payment of insurance in cash "if the Home Loan Bank Board deems it to be in the interest of economy and efficiency." (Although approved by the Home Loan Bank Board and the General Accounting Office, not yet cleared by the Bureau of the Budget.)

Section 5 authorizes the Secretary of the Treasury to purchase debentures of the Home Loan Bank System in an amount not greater than $1,000,000,000 in case of emergency. (Although approved by Home Loan Bank Board, not cleared by the Bureau of the Budget as yet.)

Section 6 provides for the orderly retirement of the Government stock of the Federal Home Loan Bank System.

Section 7 is a technical change to make subsection (g) of section 11 of the Federal Home Loan Bank Act consistent with the proposal in section 6 to double the stock ownership requirement of members of the Federal home loan banks.

Section 8 makes it unnecessary for the Home Loan Bank Board to examine the Federal home-loan banks more often than once a year.

Section 9 authorizes the Federal Reserve banks to purchase short-term obligations of the Federal home-loan banks. (Not yet cleared by the Bureau of the Budget.)

Section 10 authorizes the FBI to investigate robberies, hold-ups, etc., of any member institution of a Federal home-loan bank or of the Federal Savings and Loan Insurance Corporation.

Section 11 authorizes penalties for derogatory false rumors, etc., affecting the solvency of the Federal Savings and Loan Insurance Corporation, the Federal home-loan banks, or a member of a Federal home-loan bank. (Not yet cleared by the Bureau of the Budget.)

Section 12 would increase from $1,500 to $2,500 the authority of Federal savings and loan associations to make property alteration, repair, or improvement loans. (Not yet cleared by the Bureau of the Budget.)

Section 13 is the usual separability clause.

I am also enclosing a copy of a statement made by Chairman Divers of the Home Loan Bank Board in regard to H. R. 5596 and H. R. 1732, which latter bill contains some of the provisions of S. 2325.

We would appreciate very greatly the introduction in the Senate of a companion bill to H. R. 5596 as enclosed with the changes marked in section 1.

Your cooperation and kindness in this matter are greatly appreciated.

Sincerely yours,

OSCAR R. KREUTZ,
Executive Manager.

THE STRIKE IN HAWAII

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article from the Washington Daily News of today, entitled "Moscow Confirms It." It deals with the strike in Hawaii.

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

MOSCOW CONFIRMS IT

Scripps-Howard reporter, Edwin C. Heinke, writing in the News from Honolulu, has termed the Hawaiian dock strike a Communist experiment in a new technique to extend Russian control in areas where force and violence are ruled out.

Radio Moscow confirms that conclusion.

"Hawaii is being jiggled in the test tube and the perfect experiment for conquest is being carefully studied," Mr. Heinke reported yesterday.

On the same day radio Moscow boasted that the recent wave of strikes in various non-Communist countries was a part of a struggle being waged by the Communist-dominated World Federation of Trade Unions.

Among the trade-unions which Moscow lauded for supporting the Soviet Union's position in the cold war were the United Electrical, Radio, and Machine Workers, the farm-equipment workers, and the west coast longshoremen's union, headed by Harry Bridges.

Harry Bridges is directing the Hawaiian strike.

"A broad united front is developing in the local trade-union committees to fight for adherence to the Communist peace campaign and against the arrogant reactionaries and the monopolies," according to Trud, Moscow trade-union daily, quoted by the Russian radio.

In similar vein, Mr. Heinke said that while the percentage of loyal Americans in Hawaiian unions probably runs as high as it does in labor unions in the United States, "the leadership itself undeniably is heavily loaded wth Marxists and agents of the Moscow-Communist International."

That would seem to make it unanimous except for a dissent from the Truman administration, which continues to treat the dangerous Hawaiian situation as "just another labor dispute."

ONE HUNDRED AND FIFTY-NINTH ANNIVERSARY OF THE UNITED STATES COAST GUARD

Mr. O'CONOR. Mr. President, it was most appropriate that today, which marks the one hundred and fifty-ninth anniversary of the establishment of the United States Coast Guard, should also witness the enactment into law of H. R. 4566, which revises and codifies title 14 of the United States Code entitled "Coast Guard."

Because of the significance of the day and of the event, it was a real pleasure to have had the opportunity to participate in the ceremony this noon at the White House, marking the enactment into law of this Coast Guard codification bill. Part of a comprehensive program initiated in 1943 to enact the United States Code into law title by title, the codification of title 14 is of great importance to the future functioning of the Coast Guard service, and its signing today by President Truman will lend particular significance to this one hundred and fifty-ninth birthday celebration.

In connection with the day, there is an editorial in today's Washington Post entitled "Semper Paratus." It memorializes the work of the Coast Guard, which has not always, it would seem, received the general appreciation that it deserves.

I ask unanimous consent that the editorial from the Post be inserted as part of my remarks.

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

SEMPER PARATUS

The United States Coast Guard celebrates today its one hundred and fifty-ninth birthday. It is a day not to be passed over in silence. Too often the services of the Coast Guard have been overlooked, though, to be sure, it came into its glorious own during the war.

But the Coast Guard is primarily a peacetime service, attached to the Treasury Department. It was Alexander Hamilton who gave it its start—as the Revenue Marine—back in 1790. Among its duties, pleasant and unpleasant over the years, have been fighting pirates and hostile Indians, protecting the Alaskan seal herds from extermination, and blockading southern ports in the Civil War.

Today it is charged with enforcement of United States laws on all the navigable waters of this country and, insofar as they are applicable, on the high seas. It conducts the magnificent search and rescue service that at a moment's notice mobilizes ships, aircraft, and radio communications to help victims of disaster at sea. It takes care of channel markers, lighthouses and lightships, conducts safety inspections of ships, and fulfills a host of other duties.

Of all these, the one that appeals most to us on this August day is the iceberg patrol in North Atlantic waters. This duty, except for periods during both World Wars, the Coast Guard has accomplished since 1913, a year after the *Titanic* disaster. Actually the iceberg season is over now; it normally lasts from around March to June and this year began in February and ended on June 15. But cuddling up to an iceberg right now seems an ideal way to beat the heat, and we wish the Coast Guard could go out and haul one up the Potomac to celebrate its birthday. It would be most appropriate, we think, since, like an iceberg, only about one-tenth of the Coast Guard's activities appear above the surface of our everyday consciousness.

MR. ANTHONY J. SVEJDA OF BALTIMORE

Mr. O'CONOR. Mr. President, while it is widely recognized that immigrants to the United States have made most valuable contributions to the progress and development of our country, specific instances of exceptional accomplishments are of particular interest. They refute Communist propaganda being spread before foreign-born people. I therefore invite the attention of the Senate to the experience of a Bohemian immigrant whose 50 years of service to the people of his section have been recognized by a national award from the National Savings and Loan League.

The gentleman in question, Mr. Anthony J. Svejda, of 2227 Lake Avenue, Baltimore, is now 75 years of age. Fifty of his 59 years spent in this country have been in the employ of the Bohemian-American Building Association, during which period he has assisted in the financing of more than 3,000 homes for the people of Baltimore.

The tribute paid Mr. Svejda is but another of the many instances of recognition given citizens from other lands who have made the United States their home and who have been an inspiration to all who knew them. I ask unanimous consent, therefore, that the newspaper article be printed in the RECORD as a part of my remarks.

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

IMMIGRANT GETS NATIONAL HONORS

A Bohemian immigrant who came to Baltimore 59 years ago has received national recognition for his work in helping others to own their own homes.

The National Savings and Loan League recntly presented its order of merit to Anthony J. Svejda, 75, of 2227 Lake Avenue. The presentation was made at Mackinac Island, Mich., on the occasion of Mr. Svejda's fiftieth year as secretary of the Bohemian American Building Association at 2417 East Monument Street.

"SEVENTY-FIVE MORE" TO GO

Mr. Svejda has no intention of retiring. "I have been around for 75 years, feel like I have 75 years more to go. I will put 50 more years in the building association and then have 25 years left for myself."

The naturalized citizen entered the port of Baltimore just before Independence Day, 1890. "Around Fort McHenry there was a little premature celebration of the Fourth so I had an impressive first look at the new country."

PLEDGED HIS BEST

In presenting the order of merit, J. J. O'Malley, of Wilkes-Barre, Pa., president of the league, said that when Mr. Svejda entered Baltimore "he pledged to do his best to repay this country of his adoption for the privilege of the welcome he was to receive on its shores the following day.

"I think that all the members of the National League should indeed be very proud of hailing you as their associate and brother, and I feel rather humble in standing before you to present to you this certificate with which we recognize your golden record of 50 years," the national president concluded.

From a humble beginning in the rear of a tavern at McElderry and Washington Streets, Mr. Svejda watched the building association grow.

He was paid 50 cents a week to act as its first secretary, meanwhile conducting a tailoring shop of his own, a trade he had learned in Bohemia. In 1929, the building association took all of his time and he gave up the tailoring business.

Since its inception, Mr. Svedja estimated, the association has made possible 3,000 to 4,000 homes in Baltimore. It is now a $1,500,000 corporation.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. LUCAS. Mr. President, I should like to have the attention of Senators for a moment or two in order that I may submit a unanimous-consent request dealing with the pending business.

Senators know that we have been engaged in consideration of the ECA bill for a considerable time. In order that we may expedite the pending bill and get along with other appropriation bills and other important matters on the Calendar, I hope to obtain the cooperation of all Senators upon this unanimous-consent proposal. There is not an amendment left which has not been debated by Members of the Senate, and I doubt if there is a single Senator who does not know how he is going to vote on the amendments, whether they be amendments now attached to the bill as committee amendments, or whether they be proposed from the floor.

With that brief statement, I ask unanimous consent that during the further consideration of the pending bill, House bill 4830, debate upon the part of each Senator shall be limited to one speech of not exceeding 15 minutes on any committee amendment or any amendment proposed from the floor and 15 minutes upon the bill itself. That would mean that a Senator would have 15 minutes upon each amendment, and 15 minutes upon the bill, if he desired to take it.

The VICE PRESIDENT. Is there objection?

Mr. LANGER. Mr. President, I doubt whether I shall speak on a single amendment, but I am opposed to this method of procedure in the Senate, and I object.

Mr. LUCAS. Mr. President, will the Senator withhold his objection so that I may ask him a question or two?

Mr. LANGER. Certainly.

Mr. LUCAS. Is there any arrangement which might be made with respect to time which would satisfy my distinguished friend from North Dakota?

Mr. LANGER. I do not know of any. As I have stated, I do not expect to discuss any of the amendments, but I do not believe it is right to restrict any Senator who may wish to speak for a longer time.

Mr. LUCAS. I thank the Senator for his very frank answer.

Mr. McCARRAN. Mr. President, what was the unanimous-consent request?

Mr. LUCAS. I will tell the Senator if he so desires. It was objected to. I asked unanimous consent to limit debate to 15 minutes on each amendment and 15 minutes on the bill. The distinguished Senator from North Dakota objected.

The VICE PRESIDENT. Objection is heard.

The clerk will state the next committee amendment.

The next amendment was, on page 4, line 15, after the word "specified", to insert "and (2) $50,000,000 shall not be available for any other purpose than assistance to Spain."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. McCARRAN. Mr. President, I shall ask for the yeas and nays on this amendment. I think the amendment has been before the Senate for a sufficient length of time so that every Member of the Senate knows exactly what is meant. All one has to do is to read the amendment and the report of the Committee on Appropriations. They tell the story. If the Senator from Illinois [Mr. LUCAS] is to raise a point of order, I shall pursue a course in keeping with whatever question he may raise.

Mr. LUCAS. Mr. President, last week the able Senator from Arkansas [Mr. McCLELLAN] made a point of order against this amendment, charging that it was legislation on an appropriation bill, and the Chair sustained the point of order at that time. It is now offered as a limitation. It seems to me that the argument which the Senator from Illinois made yesterday with respect to the

first part of rule XVI definitely applies to this amendment. It is legislation upon an appropriation bill. What is sought is positive action in a negative way. Under the rulings and precedents of the Senate, and under the ruling which the distinguished Vice President made yesterday, it seems to me very clear that it is legislation upon an appropriation bill in a negative fashion, and I therefore make the point of order against it.

The VICE PRESIDENT. Does any Senator wish to argue the point of order? If not, the Chair will rule.

Under the original act known as the Economic Cooperation Act of 1948, certain specifications are set out as to the requirements and obligations with respect to each participating country. While the countries are not named, in defining a participating country, section 103 of the act provides as follows:

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

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

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

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

It seems to the Chair that under the definition of a participating country—and under the original act these appropriations can be made only to participating countries—Spain does not come within the definition of a participating country and therefore would not be entitled to an appropriation, which would be in violation of the terms of the act under which these appropriations are made. Spain did not sign the agreement in Paris on September 22, 1947. She has not adhered to, and is not adhering to, the basic requirements under which an appropriation can be made for a participating country.

It is claimed that this amendment constitutes a limitation. The amendment certainly would destroy the discretion of the Administrator, under which he operates under the terms of the original act in the expenditure of this money. He would have no discretion in regard to this $50,000,000. He would either spend it for Spain or he would not spend it at all. Under the original act Spain is not entitled as a matter of right to be regarded as a participating country.

Under the almost uniform rules of the House and Senate and the precedents, in order to be a limitation on an appropriation bill an amendment must be in fact a limitation, and not an effort to accomplish an affirmative act by negative language. That is what the Chair feels this amendment would do. It would require the Administrator to expend this $50,000,000 for Spain if he spent it at all. Therefore it is an effort to compel him to spend the $50,000,000 for Spain, without Spain complying with the requirements of the act itself under which it could obtain assistance. It not only requires the Administrator to spend the $50,000,000 for Spain, if he spends it at all, thereby taking away his discretion in regard to the expenditure of that amount, but it is seeking by negative language to compel him to do what under the law he would not have any authority to do.

Therefore, the Chair feels that the point of order is well taken, and sustains the point of order.

Mr. McCARRAN. Mr. President, I respectfully appeal from the decision of the Chair.

The VICE PRESIDENT. The question is, Shall the decision of the Chair remain as the judgment of the Senate?

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

The VICE PRESIDENT. The Secretary will call the roll.

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

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

The VICE PRESIDENT. A quorum is present.

Mr. McCARRAN. Mr. President, in considering this matter we might take into consideration the spirit of the law under which this entire program has been and is set out and is operative.

As a prelude to my statement, I read a part of the language of Public Law 472 of the Eightieth Congress:

SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers.

The Appropriations Committee placed the following language in the bill, on page 4, in lines 15 and 16:

And (2) $50,000,000 shall not be available for any other purpose than assistance to Spain.

Then in the report of the committee, on page 7, reference is made to the identical and specific statute enacted by the Congress of the United States, under which this $50,000,000 should be allocated in the spirit of the statute, a part of which I have just read to the Senate.

The report of the committee states:

SPAIN

The committee has approved and is including in the bill language with respect to assistance to Spain to the effect that $50,000,000 shall not be available for any other purpose than assistance to Spain.

In approving this provision, the committee does so with the understanding that the assistance is to be extended upon credit terms as provided in section III (c) (2) of the Economic Cooperation Act of 1948, as amended.

In other words, the amendment is couched directly in the statute itself and is in consonance with the spirit and intendment of the law which I read to the Senate only a few moments ago. What is this law, and what is it set up for? Is it set up with the idea of isolating some one of the central nations of Europe essential to a complete and perfect economy that will enable Europe to return to a stable basis? Let us see whether it is. Let us dwell upon that for a moment. I read from section 102 of the Foreign Assistance Act of 1948, relative to the findings and declaration of policy, as follows:

Recognizing the intimate economic and other relationships between the United States and the nations of Europe—

It is not limited to any specific nations of Europe; no one of them is eliminated—

and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance.

Mr. President, when we are appropriating billions of dollars, why do we say we will not afford any relief or any assistance to one country that occupies, if you please, a strategic position, militarily and economically, in Europe, and which affects the welfare and the economy of this country as well?

What can be the spirit behind this program? Is it not the intendment of Congress that Europe shall become self-sustaining? Is it not the intendment of Congress as well that we shall look forward to the dangers of war? And if we look forward to the dangers of war, how can we in justice and in fair play isolate the peninsula of which Spain is the principal part, when she, clamoring at our doors, asks to be permitted to assist us, if you please, in bringing about stable economy and safety for Europe? How can we deny, with what cogency can we deny her participation, if by her participation she will lend us military strength and economic strength as well?

Mr. President, I appeal to this body today—not for Spain, for there is not a heart cord in my being which throbs for any other country than my own, the country for which I stand, in which I was born, and in which I hope to die; but I appeal to my country and to the Members of the Senate that we close every loophole where danger may lurk.

I am as certain as I am that I stand here, that war is only in the offing. Those of us who listen to the reports of the departments of the Government, that know what they are talking about, can have no doubt as to what we are doing or as to where we are going. Why is it our military heads are in Europe today? I wonder. Why are we confronted with a proposal to appropriate $1,400,000,000 with which to arm Europe? Is it merely to play with it? That cannot be true. It must be that those who have this country's welfare at heart know the condition, as I believe they do know it. That being true, is there a country in all Europe more essential to the defense of America than is the Iberian Peninsula?

We are lending aid and assistance to Portugal, which lies on the western side of the peninsula. We are lending aid and assistance to France, which lies across the border from Spain. But we allow the great country of the Iberian Peninsula, the country which controls Gibraltar, if you please, to stand without aid, without sympathy, without succor, without support, at the very time when that country and Great Britain have entered into bilateral agreements, at the very time when that country and France have entered into bilateral agreements, and when we, by the economic program under which we propose to appropriate some $4,000,000,000 or $5,000,000,000 this year, are pleading with the countries of Europe for multilateral agreements, so that the countries of western Europe herself may set up an economy within themselves by trading with the world at large rather than by following a policy of unilateral agreements. If Spain is able, ready, and willing to enter into business agreements with other countries, she is certainly able, ready, and willing to enter into agreements with this country.

What has Spain to offer us? Why this $50,000,000? Why earmark any money for Spain? It is done so that she may do two things: First of all, that she may trade with the United States for those things of which we shall have a surplus within the coming year. Today she is trading with other countries for the very things we have to sell. She affords potash, electric power, phosphates, and fisheries, in trade with other countries. Today she is ready to buy and has been buying from Great Britain cotton to the extent of about $400,000,000 during the past year. That trade did not come to the United States. It could have, it should have. There should be an opportunity for trade within those commodities of which we expect to have surpluses, indeed of which we now have surpluses. Why will we isolate a market for our surplus commodities? When we are giving this money to other nations abroad, why not give it to a nation that will trade with us? If by doing so, we win the good will of a nation that for a quarter of a century has fought the enemy we are now arming ourselves to fight, namely, communism, if by doing so we assist that nation to maintain her integrity and to carry on the fight against communism, why in God's name should we close the door to her at this hour of her existence and at this hour of our existence, when we so greatly need cooperation and assistance abroad?

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

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Connecticut?

Mr. McCARRAN. I yield.

Mr. McMAHON. The Senator said we were arming to fight an enemy, and then spoke of communism. I am sure the Senator does not mean we are arming in order to start a conflict. I am sure the Senator will agree with me we are arming for purposes of defense and for no other purpose.

Mr. McCARRAN. Of course, we are always arming for our own defense, and this represents one of the steps we may take now for our own defense, by strengthening a nation that will stand at our shoulder when we are set upon and it is essential that we defend ourselves. No, Mr. President, this country seeks war with no other country. The United States will avoid war with any and every country in the world, until her own integrity is challenged, and then undoubtedly we shall provide the wherewithal to defend ourselves.

One of the points we must protect has to do with those favorably disposed countries in the European arena, where war, if it comes, may be carried on.

Mr. President, I shall not take up the time of the Senate at greater length. I lay before the Senate what, to me, seems to be a matter affecting our national welfare. From a selfish standpoint, we can strengthen the markets which will take up our surplus commodities, markets of which other countries are now gaining control and using American dollars to carry on their commercial activities. We can, at the same time, make a friend of a nation which is naturally inclined to be friendly, wants to be friendly, wants to be on our side of a great battle which, to my mind, is in the offing.

Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On that question the yeas and nays are asked for.

The yeas and nays were ordered.

Mr. McCARRAN. Mr. President, the chairman of the Appropriations Committee is absent at the moment. I understand he desires to be here.

Mr. VANDENBERG. Mr. President, if the Senator from Nevada wishes to have time to send for the Senator from Tennessee, I should like to address myself very briefly to the subject, and perhaps that will provide the necessary interim.

The VICE PRESIDENT. The Senator from Michigan is recognized.

Mr. VANDENBERG. Mr. President, I respectfully submit that the able Senator from Nevada has been discussing a general question of public policy, and not the question as to whether the Chair has correctly ruled on the point of order. The able Senator from Nevada knows that I have very substantial sympathy with what he has said, in general, regarding the Spanish situation. It is very generally known that, as a member of the delegation to the General Assembly, I opposed the action of the General Assembly in proscribing Ambassadors to Madrid. It is very generally understood that I favor the recent movement to restore an ambassador to Madrid. I have no hesitancy in saying that I think there is no consistency whatever in maintaining ambassadors at Moscow and in the satellite countries and withholding an ambassador from Madrid.

The situations are of a character which leave me no alternative except to say that I think we should be represented in Madrid. But I respectfully submit, Mr. President, that we cannot settle the Spanish question on this appeal from the decision of the Chair. I respectfully suggest that this is not the time or the place to settle it. I earnestly submit that it is not the pending issue. The pending issue is solely the question of whether the Chair is correct in reading from the ECA Act that requirement of the act which underscores the basic character of the act, namely, that it is to be based upon self-help and mutual cooperation. The language of the act as read by the Chair is perfectly clear. The participating countries must earn their right to participate through self-help and mutual cooperation, and the language is spelled out with complete identification. I read.

> As used in this title, the term "participating country" means—
>
> (1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and
>
> (2) any other country——
>
> And so forth—
>
> wholly or partly in Europe, together with dependent areas under its administration; provided such country adhere to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

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

Mr. VANDENBERG. I yield.

Mr. MALONE. I should like to ask the Senator if he believes that the recent action of England in making a bilateral treaty with Russia to take a large amount of products and in return furnish machinery which we deny them, and the bilateral treaty with Argentina to furnish her petroleum products produced by American ECA funds which will deny American oil going into that area, are examples of self-help and mutual cooperation?

Mr. VANDENBERG. With the greatest respect to the Senator, I decline to discuss at the moment the question he raises. It is entitled to a full, free, and frank discussion on its merits. It has nothing to do with the ruling which the Chair has made. I submit the ruling the Chair has made is essential to the protection of the character of self-help and mutual aid as the basis of ECA; and any time ECA ceases to be fixed upon self-help and mutual aid—and I shall divert long enough to say to the able Senator from Nevada that I think it must be policed in its second year to a degree far more emphatic than in its first year—any time it loses that character, it has lost any justification whatever.

In the very humble opinion of the Senator from Michigan, the ruling of the Chair is clearly justified, inasmuch as the pending amendment will completely change the characteristics of ECA as spelled out in the legislation.

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

Mr. VANDENBERG. I yield.

Mr. TAFT. Mr. President, it seems to me, in the first place, on the question of limitation, if Congress passes an act which encompasses five or six different purposes, I cannot see anything wrong in the Appropriations Committee saying, "Well, there will be so much for this purpose and so much for that purpose, and no more." I do not quite agree with the language the Chair has used. It seems to me to be possible that Spain can be included under the term "any other country." The proviso applies to all the countries under the administration, and if one country withdraws it ceases to receive any more money. I do not quite see why Spain is not included. Money can be given to Spain so long as she adheres and remains an adherent to the joint program. I do not see why we cannot allot the money. It is up to the Administrator to decide whether Spain will get it. I do not intend to assert an opinion, but I am considerably concerned about the language which seems to say that when five or six purposes are set forth in the act we cannot say, "Here is so much for this purpose, and here is so much for that purpose." It seems to me to be within the power of the Appropriations Committee.

Mr. VANDENBERG. Mr. President, my comment in response to the Senator from Ohio is that the Chair's ruling is not based upon that section of the act which sets forth its purposes. It is based upo that section of the act which sets forth the specific mechanism which which must be followed and which must constantly exist and which by no stretch of the imagination can be asserted to be in existence at the present time. Therefore, with great respect, I am unable to agree with the viewpoint submitted by my good friend from Ohio. It seems to me that the Chair stands on invincible ground.

The VICE PRESIDENT. The Chair would like to make this observation in clarification, not in argument.

The preamble of the act is section 102 (a), which sets forth the various purposes of the act. The Senator from Nevada [Mr. McCARRAN] read from the preamble.

Subsection (b) provides:

> It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries—

And so forth. So that the two subsections tie into each other, and subsection (b) undertakes to define how the purposes set forth in subsection (a) are to be accomplished.

Mr. CHAVEZ. Mr. President, I should like to discuss for a moment the ruling of the Chair on the point of order. I do so with the greatest of deference and respect for the Chair and the ruling.

If we were dealing at the moment with the question of strict interpretation of rules, I would possibly feel compelled to agree with the ruling of the Chair. But as I look back and try to analyze the history of the ECA legislation, the purposes which Congress had in mind and the intentions of Congress at the time of its enactment, I can but feel that, notwithstanding the respect and almost reverence I have for the Chair, sound American policy should compel this body, in this instance, at least, looking at the matter in its broad, fundamental aspect, to overrule the Chair, and make its own ruling.

Mr. President, this question goes further than the idea of a loan of $50,000,000 to Spain; it goes to our sincerity of purpose, whether we mean what we say when it suits our convenience, and do not mean what we say when it might hurt the sensibilities of every Communist in the world.

Basically, fundamentally, intentionally, the ECA legislation was first proposed and advanced in order to rehabilitate Europe. But behind that there was a stronger motive, namely, the fight against communism. I am positive that the Chair did not decide this question with any such thought in mind, but nevertheless the decision of the Chair pleases every Communist throughout the world.

The decision in this instance is not pleasing to those who desire to be helped in Europe, it is not pleasing to those who would fight "Uncle Joe," but it is pleasing to "Uncle Joe." Bear that in mind.

It is not pleasing to the good Englishman who wants to live in austerity, and suffer blood and tears in order to try to bring back such conditions that he can live as the English have heretofore lived. The decision is pleasing to every Communist in England.

It is not pleasing to the Christian people of France who desire to work as they have worked through centuries in order to make France great, but it is pleasing to the Communist friends of Mr. Stalin in France.

It is not pleasing to those who won the election in Italy, even though our efforts, in order to fight "Uncle Joe," but it is pleasing to those who lost the election, the Communists of Italy.

Mr. President, that is basic. We are told that every move we make must be a checkmate against the advance of the Russian Communists in the affairs of the world. Let us be honest about these things. Whom are we pleasing now? We are pleasing the men who are being tried before Judge Medina in the city of New York more than we are even the two great persons who have an unfortunate difference of opinion.

The ruling in this instance is not pleasing to the good, sincere citizen, irrespective of politics, in any State of this Union, but it is pleasing to those who would undermine this Government. So it goes further than a straight interpretation of a Senate rule. It goes to the question, Are we to be made a laughing stock, and have people say, "Yes, you will talk anti-communism, but you will vote for those who would help the Communists."

This action is not pleasing to the liberty-loving folks in Indochina who would like to have our way of living, but it is pleasing to those who would oppress them, and we are appropriating money for those who would buy guns with which to kill liberty-loving people in Indochina.

It is not pleasing to the democracy of Java, the Javanese who have suffered for hundreds of years, but it is pleasing to those who would buy guns and, in American uniforms, kill them because they dare to fight for liberty.

Mr. President, let us keep the record straight; let us vote as if we were fighting for democracy, as if we were fighting for something of which we should be proud, for which we would be willing to fight, for a thing we love and revere, for liberty, for decency.

Mr. President, I have told the Senate before, and I shall tell it again, that if I were a subject of Spain possibly I would be in jail. I do not like many heads of governments throughout the world; but what are we going to do about it? I presume some people do not like our Government. As a matter of fact, I do not know why, but some 21,000,000 people voted for Mr. Dewey 2 years ago. If I were to be in Spain, possibly I would get in trouble. But we certainly do not want to fight the people of Spain because we do not like Mr. Franco. There are babies in Spain, there are innocent people in Spain. I care not about the Government of Spain, but I think in order to carry out our purposes, if we mean what we say, we should not be hypocritical. Let us not say we are good when we we want to be, when it suits our purpose, that we are charitable when it suits our purpose, that we are against communism when it suits our purpose, but we are for those who are inclined toward communism when it suits our purpose.

Mr. President, for this reason, and only for this reason, I shall vote to overrule the Chair, and with the greatest of respect for the Vice President, who made the ruling. At the same time I know

that the leader of the majority sticks by a technicality when down in his heart he knows it is against all the concepts for which America stands.

Mr. MALONE. Mr. President, I support the Senator from New Mexico [Mr. CHAVEZ] in what he has just said, that the rule regarding legislation by an appropriation committee is evidently invoked whenever the majority party sees fit to do so. There were at least a dozen instances in the independent offices appropriation bill where the language of new legislation was inserted in the bill. I will cite one specifically. On page 60 of the bill (H. R. 4177), under the subject Readjustment Benefits relating to veterans, certain words, in lines 10 and 11, were stricken, and the following words added by the Senate committee: "shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate, in the form of an affidavit supported by two corroborating affidavits, has been furnished by a physically qualified veteran stating that such education or training is desired by him for use in connection with his present or contemplated business or occupation."

Mr. President, I personally had no objection to the addition of the words in the bill by the Senate committee. I think it would involve a long, drawn-out process if we were not to allow the Committee on Appropriations to make such additions along that line as may be considered necessary. When the Senate committee makes such additions the Senate itself can either accept or reject them. But we know, and the evidence is before us, that the rule is manipulated and used exactly the way the majority party wants it to be used.

The Appropriations Committee has, in the bill now before the Senate, inserted the language that is necessary to assign a part of the appropriation to the nation of Spain. I shall certainly vote against the ruling of the Chair, because I see no other way a Senator could vote and be consistent on the Senate floor.

The Senator from Michigan [Mr. VANDENBERG] pointed out that the matter is a technical one, and apparently the emphasis is placed on the point that failure to sustain the ruling would change the entire Senate procedure. If that position is going to be taken, we had better reconsider the independent offices appropriation bill. We had better review it with respect to legislation contained in it because, by passing that bill we have already ruined whatever precedents have been established, or whatever rulings have heretofore been made, on the basis of which subsequent rulings may be made.

Mr. President, it seems to me the comparison which is sought to be made of a matter which we ourselves feel strongly about with a purely technical matter is a farfetched one. I give every Senator credit for voting his convictions, just as I intend to do on this particular subject; but when attention is called to technical rules, rules which have been violated on the Senate floor 10 or 15 times in the past few days, in the hope by that method to accomplish a certain purpose on the Senate floor, I think it is farfetched. In this particular case I certainly shall vote to overrule the decision of the Vice President.

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

Mr. MALONE. I yield.

Mr. WHERRY. I do not want to delay the Senate. Neither do I want to comment particularly upon the rule. I should like, however, to point out again with all the force that is within me what I pointed out when the independent offices appropriation bill was under consideration, that in that bill—I have checked the amendments since the bill was passed—14 times we wrote legislation in an appropriation bill, and not a voice was raised against that action.

The amendment in the independent offices appropriation bill, to which the Senator from Nevada has referred, which appears on page 60 of the bill, is only one of many such instances. Since the Senate permits the Appropriations Committee, after careful consideration, to report an appropriation bill which meets the provisions of the rules, if we as Senators on the floor should then elect to use the technical procedure of making points of order on some particular amendments we do not like in a bill, we are thoroughly inconsistent in the United States Senate and we are certainly hamstringing the Appropriations Committee.

I wish to point out again, now that the Senator has brought it up, that in the case of the independent offices bill 14 times legislative amendments were written into it, against which no point of order was made. But when the ECA bill comes before the Senate technical points of order are raised one after another. The Senate Appropriations Committee itself gave thorough consideration to the justification for these amendments, and by majority vote reported them for the consideration of the Senate, as it reported other amendments in other bills, and as it will report still other amendments in additional bills, such as the Interior Department bill. Many legislative provisions are written into such bills. That has been the precedent of the Senate. It is only when the majority leader wants to elect to raise the point of order that he does so.

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

Mr. MALONE. I yield.

Mr. McCLELLAN. I wish to point out further that it is not the Appropriations Committee which is being shackled. The Appropriations Committee can report amendments, and points of order may be made against them; but what we are actually doing under this rule is shackling the United States Senate. We are subordinating it in comparison with the House of Representatives. The House of Representatives writes legislative provisions into appropriation bills by majority vote. What we have always understood to be limitations are now being held to be legislation, when it suits the convenience of the sponsors of the bill. By this process, under the rulings which have been sustained—and if this ruling is sustained it will be a further precedent along that line—we are simply hamstringing the Senate.

I believe that this rule should be observed. I do not believe that the Appropriations Committee should write any legislation into an appropriation bill. Any Senator who desires to write legislation into an appropriation bill, or write a limitation, as we term it, into such a bill, should follow the usual procedure and do it by a two-thirds vote. That is the way for the rule to operate fairly. We have disregarded it in the past. We have gone along in the interest of expediting legislation and in the interest of protecting the taxpayers. The Appropriations Committee has undertaken, in its wisdom, to submit these amendments as recommendations to the Senate. The committee feels that it is in the interest of our country to have such provisions in the law. If the present rulings are adhered to in the future it simply means that the Senate is hamstringing itself, because such legislative provisions, or limitations, as some of us think they are, will have to be voted in by a two-thirds vote of the Senate. Therefore we place ourselves on an unequal basis in comparison with the other body which is charged in part with the responsibility of legislating for the Nation.

Mr. MALONE. Mr. President, I wish to say to the distinguished Senator from Arkansas that I bow to his seniority and experience on the floor of the Senate. Certainly for as long as the junior Senator from Nevada has been in the Senate, this method of amending appropriation bills has been the custom. I would go along with the Senator from Arkansas if all such proposals were treated alike. But we see violations of the rule every day. Then we listen to speeches by two or three distinguished Senators to the effect that we should not do it in this instance. Why? Because some Senators evidently are against this particular part of the written-in amendment or legislation, whatever it may be held to be.

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

Mr. MALONE. I yield.

Mr. CHAVEZ. When we are making world policy, and especially when we are engaged in a great effort to fight the Communists, is it not more important that we should follow the procedure suggested in this instance than in any of the 16 instances to which attention has been called in the independent offices appropriation bill?

Mr. MALONE. I will say in answer to the distinguished Senator from New Mexico that I recall that on this very floor, when some of us were discussing at length the original ECA authorization bill, we were reminded again and again that it was not mandatory for the Appropriations Committee to appropriate the money simply because we passed an authorization bill. It was emphasized, almost to the point where one might expect a bill to come out of the committee carrying one-third of the amount, at most, that it was a matter for the Appropriations Committee to decide, and that the authorization was not mandatory in

any way. We were told that the committee could make whatever appropriations it saw fit. I think all Senators will recall that argument. It was emphasized day after day to such an extent that some of us, if we had not had the benefit of a year's experience in the Senate, might have been lead to believe that perhaps there would be no appropriation at all.

I will say to the distinguished Senator from New Mexico that in view of the fact that the 16 ECA nations have violated almost every provision in the legislation, I would certainly hope that the Appropriations Committee would take some cognizance of those violations of the objective of the law. I stood on the floor of the Senate and described 88 trade treaties which the 16 Marshall-plan nations had made with Russia and other countries behind the iron curtain since World War II. They agreed to ship them almost everything necessary for war except the guns. They agreed to ship them all kinds of machinery, ball bearings, tempered steel, and almost everything one could think of. Senators need only to read the CONGRESSIONAL RECORD for that date. I enumerated for the RECORD 88 such treaties and named the nations that were parties to them. Four or five of the treaties were printed in detail in the RECORD. The information is all in the RECORD for anyone to see. Any Senator can communicate with the State Department and obtain access to the treaties.

Such actions are in direct violation of the spirit of ECA and the Marshall plan. It is said that what we are doing is trying to put those nations on their feet, and that we are trying to contain Russia. I heard those words on the floor of the Senate in 1948 until they rang in my ears. What we are doing is furnishing raw materials and money to the 16 Marshall-plan nations so that they can furnish everything to Russia and other countries behind the iron curtain they require for war. We are doing it under a manufacturing-in-transit arrangement.

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

Mr. MALONE. I yield.

Mr. CHAVEZ. Inasmuch as the Senator from Nevada uses the name Russia, as a sound American policy, irrespective of the technical merits of the ruling, does the ruling please those who would contain Russia, or those who would not? What would the ruling do? Who would be pleased the most? Would Russia be pleased, or would those who would fight Russia be pleased?

Mr. MALONE. I will say in answer to the distinguished Senator from New Mexico that so long as Spain is practically the only nation in the world which has been on our side heretofore, as against Russia, I should say that Russia should be the most pleased.

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

Mr. MALONE. I yield.

Mr. WHERRY. Before the Senator leaves the point with respect to the ECA countries not complying with some of the conditions in the act, I ask the distinguished Senator from Nevada if it is not true that the entire basic ECA Act is contingent upon the compliance by the ECA countries with certain requirements. Is not that true?

Mr. MALONE. I so understand.

Mr. WHERRY. One of the conditions which I remember was that they should eliminate economic barriers. Another was that out of the counterpart funds they should attempt to exchange currencies among one another so that they could do business among themselves and not have to come back to the United States for dollars. Is not that true?

Mr. MALONE. That is absolutely true.

Mr. WHERRY. In view of the ruling of the Chair, it is my opinion that if one were to examine the basic act he would find throughout the act that the entire appropriation is based upon the contingency that the ECA countries comply with certain requirements in the act. If that be true, then I think the argument of the senior Senator from Ohio [Mr. TAFT] today becomes very effective and potent. If we appropriate $3,600,000,000 upon the contingencies in the act itself, on condition that those countries do certain things, when we write into the act a provision that $50,000,000 shall be reserved for Spain, provided it does exactly what the Administrator can require of all the other countries, then I say that we are not doing any more for Spain than we are doing for any of the other countries. Does the Senator agree with me as to that?

Mr. MALONE. I certainly do agree.

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

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Nevada yield to the Senator from New Mexico?

Mr. MALONE. I am glad to yield.

Mr. CHAVEZ. To go further with the suggestion of the Senator from Nebraska, let me say that if certain countries are supposed to do certain things before they become the beneficiaries of this act and if the Appropriations Committee finds they are not doing those things—for instance, as in Morocco, where the French subjects of Morocco are doing things that are contrary to the ECA understandings—if the Appropriations Committee, knowing of that situation, brings to this body an amendment to correct that situation, and the President of the Senate then sustains a point of order against the amendment, it seems to me that is not in furtherance of a correct policy under the ECA legislation.

Mr. MALONE. I thoroughly agree with the Senator from New Mexico.

Mr. President, in further answer to the Senator from Nebraska, I wish to say that the economic barriers between the 16 Marshall-plan countries have not been remedied or eliminated. No attempt has been made to eliminate them. More than that, those barriers are greater today than they were at the time when the ECA Act was passed. Moreover, there has been no further talk about a federation of the countries of Europe, which we thought the money we were appropriating for ECA would be used to promote. Instead of that, we find that today the world is divided into spheres of influence, as between the United States and Russia, and we find a distinctly separate system set up by the British under the sterling bloc, in opposition to our dollar system. Even Russia is in the sterling bloc. Today we are virtually surrounded by the sterling bloc, and it is becoming tighter and tighter; and it is becoming more difficult for us to engage in trade with the other countries. In addition, there is the guilder bloc, which includes the Dutch East Indies; and there is the franc bloc, maintained by France in French Morocco, French West Africa, New Caledonia, and the various other French possessions in the Far East and in other portions of the world where France controls.

So, Mr. President, in our economic sphere we are getting terrific opposition. Recently we have witnessed the bilateral trade agreement between Britain and Argentina, which makes it virtually impossible for the people of the United States to trade in Argentina. Under that agreement, the fuel Argentina needs is being furnished by Britain, one of the leading ECA countries, which produces the fuel in the Middle East with money we have gift-loaned her. In exchange for that fuel, Britain takes foodstuffs from Argentina, and the result is to take Argentina almost entirely out of the dollar trading area.

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

Mr. MALONE. I yield.

Mr. BRIDGES. In connection with Spain, let me say that I hold in my hand a statement quoting Mr. Acheson, the Secretary of State. In the statement he elaborates on the reasons why we cannot have an Ambassador in Spain and why our relationships with Spain should not be more cordial or cooperative than they are. One of the things he says is this:

> It is * * * a question of religious liberty, which is fundamental to the free exercise of human personality. That right does not exist in Spain.

Mr. President, I also hold in my hand at this time a summary of tables. It is entitled "Tables, Special Summary of Foreign Grants and Credits of the United States Government, by Country, by Type of Transaction, in the Postwar Period July 1, 1945, Through December 31, 1948." It is prepared by the Clearing Office for Foreign Transactions, Office of Business Economics, Department of Commerce. It is fairly authentic, I should say.

It is very interesting to me to note the contrast between the statement that we should not have anything to do with a country that does not exercise or recognize religious liberty and then to read, as shown in the document I now hold in my hand, that we have granted to Albania a total of approximately $20,000,000; to Czechoslovakia, approximately $213,000,000; to Hungary, a total of $18,000,000; to Poland, $442,000,000; to the Union of Soviet Socialist Republics, $458,000,000; to Yugoslavia, $300,000,000—all in the period from July 1, 1945, to December 31, 1948.

I am particularly interested, I may say to the Senator from Nevada, in observing our open-hearted, very generous cooperation with those countries in that period of 2½ years, and then observing that it is said that we cannot even have speaking relations with Spain because Spain denies religious liberty. However, if I have been correctly reading the newspapers in the past several years, the countries I have just listed have not been particularly noted for religious freedom. In fact, scarcely a day passes but that I read in the newspapers that religious liberty or religious freedom is denied or violated in some of those countries.

So, Mr. President, I think we should be somewhat consistent, which is one thing this administration has not been in its foreign policy. If we are not going to have anything to do with Spain, certainly we should not base that policy on such a fallacious argument, and yet on the other hand in the previous 2½ years engage in that amount of cooperation with the countries I have just mentioned, in which there certainly is about the least amount of religious liberty that can be found anywhere in the world.

Mr. MALONE. Mr. President, I certainly agree with the points the distinguished Senator from New Hampshire has made.

Mr. WHERRY. Mr. President, will the Senator yield to me again, before he leaves this point?

Mr. MALONE. I yield.

Mr. WHERRY. The evidence brought before the committee was that the original conception of ECA was that it was intended to stop the expansion of communism in Europe. Is not that the Senator's understanding of the purpose of the basic ECA Act?

Mr. MALONE. In 1948 the Halls of Congress rang with that statement of basic policy.

Mr. WHERRY. Does the Senator from Nevada know of any country in Europe that has done a better job of stopping communism than Spain has?

Mr. MALONE. I know of none.

Mr. WHERRY. If the original ECA Act contained a statement of that basic purpose, and if Spain now is meeting the conditions which any of the participating countries have to meet in order to obtain ECA funds, why should not Spain now receive the $50,000,000?

Mr. MALONE. Again I say we should at least be consistent. All of us know from the military authorities that Spain will become most important to us as a location for air fields, if we really get into trouble with Russia or any other great nation in that area of the world.

Mr. President, we know that the economic barriers between the nations of Europe have been kept up to such an extent that it is impossible for them to trade with each other. That situation is beginning to resemble the one which would exist if there were complete economic barriers between the Senator's State of Nebraska and the State of Nevada, if we in Nevada would not allow Nebraska corn to be shipped into Nevada without the payment of certain sums of money, on the basis of so much a bushel; and if, in turn, Nebraska would not permit Nevada mineral products to be admitted to Nebraska without the payment of certain sums of money, in the nature of duty fees. In such event there would be chaos. Such a system was tried early in the life of the Thirteen Colonies, but it was soon found to create an impossible situation, so we organized the United States.

Mr. President, today we find that the ECA funds are being used by the participating countries to build up sterling blocs, guilder blocs, trade quotas, financial agreements, and similar arrangements. In that respect, conditions in Europe are growing worse, instead of better. I predict that if this condition continues, by next spring there will be a great blow-up in Europe. We find that today the European countries are manipulating their currencies for trade advantage. For instance, we expect the devaluation of the British pound almost as soon as we extend the 1934 Trade Agreements Act—if in fact we do extend it, the $4.03 pound.

We have made many trade treaties. Britain, when she gets around to it, will lower the value of the pound by 20 or 25 percent. Every trade treaty they have made then is violated and nullified. In other words, they can come right under any trade treaty arrangement, just as cows come through a gate. In other words, there will be nothing at all to keep them out, and they will come in with their products and swamp the workingmen of America, as they are now doing in certain instances, which I intend to discuss on the floor of the Senate when the 1934 Trade Agreements Act comes up for extension. That act has expired, and legislation to extend it must come before the Senate.

Mr. President, if we do not recognize Spain—if we do not help them in any way, and we refuse to yield on the stand we have taken, what will happen? England and France have trade treaties with Spain and with other nations in Europe, and the longer we put off a resumption of proper relations the less chance we have of getting any trade whatever with Spain, or with any other nation, as a matter of fact, that comes under the sterling bloc—and we are financing the sterling bloc, Mr. President.

One thing I have not mentioned at this time, which I previously mentioned in connection with the debate on the North Atlantic Pact, namely, that these two nations, France and England, already have nonaggression pacts with Russia, in which they say in words of one syllable that they will not join, they will not undertake to join, any other alliance which would interfere economically or otherwise with their full cooperation with the participating nation. And what is that participating nation, Mr. President? In each case it is Russia. Yet we are saying we are trying to combat Russia and will not send anything to Russia that would be in the nature of help in a military way.

Britain even went so far as to make an actual cash loan to Russia. And where do you suppose, Mr. President, the money came from? I suppose it is not hard to trace. They will say it was not our money, and of course that probably could be true. But, as I said before, it is like a man who has $100 who goes to the bank and borrows $500 and then buys a $100 suit of clothes. He probably does not use the money he borrowed from the bank in order to get the clothes, but if he had not obtained the bank loan it would be a little difficult for him to buy the suit of clothes. That is the way this thing is working out all over the world, Mr. President.

I should like now to call attention to two things: First, are we to be technical; I would be the first to vote for a technical ruling, if the technical ruling were consistent, which it has not been and is not at this time, and I have, I think, with my other colleagues shown it is not. The next thing is, most of the ECA nations have violated in almost every way the rules and regulations laid down in the original Marshall plan and the ERP and the ECA Act. Since they have, since this question has to be decided, and since we do need Spain and need to deal with the Spanish Government in the selection of air bases, certainly every Senator should have the opportunity of voting the way he really and sincerely believes on this question as to whether aid should be furnished to Spain. Every Senator has the same right the junior Senator from Nevada has to make up his own mind, but certainly a technical ruling, which is something that has been abused so many times as almost to have become a custom, should not prevent him from having that opportunity.

Mr. BREWSTER. Mr. President, I want to express my own appreciation of the action of the Appropriations Committee in presenting this question for our consideration, as in my judgment there are very few questions that are more vitally concerned with the future safety and security of the country than the very earliest possible cultivation of far better relations than have thus far prevailed with the country of Spain. I shall not review the arguments which, I have no doubt, have been presented here as to why this proposal seems very vital to the entire objective which we have in mind.

Now, to argue the issue, which is the immediate parliamentary question that is presented, I shall only say there seems to be on each side, as I feel, very definite authority, for which I have the highest respect, so that, as one not so experienced in the rules as some of my colleagues, I may safely accept one or the other opinion with certainly full justice to the integrity of the rules with which we naturally are all concerned.

I supported the McClellan amendment upon that ground yesterday, and I expect to support this appeal from the Chair today upon the same ground, that the importance of this subject is so great, and my desire to see the Senate have an opportunity to express itself upon this question so overwhelming, that whatever doubts there may be regarding the matter I am willing to resolve in favor of giving the Senate an opportunity now to vote upon the question of recognizing Spain as one of the community of nations with whose future cooperation our welfare may be most vitally concerned.

Without going into the economic questions which have been presented, I discussed this matter at some length with both Mr. Hoffman and his assistant, Mr. Foster, so that I am at least somewhat familiar with the arguments which they have presented as to why they did not desire this amendment to be considered or approved. They were not, however, arguments which seemed to me to be at all persuasive in the light of the other considerations which are so potent. The suggestion Mr. Hoffman made that it would require 8 months to consider this program seemed to me to be fantastic in the light of conditions which I myself observed in Spain last fall when I was privileged to visit that country. I was happy to do so on the return from the meeting of the Interparliamentary Union in Rome, as it seemed to me that not only the geographic and historic position of Spain but the immediate problem with which we are faced argued most persuasively and insistently that there should be a readjustment of our relations. My convictions in this regard were reinforced by the attitude of every Member of the Senate who discussed the matter when we were considering the question of whether there should be recognition.

That question was discussed on the floor of the Senate a month or two ago, and so far as I recall, not one voice was raised to question the wisdom and desirability of normalizing our relations with Spain. That certainly was reassuring to those of us who had for a long time felt that something of this sort should have been done. While I was in Spain, I discussed the matter with our own representatives there and found the overwhelming opinion of those concerned with our diplomatic relations that our policy had been a profound mistake; that, however well-intentioned it may have been, it had not worked out as had been anticipated or desired, and that it was then anticipated—and I speak now as of last September—that relations would shortly be normalized.

There was a curious thing. We were told all through the fall and all through the winter that, while we would not propose the restoration of normal relations in the United Nations, we would support it if it were proposed, and we were told upon this floor and in this country, up to within 1 week of the time the final vote came, that that was the position of the State Department and of the Government. I will not say that was done deliberately to throw dust in our eyes and to dissipate otherwise the profound considerations that might have been urged, the profound disturbance that was felt upon both sides of this Chamber over the situation, but I will say it was curiously coincidental. So we went along through the fall and winter under the assurance that all was going to be well and that the United Nations in due course of events would consider the matter, and that the United States, through its authorized representatives would support the restoration of normal relations.

Suddenly, 3 days before the matter was to come to an issue, we found the position of this country had been changed, and there were various stories told as to why. We were told in the press by presumably authoritative commentators, who have apparently a much better conduit of information in the State Department than do most of the Members of this body, that while the State Department favored the restoration, while the State Department had sent instructions to our representatives at Lake Success that they were to vote for the normalization of relations, the five representatives we had at Lake Success, by a majority of 3 to 2, had voted we should not do so, and the State Department felt obliged to defer to their position. The result was that by a scant margin of a vote or two they refused to support that resolution. The opposition of 15 nations out of 50, I think it was, was sufficient to block that action, and the United States contributed to that end by its own action in abstaining.

What was the result? The fantastic disregard of both economic and military considerations, which are obvious to the most uninformed, continues to be the policy of this country.

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

Mr. BREWSTER. I yield.

Mr. CHAVEZ. Does not the Senator from Maine agree with me that outside the considerations which the Senator has mentioned, there should also be mentioned another consideration, a political consideration as against communism? Should not that be also considered?

Mr. BREWSTER. If that were not implicit in my remarks on the economic and military situation, I assume that the entire military picture of the world, if we are to believe all we have been told in the past few years, is concerned with communism and whether it proposes militantly to attack democratic nations. The $15,000,000,000 we are voting for our own defense, the $5,000,000,000 we voted last year for Europe, the $4,000,000,000 this year, was all voted with one design—to contain communism. If there is danger that communism is going to burst its bounds and strike by military action, then I do not believe any competent military critic will question the advisability of having the cooperation of Spain. I do not include myself in the category of a military expert, but I have never heard any competent military person who has not said that Spain might well be the most vital spot, so far as Europe is concerned.

Mr. CHAVEZ. From a military standpoint, I believe the observations of the Senator from Maine are correct, but considering it purely from a political standpoint, irrespective of merit and irrespective of the sound technical considerations of the ruling of the Chair, does the ruling of the Chair please those who would agree with us politically, or does it please those with the communistic state of mind?

Mr. BREWSTER. I recall our dear old friend whom we used to call Cotton Ed Smith, who said, "If you have got to make a mistake, make it on my side." I think if there is any doubt as to the decision of the Chair, we had better resolve it in favor of those who started the war on communism, who have kept it up, and whose fidelity to their opposition to communism I do not think anyone has ever challenged. So we might as well resolve our doubts in favor of those on whom we can depend, rather than on the subtle and insidious voices who tell us we should not do this because there is opposition in some sections of Europe.

Mr. CHAVEZ. With the Senator's permission, if that be correct, as a matter of sound policy of the United States Senate, should we adhere to that finespun policy by fighting communism, or should we adhere strictly to a technicality of a rule of the United States Senate? Which is best for the United States Government?

Mr. BREWSTER. I shall continue to insist that since there are distinguished advocates, very competent advocates, on each side of the interpretation of the rule, I freely give my support to those who seem to me to be supporting the most vital interests of this Nation, and this seems to be the only way at this time that the Senate can register what I had formerly thought was in some respects its almost unanimous opinion that we should normalize our relations with Spain, that we should no longer treat Spain as an outlaw among nations, when it is the only nation in the world which is carrying on, and has carried on longer and better than any other, the war against communism, unless we except China, which seems to be in the "doghouse" of our State Department.

Mr. CHAVEZ. Mr. President, will the good Senator from Maine yield to me once more? I beg his indulgence.

Mr. BREWSTER. I shall be happy to yield.

Mr. CHAVEZ. I should like to make plain the record in the United States Senate as to where we stand, whether we mean the things we talk about and brag about, or whether we do not. I am convinced in my own mind that the United States Government and the people of the United States are the most charitable in the world. But suppose that in carrying out the purposes of ECA, which are to bring about economic improvement and recovery to Europe, it develops that we may not like the head of a particular government, should we, being charitable, in carrying out the noble purposes of ECA, consider the people of the country involved? Should the hungry people of Spain, the babies who are starving, be considered as to whether they should be eligible for our charitable benefits?

Mr. BREWSTER. In my judgment, the support of this amendment could be entirely justified upon the ground of the historic interest of America in the welfare of those suffering people and in the difficulties with which they are faced, but it seems to me we can make what is an even more powerful argument to the American people in their own vital interest.

On this score I should like to speak a moment on the aspects of the situation, which are partly economic and partly military and which are the aspects I presented in my discussions with Mr. Hoffman and Mr. Foster. I think I can say

that they were in concurrence with the ideas which I expressed, although they still insisted that this was not the time to have them considered. They asked what they could do with the $50,000,000. I told them that, in my judgment, it was self-evident to anyone who had traveled through Spain that rehabilitation of its aviation facilities, so far as landing facilities and all-weather operations were concerned, was of vital concern both to our commercial air operations in time of peace and to our military operations when, as, and if there should ever be necessity—and God forbid that it should ever occur.

But what did I find there? It was pointed out to me in Madrid that the British were proceeding to unload upon the Spanish their outmoded aviation equipment, both upon the fields and in the air, meanwhile insisting to us that we must have no relations with Spain. Last year England and France did $500,000,000 worth of business with Spain, while we were not supposed to do any business. This year England has signed a $300,000,000 trade agreement with Spain, while we are forbidden to do any business whatever with Spain.

I was interested to read Mr. Churchill's statement a few days ago, in which he said that 900,000,000 pounds, which I believe is somewhat in excess of $3,000,000,000, had already been used as advances in credits to other areas. How much was involved in the Spanish affair I do not know, but I assume that credit was one of those involved. Meanwhile we are told that Spain is not a good debtor and we should not have anything to do with her. Spain was very anxious, as represented to our Civil Aviation Authority and to our diplomatic representatives, to acquire American aviation equipment for air fields and for planes.

I am happy to see the chairman of the Armed Services Committee present. I know he shares a knowledge as the result of his extended experience in war and in this Chamber as to the complete interrelation of operations by air in war or peace. In other words the entire defense program of the United States in the air is now keyed to an integrated commercial operation in peace and military operation in war. Every airport in the United States, every one in our possessions, every one in which we have an interest or influence, is now being carried in a great program, through which our aviators in time of peace can operate safely and securely by night and day, in storm and fair weather, and in time of war those facilities would instantly be available for the military operations which are keyed to them.

Mr. President, the same operation should be carried out in Spain at this time, with proper cooperation, in which they are most earnestly interested, because more and more the entire air picture of the globe is being keyed to American matériel and equipment. Yet, disregarding every consideration, England has been using Spain as a dumping ground for her outmoded equipment, while we are being denied the opportunity to facilitate the acquisition by Spain of the things which are most desirable to them in peace, which are most desirable to us in peace, as we see Spain astride the route which our commercial air liners follow into the Orient and into the Mediterranean.

In time of war, if the opinions of our military critics are to be considered, the Pyrenees might be the only line of defense which we could hold on the European Continent, so it is presumed that American facilities and equipment now desired by the Spaniards might be most vital and effective in preserving the lives of thousands of American boys, and if trouble came, making it possible to bring it to an end.

Mr. President, these are some of the reasons why I feel that relations with Spain should be normalized without delay, and why I earnestly hope that the amendment proposed by the Committee on Appropriations may be recognized as appropriate for consideration, and that it may be adopted by the Senate and Congress, and approved, as I feel confident that it could be carried out with the utmost regard for the interest and the economy of Europe, and for the very vital interest of the United States of America, for whose future peace and security we here are primarily responsible.

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

Mr. McCLELLAN. Mr. President, will the Senator withhold his request for a moment?

Mr. CHAVEZ. I withhold the request at the suggestion of the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, first I wish to ask unanimous consent that the Committee on Expenditures in the Executive Departments may hold an executive session this afternoon while the Senate is in session.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, I had intended to propound to the Presiding Officer two or three parliamentary inquiries, and since I may not be on the floor at a more favorable time to propound them, in view of having to attend this committee meeting, I should like to ask the Presiding Officer a parliamentary question, whether, if there is still legislation in the pending bill, a point of order against the bill would lie at this time, or immediately after the appeal is disposed of, on the ground that the bill does contain legislation, similar to the point of order I made to the bill a few days ago.

The VICE PRESIDENT. The Chair, as he has heretofore indicated, hestitates to pass on a point of order until it is raised. The Committee on Appropriations struck out all the legislative provisions in the House text, by reason of which it withdrew the peg upon which a hat could be hung, to use a common, ordinary expression, justifying legislation in the Senate committee bill. In other words, the committee having stricken out all the legislative provisions of the House text, it would be in no position to offer legislation based upon the fact that the House text contained legislation.

Yesterday one or two legislative provisions which were stricken out by the committee were restored, and are now in the bill. The Chair has not examined those provisions with sufficient care to enable him to indicate whether they are of such a legislative character as would justify a point of order against the whole bill. For that reason the Chair hestitates to indicate what his ruling would be, in advance, if a point of order were made, because he would have to examine the character of the legislative provisions.

Mr. McCLELLAN. Mr. President, in view of the Chair's ruling, and in view of the action of the Senate in sustaining the Chair in his ruling that the amendment which I offered yesterday was legislation and not a limitation, and in view of the ruling of the Chair this morning on the pending amendment, and the appeal which is now pending, and in view of the two other legislative provisions in the bill, which I assume definitely are legislation, certainly, if the other two were legislation, and in view of the fact that there is still legislation in the bill in the nature of Senate committee amendments, if any part of the House legislative provisions have been restored, as they have been, as I understand, then it would be in order to make a point of order against the bill. If the Chair found that legislation had been restored in the House text, and that the Senate committee had undertaken to amend it further by legislative provisions, then a point of order would lie against the bill.

The VICE PRESIDENT. A point of order cannot be made against the bill as reported to the Senate on the ground that there are legislative provisions in the bill. There is nothing the Senate can do about that except offer to strike them out, as the committee did when it reported the bill back, or to offer amendments which are relevant to the legislative provisions of the House text. The Chair has no way of knowing in advance what amendment may be offered from the floor, either on the part of the committee, or by an individual Senator. But of course the rule which the Chair undertook to interpret of a few days ago—from which ruling the Senator from Arkansas took an appeal—covered four or five legislative provisions in the bill, not as it came from the House, but as the Senate committee reported it, which made the whole bill subject to the point of order which the Senator from Arkansas made, and therefore the bill automatically went back to the committee on that point of order.

If the same situation should exist, either because of amendments brought in by the Committee on Appropriations as a part of the bill, or because of committee amendments amending the provisions of the House text so as to create new legislation on the part of the committee, the Chair thinks that the rule would still be applicable.

The Chair does not wish to forego the exercise of his discretion in the future by passing on these matters before they come up.

Mr. McCLELLAN. Mr. President, I had intended to raise this question at a more propitious time in the progress of the bill, but since I shall have to be in a

committee meeting this afternoon, I desired to clarify the situation at this time if possible.

My point of order sent the bill back to the committee a few days ago, after the Senate had sustained the ruling of the Chair that the amendment I was sponsoring was legislation on an appropriation bill. Then I made a point of order against the whole bill, not out of any spirit of resentment at the action which had been taken, but for two reasons, primarily, first, in the hope that the provisions might be so written by the Committee on Appropriations, on further consideration of the bill, that they would meet the test under the rule, and in that way, and by that process, we would be able to get a direct vote, and a determination and a decision of the Senate by majority vote.

Although the committee has failed so far to meet the objections of the rule as interpreted by the Chair and a majority of the Senate, so that we can get votes on the amendments, and have them decided by majority votes, I think returning the bill to the committee and the work the committee had done on it, have pointed up the fact that any bill which comes out of the Senate Committee on Appropriations now with legislation written into it by the committee, or containing what we have in the past generally regarded, and what many of us still regard, as limitations, will be subject to a point of order against the bill itself. If such points of order are made as the bills come before the Senate it will simply mean that the bills must be recommitted to be stripped of all such provisions and come back without them.

Assuming the Chair were to rule with me if I made the point of order on the bill again at this time, I could not accomplish anything other than to have the bill recommitted and in committee have the very provisions stricken out which are being stricken out by the points of order made on the floor. Since the sponsors of the bill oppose any amendments to it, Mr. President, they will achieve their purpose by the process of eliminating each amendment that is at all legislative in character, or carries limitations, as many of us thought, and therefore the amendments will all stand on an equal basis in the further proceedings of the Senate—that is, they will have to be presented and a two-thirds vote for suspension of the rules will have to be employed before any legislative amendment can be considered.

Now, if there were any prospect of any real good being accomplished by sending the bill back to committee, I would make the point of order, Mr. President, but we are going to achieve the same results on the floor by the points of order which will be raised, as I anticipate, if the Chair's ruling is sustained by a majority of the Senate. Therefore, we will have a bill without any amendments in it that can at all be questioned as legislation, except as we adopt the House legislative provisions. We would thereby deny to the Senate the right to legislate by a majority vote on the same bill on which the House has legislated by a majority vote. We will be placed in that situation.

I could make a point of order against one of the earlier amendments in order that all other amendments which follow might be given the same consideration, and that certain amendments will not be subject to the individual whim, possibly, of one Member of the Senate. But I could not accomplish any more by making a point of order again and recommitting the bill than is being accomplished by the present procedure, which would strip the bill of legislative amendments. I could accomplish no more than is being done now under the process now being followed. But, Mr. President, if the rules are to remain as they are now, I feel it would be incumbent upon the Appropriations Committee of the Senate to insert no amendment that contains the least intimation of legislation, and if any such amendment were to appear in a bill, I feel that a point of order should be made against it and let the bill go back to committee, and that every amendment that contains legislation should be subject to the two-thirds vote to suspend the rule.

If we operate in that manner for a while, maybe there will develop some wisdom with reference to the rule, and a proper change will be made in the rule so that this body can function comparably with the other legislative body.

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

Mr. McCLELLAN. I yield.

Mr. CHAVEZ. I think the statement of the Senator from Arkansas is correct as it relates to writing legislation in an appropriation bill. But if we would stick to our job and cut down the appropriations, possibly we could make some Senators, at least, understand what we are endeavoring to accomplish.

Mr. McCLELLAN. I want to say one more word about this particular bill. In view of the action that has been taken on the bill, it having been stripped, and we having made it impossible to place adequate provisions in it which I think necessary to protect the American people, I say frankly that I cannot and will not support the bill in its present form. I have been perfectly willing to go along and try to give aid and assistance to other peoples, and I am even willing to subordinate my own individual judgment in many instances to the policies of the Government in trying to serve the interests of the world. That is what we hope we are doing in this program. But I will say frankly that I am no longer willing simply to write blank checks and turn them over to the ECA. After we have written conditions into the law which require compliance, at least they should go half way and meet the program. So long as those conditions are not being enforced and we cannot place in the bill protective provisions by legislative process, then I shall not be a party to squandering this money and throwing it away without in some manner looking after the interest and protecting the taxpayers of this Nation against pouring money out without any control over it, without any expression from the Congress as to how it shall be spent, but delegating that to one Administrator, to use his discretion, without any opportunity on our part to place controls over it.

I have intended to go along with the appropriation bill for whatever amount was finally decided. I favor being as economical as possible, and cutting the amount down to as low a figure as we can, and still carry on the program. I still feel that way about it. But even with the amount reduced as we were able to reduce it in the Appropriations Committee and as it has been accepted here, I cannot vote to spend that huge sum of money in the manner it will be spent under this bill in the form the bill is now before the Senate and in the form it will be when the other amendments, which are objectionable from the standpoint of the rule, as the precedent has been established. I cannot vote for the bill with those provisions out of it. If proper safeguards were provided, I would feel differently about it.

Mr. President, I wanted to make that statement. I want to clarify my position. But I would still make a point of order against the bill if there were any hope of having written into it amendments which would protect the American people as I believe they should be protected in the bill. If it were necessary to do it in order to make the amendments which are being proposed stand on an equal basis, I would make such a point of order. Since they are all being objected to, I assume a point of order will be sustained as to the others, certainly since it has been sustained to the other two. It has never been my purpose, Mr. President, to delay action or to obstruct except for a valid purpose as I see it. We are behind schedule. I think nothing could be gained, and for that reason I shall not make the point of order against the bill. But I believe that in the future we are going to be haunted with this situation with appropriation bills coming here and there are going to be some points of order made against them and they will be sent back to the committee.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

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

The VICE PRESIDENT. A quorum is present.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. McKELLAR. Mr. President, at this point I should like to present an article from the Washington Times-Herald of this morning and ask for its insertion in the RECORD. The headline of the article is: "Farm funds rider barred from aid bill."

I wish to read one paragraph from the article:

Hoffman, who spent the afternoon at the Capitol trying to persuade Senators to oppose the plan—

Meaning the McClellan amendment—

had charged it would put the recovery program in a strait-jacket.

Mr. President, I ask that the entire article be printed in the RECORD at this point as a part of my remarks.

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

FARM FUNDS RIDER BARRED FROM AID BILL—SENATORS SUPPORT BARKLEY RULING, 52-32

Vice President BARKLEY yesterday ruled out of order an amendment freezing $1,350,000,000 in Marshall-plan funds for purchases of American surplus farm products.

His ruling, a smashing victory for administration forces, was promptly upheld by the Senate, 52-32, on a test vote forced by Chairman McKELLAR, of Tennessee, whose Appropriations Committee tacked the rider onto the bill.

The rider would have compelled foreign-aid chief Hoffman to use $1,350,000,000 of his Marshall European recovery plan funds to buy United States farm goods, or turn the funds back to the Treasury.

HOFFMAN ACTIVE IN FIGHT

Hoffman, who spent the afternoon at the Capitol trying to persuade Senators to oppose the plan, had charged it would put the recovery program in a strait-jacket.

BARKLEY held that the Appropriations Committee had violated the Senate rules by trying to make a fundamental change in the Marshall plan via the money-bill rider.

A dispute over the same subject last week touched off a confused parliamentary row which resulted in sending the entire bill back to McKELLAR's committee for redrafting.

But the committee returned it to the floor with the rider, sponsored by Senator McCLELLAN, Democrat, of Arkansas, still in it.

CHALLENGED BY LUCAS

BARKLEY acted on a challenge by Senate Democratic leader LUCAS, of Illinois, who contended that "the integrity of the Senate's rules" was at stake and charged the Appropriations Committee with exceeding its authority.

In the face of BARKLEY's ruling, the Senate cannot even consider the farm rider unless a two-thirds majority votes to suspend the rules. That appeared a highly unlikely possibility.

A similar fight is expected, perhaps today, when the Senate takes up another committee rider which would set aside $50,000,000 for aid to Spain, a nation not included in the Marshall plan.

Mr. McKELLAR. Mr. President, I wish to read into the RECORD section 1913 of the United States Code, dealing with congressional service. I ask Senators to listen to this:

SEC. 1913. Lobbying with appropriated moneys: No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

This statute applies to every officer of the Government. Unless he is requested by a Member of Congress to talk about legislation, or concerning appropriations, he is forbidden to do so.

I continue to read, and I emphasize this paragraph:

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than 1 year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment (18 U. S. C. 1913, p. 2319, United States Code Congressional Service).

I ask Senators to look at the voluminous record. They will find that Mr. Hoffman was asked by the committee to appear before it, and he appeared and testified in extenso as to all the facts.

Mr. President, I wonder which Senator, if any, has requested Mr. Hoffman to come here today, or requested him to come here yesterday. I am informed that there is talk of lobbying with Senators. Will any Senator who requested Mr. Hoffman to come here and talk to us rise now? I see no Senator rise, yet I am informed on the highest authority—I have not seen Mr. Hoffman here myself—that he was here all day yesterday and that he is here now.

Mr. President, that is all I have to say.

Mr. DONNELL. Mr. President, I wish to address myself very briefly to the appeal which now is pending before the Senate.

It was my misfortune to be out of the Chamber when the Vice President rendered his decision earlier today. I understand that he sustained the point of order directed against the provisions of the amendment in lines 15 and 16 on page 4 of the bill, that—

Fifty million dollars shall not be available for any other purpose than assistance to Spain.

I think the appeal should not be decided at all on the basis of whether we favor assistance to Spain. As I see it, the latter question is one purely upon the merits, which will come up later if this particular amendment is allowed to be voted on by the Senate.

As I see it, the sole question is whether under rule XVI the point of order is well taken.

Mr. President, it seems to me the point of order is not well taken. I believe there are two grounds on which the point of order could have been submitted, and doubtless was submitted. The first is that the Appropriations Committee shall not submit to an appropriation bill amendments containing new or general legislation. I do not think the provision that "$50,000,000 shall not be available for any other purpose than assistance to Spain" is new legislation. I submit that it is clearly not new legislation. The reason this provision with respect to $50,000,000 is not new legislation is because of the fact that a grant of funds to Spain is already permissible under existing law. I refer particularly to the contents of section 102 (b) and section 103 (a) of Public Law 472, the Foreign Assistance Act of 1948.

Section 102 (b) provides, among other things, that—

It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section—

That is to say, section 102 (a)—

by furnishing material and financial assistance to the participating countries—

And so forth. Section 103 (a) provides, among other things, that—

As used in this title, the term "participating country" means—

One of two things, Mr. President—

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

I pause at this point to state that I assume, of course, that it is a matter of common knowledge, of which all of us can take legislative notice, that Spain did not sign the report of the Committee of European Economic Cooperation at Paris on September 22, 1947, and consequently Spain would not come under the designation of "participating country" within the class just described.

But section 103 (a) does not stop after listing that first category of countries which are included within the term "participating country." On the contrary, it provides that—

(2) Any other country—

And I call attention to the fact that there is no restriction there in any way whatsoever—

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

Before reading the next clause, Mr. President, I pause to say that, clearly, Spain is included within the description "any other country * * * wholly * * * in Europe," and therefore clearly comes within the term "participating country."

Section 103 (a) proceeds, however, as follows:

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

Mr. President, whether Spain will adhere to, will be permitted to adhere to, and, if it does adhere to, will remain an adherent to, such a joint program is not, as I see it, material to this point. The

fact is that under the terms of section 103 (a), Spain is within the term "participating country," provided she adheres to and remains an adherent to the joint program.

So, Mr. President, Spain comes under the term "participating country"; and the amendment restricting the use of the $50,000,000 by the language that—

Fifty million dollars shall not be available for any other purpose than assistance to Spain.

Does not bring about new legislation by which Spain is granted privileges not already in existence.

In the first place, Mr. President, this appropriation bill does not in any sense seek to repeal any part of section 103 (a). So if Spain adheres to this program and remains an adherent to it, Spain is entitled to receive funds as a participating country.

Therefore, Mr. President, when the amendment is adopted, if it is, thus providing that "$50,000,000 shall not be available for any other purpose than assistance to Spain," of course it is true that before Spain can actually receive any proceeds under that provision or under the bill, she must first have been permitted to adhere to the joint program for European recovery; and if she does not adhere to it and does not remain an adherent to it, of course, Spain cannot receive any of these funds, for such time as she is not an adherent to that joint program.

The point I make is that there is nothing in this appropriation bill, so far as I observe, that in any sense adds to the present law. This amendment does not provide that in all events Spain shall be entitled to receive assistance. The amendment simply prohibits the use of any of the $50,000,000 for purposes other than assistance to Spain, and if Spain shall be permitted to become an adherent of the joint program, she then becomes eligible. But there is nothing in the appropriation bill which ever remotely undertakes to make Spain eligible for relief. So, Mr. President, I submit, first, that the portion of rule XVI which provides, "The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation," is not violated by the terms of the proposed amendment to the appropriation bill now pending.

But, Mr. President, rule XVI goes further. It not only prohibits the reporting of an appropriation bill containing amendments proposing new or general legislation, but it also prohibits the reporting by the Committee on Appropriations of an appropriation bill containing amendments proposing "any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of the contingency."

Let us examine the amendment reported by the committee, to the House bill 4830, so as to determine whether the amendment is a restriction which is to take effect or cease to be effective upon the happening of a contingency. I take it clearly, it is a restriction. Of course, it is a restriction. It acts as a restriction with respect to the $50,000,000. If we shall adopt the amendment, the $50,000,000 will be effectively tied up and will not be available for use for any purpose other than that of assistance to Spain.

I digress incidentally to say, of course, that is not at all saying the $50,000,000 can or will be used for assistance to Spain for, as I indicated a few moments ago, in order that Spain may become eligible she must comply with the terms of the Economic Cooperation Act of 1948. But I say the provision with respect to the $50,000,000 is of course a restriction. Yet it is not every restriction which is prohibited by the terms of rule XVI. It is only such a restriction as is "to take effect or cease to be effective upon the happening of a contingency." I submit that the amendment, reading as it does, very simply and very briefly, that the $50,000,000 shall not be available for any other purpose than assistance to Spain, is not one which is to take effect or to be effective upon the happening of a contingency. I submit that the amendment which I have read takes effect forthwith, instanter, upon the enactment of the bill, and it is not subject either to taking effect or ceasing to be effective upon the happening of a contingency. No contingency enters into the question as to whether the amendment takes effect. As a matter of fact, it is of course true that whether Spain ultimately shall receive any money under the appropriation does depend upon a contingency, namely, the one to which I referred a few moments ago, the adherence to and the remaining adherent to a joint program for European recovery. But Mr. President, that is in the fundamental act, the Economic Cooperation Act of 1948, and the restriction against the use of the $50,000,000 for any other purpose goes into effect forthwith and is not contingent upon anything.

Mr. President, whether Spain ever gets any of the $50,000,000 or not, the $50,000,000 which is held up and tied up effectually by the amendment cannot be used at any time for any other purpose than that of assistance to Spain. Therefore the effectiveness of the amendment is not contingent upon the happening of any event, or upon the happening of any contingency. The amendment simply ties up $50,000,000 and puts it on a shelf. It cannot be used after it is put on the shelf except for one particular purpose. The moment the bill goes into effect, the $50,000,000 goes on the shelf instanter. There is no contingency as to which the amendment is in the slightest restricted.

Therefore, Mr. President, I respectfully submit first, the appeal should not be decided upon the basis of whether we favor assistance to Spain. Incidentally I may say I do not think it should be decided upon the basis of what any other country in the world thinks of our action. I believe the rules of the United States Senate are of such dignity and importance that the Senate should enforce them, it should follow them, and whatever any other country may think about it, to my mind, is absolutely immaterial. If there is a rule of the Senate which is unwise, we should repeal it; but so long as it is a rule of the Senate, it should be followed, provided anyone shall make a point of order under the rule.

So, Mr. President, I say, the appeal should not be decided upon the basis either of whether we favor assistance to Spain or on the basis of what some other country may think about us by reason of our action this afternoon.

The second point I have made, or attempted to make, is that the sole question on the appeal is whether, under rule XVI, the point of order is well taken. I have submitted first that it is not well taken, because the amendment does not propose new legislation; and in the second place, that the amendment does not violate either the provision against new legislation or the provision against restrictions to take effect or cease to be effective upon the happening of a contingency, because the amendment goes into effect instantly upon the passage of the bill and is not subject to any restriction whatever.

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

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Oregon?

Mr. DONNELL. I am glad to yield.

Mr. CORDON I want to say to the Senator I congratulate him upon his presentation, and to say to him I am in full agreement with his reasoning and with his conclusion.

Mr. DONNELL. I thank the Senator.

Mr. LUCAS. Mr. President, I am sorry the distinguished Senator from Missouri was not in the Chamber when I made the point of order this morning, otherwise I am sure he could have saved himself and the Senate some time. I made no contention in respect to the second part of rule XVI dealing with a restriction involving a contingency. The Senator has made much ado about that point. I agree with him, there is no contingency involved here at all. I made the point of order with respect to the first phase of rule XVI, which says that the Appropriations Committee shall not report an appropriation bill containing amendments proposing new or general legislation.

I am merely going to say a word or two in reply to the distinguished Senator from Missouri. It seems to me that the Senator relies upon a rather tenuous proposition in his argument in favor of overruling the Chair—that is the phrase "any other country." Whether that is or is not the law, Spain could at the proper time come within the act, provided certain things happen.

I call attention to the fact that the amendment drastically changes the declared policy of Congress in enacting the Economic Cooperation Act. Section 102 (a) sets forth the following declaration:

It is declared to be the policy of the people of the United States to encourage these countries through their joint organization—

I repeat, "through their joint organization." The countries that are in the program at the present time have assembled and organized jointly and have presented their program to the United States

of America. Spain is not in that group. I quote further from section 102 (a)—

through a joint organization to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity.

In other words, Mr. President, if and when the countries of Europe who initiated this program decide that Spain should come into the program, Spain will be eligible to participate, and not before. The amendment before us is an effort to drive Spain into an organization to which she has made no application for membership at any time. Spain has not requested a single dime of this $50,000,000. It is my understanding she is now negotiating, or endeavoring to negotiate, a loan through the International Bank.

Mr. CHAVEZ. Mr. President——

Mr. LUCAS. Let me finish my argument, and then I shall be glad to yield.

A declaration of policy is also set out providing for the granting of aid to those countries which participate in a joint recovery program based upon self-help and mutual cooperation.

Mr. President, the remedy for Spain is the same as that for Korea. It is a separate proposition. The nations of Europe which have already joined together for mutual aid and self-help should have something to say as to whether or not Spain should come into the program. Let it be understood that I am not speaking against Spain as a nation; I am attempting to argue a point of order which is involved here.

If I may digress for a moment, I was in Spain last year, and I have a great deal of sympathy for the Spanish position. I am certain that we could well have closer relations with that country, but that is not the issue. I am not debating it upon its merits, I am debating a point of order vital to the integrity of the rules of the Senate of the United States.

The amendment, Mr. President, is legislation in an appropriation bill, because if we did what is intended to be done by this amendment, we would absolutely change the declaration of policy which I have been reading to the Senate. In that declaration of policy Congress has endorsed a joint organization of European countries. We have appropriated money and are appropriating it for the second time, in order to help those countries which are members of that joint organization. This amendment ignores the machinery of that organization for accepting new members. The policy provides, also, that aid may be given only to those countries which participate in a joint recovery program based upon mutual cooperation. This amendment repudiates mutual cooperation. This $50,000,000 should not go to Spain until Spain, through a joint program with all of the nations, is mutually cooperating toward the recovery of Europe. The amendment, which forces Spain into the European recovery program, is in direct conflict with the declared policy of the basic law, the European Economic Cooperation Act. I want to emphasize that the declared policy of Congress makes aid dependent upon mutual cooperation. The amendment repudiates mutual cooperation by singling out a nation without consideration or regard to whether it mutually cooperates in the over-all objective of European recovery.

Can there be any question about that, Mr. President? Can there be any doubt in anyone's mind that the amendment is legislation which effectively changes the declared policy of Congress, as was so well pointed out by the distinguished Vice President this morning in sustaining the point of order?

Mr. President, this is a serious question from the standpoint of the rules of the Senate of the United States. Those who talk about the majority leader making a point of order with respect to whether an amendment is legislation in an appropriation bill have themselves done the same thing. The minority leader made that point this morning. If he were majority leader, and if it were necessary to make a point of order with respect to the two-thirds rule, I imagine he would not hesitate to make it. I am not invoking any new rule of the United States Senate. This is a rule which has been in effect for a long time, long before any Senator who is here today came to the Senate of the United States. It is a good rule, a proper rule, Mr. President; but so long as we treat that rule with disrespect and permit legislation in an appropriation bill simply because we may be in favor of the merits of the proposition, we are doing an injustice to the integrity and the dignity of the Senate of the United States.

I appeal to Senators, not from the standpoint of the merits of this amendment, but from the standpoint of upholding and maintaining the dignity and the integrity of the rules of the Senate. In my humble judgment, the ruling of the Chair is correct. I regret that all Senators did not hear the ruling which was made.

I now yield to my friend from New Mexico.

Mr. CHAVEZ. I shall wait until the Senator finishes his remarks.

Mr. LUCAS. I yield the floor.

Mr. CHAVEZ. Mr. President——

The VICE PRESIDENT. The Senator has spoken twice on this subject. The Chair will not invoke the rule, however.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senator from New Mexico may speak again on the question.

Mr. CHAVEZ. I thank the Senator.

The VICE PRESIDENT. The Senator from New Mexico is recognized.

Mr. CHAVEZ. Mr. President, with all due respect to the Senator from Illinois, the majority leader, and his purpose, that of protecting the rules of the Senate, I hope that his solicitude will continue as to other bills and not only those which he thinks are subject to a point of order. With all due deference to the majority leader, he is no more privileged to emphasize his respect for the Chair and the ruling than Senators who might think the Chair may have made a mistake in this particular instance.

I said before, and I repeat, that no one doubted the integrity of the Chair in his ruling. I thought the Chair was technically correct. But I say that in interpreting the rules of the Senate, when it comes to a question of national policy, a matter which involves the welfare and future of our country, the Senate has a right, no matter how meritorious the ruling may have been technically, to refuse to sustain the ruling.

I differ with the majority leader, the able Senator from Illinois, regarding this proposition. I know that, technically, the law says "jointly," but we cannot get Communists in a country jointly concerned ever to agree with us. It will take direct action by the United States in this instance. The Communists will not permit us to invite Spain to participate, therefore, in carrying out our over-all policy, the Committee on Appropriations and the Senate of the United States may well take action in order to carry out that policy. I cannot see anything wrong in such action.

My present position has not been taken because the Chair ruled in this manner. I respect the Chair. No one has a kinder feeling for the Chair than I. There has not been a presiding officer in this body in its entire history who, in my opinion, gives more sincere rulings than does the present occupant of the Chair. But because I feel this way does not mean that the welfare of the country should be overlooked, even though the Chair rules correctly so far as the technicalities are concerned.

To my mind, the welfare of the country is more important than any ruling. I believe in law, order, and country. I love the United States. I love to feel that what we are doing is sincerely done, that we mean what we say. I want to convince myself of that to the utmost.

When we speak of helping people to be rehabilitated, it is right and just. Is there anything in the basic law that says that Spain should not participate? There is not a thing. Spain should participate in the benefits of the ECA law which the Congress of the United States passed. But it cannot participate, because subversive elements within the countries in Europe which are the beneficiaries of our largess do not want Spain to participate.

Have we a duty to ourselves, in carrying out the basic law, to say something about that? The Committee on Appropriations is headed by the noblest Roman of them all, the Senator from Tennessee [Mr. McKELLAR], who has devoted the best years of his life to his country. Is he trying to put something over on the Senate? Is the Senator from Oklahoma [Mr. THOMAS], who is doing me the honor to listen to what I have to say, trying to put something over on the Senate? Is the Senator from Nevada [Mr. McCARRAN] trying to put something over on the Senate? Is the Committee on Appropriations as a whole trying to put something over? Is the Senate as a whole trying to put something over? Should we do what some administrative assistant in some department wants to have done? Are we supposed to cross a "t" or put in a comma? We are not supposed to change a thing; we are not supposed to reduce an appropriation 1 cent. All we are supposed to do is to give them the

money through the Committee on Appropriations. After that we are nuisances, and nothing else.

I still think that as members of the committee, and as Members of the United States Senate, we have a duty to our constituents and our Nation to argue for those things which we think carry out the law and the general policy adopted by the Congress.

Why not include Spain in this instance? Who does not want Spain included? Do the churches of England not want it? Do the working people of England not want it? Do the liberal people of England not want it? Do the liberal people of any country not want it? Do the liberal people of the United States not want it? The only ones who will be pleased if Spain is left out are the Communists. Would the Senator from Illinois by his point of order please Communists in Chicago rather than please the average fair-minded person in the United States? I repeat, the men who are being tried under Judge Medina—and I hope they get a fair trial—will be pleased, more so than other people. A ruling sustaining the point of order will not please the fine Christian people of France, Italy, England, or any other country, but every Communist will be pleased. Those who persecuted Cardinal Mindszenty in Hungary will be pleased. "Uncle Joe" will be pleased. The Communists in Czechoslovakia will be pleased. I hope consciences within the United States are clear. The ruling of the Chair should be overruled by vote of the Senate.

Mr. McCARRAN. Mr. President, just a final word on the amendment. This amendment is not legislation on an appropriation bill. The amendment is squarely within the language and provisions of the law. The amendment reads "$50,000,000 shall not be available for any other purpose than assistance to Spain."

This is the statement appearing in the report:

> In approving this provision, the committee does so with the understanding that the assistance is to be extended upon credit terms as provided in section III (c) (2) of the Economic Cooperation Act of 1948, as amended.

It comes squarely within the provisions of the law. What are the provisions of section III (c) (2)? I read from page 11 of the act:

> (2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 * * * as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems.

Mr. President, this is not a gift to Spain, this does not come within the category of her participating in a group. It is a loan made to Spain, and in my judgment it will be one of the few loans that will be paid back. It is made under specific provision of the law. There is no contingency whatsoever. The law has long since been written; it is on the statute books, and it makes provision for this very situation.

Shall we turn Spain down? The learned Senator from Illinois says that Spain is not asking to come into the family of European nations. The Senator has not been properly advised. Spain is today a suppliant, if you please, with her petition pending before the Council in Paris asking that she be taken into the family of nations set up under the ECA. Her application is pending there, and if this appropriation is made, she will have taken at least one broad stride toward coming into the family of nations of Europe.

Mr. President, with all due respect for the Presiding Officer, I hope that the fine respect which this body holds for its Presiding Officer will not cause it to swerve from the right. I hope that we will not be timid about overruling a decision of the Chair. I hope that that which is used as a subterfuge to defeat something which some do not want put into the law will not be used to sabotage the finest principles of law as they have been written.

The VICE PRESIDENT. The Chair would like to make the observation that he does not wish to argue the point of order or his own ruling, but the Chair was guilty of no subterfuge in making this ruling. He made the ruling because he thought it was in compliance with the rules of the Senate, and if this amendment is held in order, an amendment to set aside $100,000,000 for Bulgaria, or $150,000,000 for Russia, or for any other country not in the ECA program, would likewise be in order.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. McCARRAN. Mr. President, I understand the yeas and nays have been ordered.

The VICE PRESIDENT. The yeas and nays have been ordered, and the Secretary will call the roll.

The roll was called.

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

I announce further that the Senator from Florida [Mr. PEPPER] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate, and if present would vote "yea" on this question.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is detained on official business. If present and voting, the Senator from New Jersey would vote "yea."

The result was announced—yeas 55, nays 36, as follows:

YEAS—55

Aiken	Green	Long
Anderson	Hayden	Lucas
Baldwin	Hickenlooper	McFarland
Byrd	Hill	McGrath
Chapman	Hoey	McMahon
Connally	Holland	Magnuson
Douglas	Humphrey	Martin
Downey	Hunt	Morse
Dulles	Ives	Myers
Ellender	Johnson, Tex.	Neely
Flanders	Johnston, S. C.	O'Conor
Frear	Kefauver	Reed
Fulbright	Kerr	Robertson
George	Kilgore	Saltonstall
Gillette	Knowland	Smith, Maine
Graham	Lodge	Sparkman
Taylor	Tobey	Williams
Thomas, Utah	Tydings	
Thye	Vandenberg	

NAYS—36

Brewster	Gurney	Millikin
Bricker	Hendrickson	Mundt
Bridges	Jenner	O'Mahoney
Butler	Johnson, Colo.	Russell
Cain	Kem	Schoeppel
Capehart	Langer	Stennis
Chavez	McCarran	Taft
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Watkins
Eastland	McKellar	Wherry
Ecton	Malone	Wiley
Ferguson	Miller	Young

NOT VOTING—5

Maybank	Pepper	Withers
Murray	Smith, N. J.	

So the decision of the Chair stood as the judgment of the Senate.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, on page 4, line 23, after the numerals "1950", to strike out the following additional proviso: *"Provided further*, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President after recommendation by the Administrator deems such action necessary to carry out the purposes of said act during the period ending May 15, 1950."

Mr. HAYDEN. Mr. President, good faith requires the adoption of this amendment, which changes the period of time from 10½ months to a year. It will be noted that in lines 1 and 2 on page 4 of the bill the amount of money has been increased from $3,568,470,000 to $3,628,380,000. The increase is justified because the expenditure is to be spread over a 12-month period. Therefore the committee amendment should be adopted.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, beginning in line 23.

The amendment was agreed to.

The next amendment was, on page 5, after the amendment above stated, to insert a colon and the following additional proviso: *"Provided further*, That no part of the funds herein appropriated with respect to which local currencies are deposited as provided in section 115 (b) (6) of the Economic Cooperation Act of 1943, as amended, shall, after deposit in local currency accounts as a result of assistance furnished, be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States, or (2) causes or permits any area dependent upon it (as designated in the bilateral agreements) to fail to comply with any such treaty."

Mr. LUCAS. Mr. President, if any Senator desires to make a general statement on the amendment before I make the point of order, I shall reserve it. I shall make the point of order and state the same reasons which I stated yesterday with reference to both provisions of rule XVI. The amendment is legislation on an appropriation bill, and also involves a contingency where a restriction is involved.

Mr. RUSSELL. Mr. President, in this atmosphere I am somewhat reluctant

to undertake to discuss this point of order, because the Senate has made it clear by previous votes that it is determined that nothing shall go into this bill which might be contrary to any view expressed by another committee of the Senate.

I think perhaps when all this has blown over, the votes, particularly that of yesterday, will be helpful to the Senate in the future. So far as I am advised, the ruling of the Chair yesterday with respect to the amended rule XVI, which denies any limitation which is subject to a contingency, is the first ruling on that subject that has ever been made by a presiding officer of the Senate. Any difference of opinion we might have held on the subject of contingencies have now been settled by the Senate, which in the last analysis makes its own rules. In the future the Appropriations Committee—at least I, as a member of that committee—will undertake to be more strictly guided by the restrictive rule which was approved by the Senate yesterday.

Mr. President, I shall not consume the time of the Senate in discussing that ruling, or the effect of it, because I shall not argue against this point of order on that ground. I submit to the Chair that wholly on the constitutional issues involved the point of order has no merit.

In the bitterness of debate, when our feelings toward the subject matter of amendments as often persuade our position on parliamentary issues as any other factor, we sometimes lose sight of the Constitution of the United States. There are other areas and other activities of Government where, I regret to say, the Constitution does not have the sanctity it had in years gone by.

Mr. President, I place my defense of the legality and propriety of this amendment squarely on the ground that the Constitution of the United States is the supreme law of the land. It is superior to any rule of the Senate. It is supreme even to any view which might be held by the administrator of any agency which has been created by the Congress.

Article VI of the Constitution contains these words:

> 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; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

This amendment undertakes to assert a very simple proposition. It is that when a treaty, which is the supreme law of the land is violated, the Congress has the right to place a limitation on the appropriation of funds, in order to deny such funds to a violator of that treaty.

There can be no issue raised as to the jurisdiction of the Committee on Foreign Relations. The jurisdiction of the Committee on Foreign Relations in dealing with the ratification of a treaty is clear and inescapable. This amendment does not invade that jurisdiction but merely places a limitation on funds which might go to the violator of a treaty already ratified.

If the Chair sustains the point of order, he will, in effect, rule that no limitation can be written into an appropriation bill withholding funds which are likely to be expended in violation of the Constitution. The Constitution attaches to a treaty the same sanctity it accords the written words of that document. The Constitution and treaties entered into under it constitute the supreme law of the land. No mere rule of contingency, indeed, no technicality whatever can properly be used to deny the right of the Senate to adopt a pure limitation designed to prevent funds appropriated from the Federal Treasury from benefiting one who violates the supreme law of our country. This language does not involve any question of contingency. It is an expression from the Congress of the United States that it proposes to use its powers over these funds to enforce a solemn treaty with another state, a treaty which has been approved by the Foreign Relations Committee, a treaty which has been confirmed by the United States Senate, and which has been in existence for many years.

I submit that any technicality in our rules as to contingencies does not apply in this case. No question of legislation is involved, because the amendment is a limitation upon a fund which is appropriated. The amendment merely provides that those who have entered into treaties which we have accepted in good faith must likewise conform in good faith or they shall not receive any of the funds appropriated in this bill.

Mr. President, I do not wish to belabor this point, because I think I know something of the feeling of Members of the Senate. We have already become somewhat tired, and a few of us have been irritated by the parliamentary discussions. However, I submit to the Chair the argument in behalf of the propriety of this amendment the fact that it is a pure limitation. It is the only means available to the Congress to prevent unilateral violations of a treaty by another power from injuring American citizens.

The Constitution is not so popular in some quarters as that document has been in days gone by. There are many who believe that it should not be the supreme law of the land. Indeed, forces are working today to take away some of the virtues which our forebears attached to this document.

Surely a limitation which would prevent benefits from flowing from our Treasury to a violator of a solemn treaty made with the Government of the United States by any other power is not subject to a point of order. It is a limitation pure and simple. I submit it to the Chair on the grounds that the Constitution is the supreme law of the land, and that in the case of a treaty with a foreign power of equal dignity, a pure limitation upon an appropriation does not fall within any rule which has been invoked here or within any ruling which has been sustained by the Senate within the past 2 days.

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

Mr. RUSSELL. I yield.

Mr. LONG. Was the treaty in effect at the time when the rule was drawn up, or was the rule drawn up before the treaty went into effect?

Mr. RUSSELL. I had not intended, for the purposes of this discussion, to go into any details of the treaty. But I have understood that a treaty of the same force and effect has been in existence for more than 100 years.

Mr. LONG. Then it would not be proposed, by putting the rule into effect, to violate the supreme law of the land, would it?

Mr. RUSSELL. I had not understood that any Senator would argue that a Senate rule could violate the Constitution of the United States. Certainly the Senate by adopting a simple rule could not repeal an article of the Constitution.

The VICE PRESIDENT. Will the Senator from Georgia permit the Chair to ask him a question?

Mr. RUSSELL. Mr. President, I shall be happy to undertake to answer. I am flattered that the Chair would address a question to me.

The VICE PRESIDENT. The Senator from Georgia knows with what high regard the Chair values the opinions of the Senator from Georgia.

Mr. RUSSELL. I thank the Chair for that compliment, but I am simply a humble student of the rules of the Senate. I shall study carefully the rulings of the past few days, because it would seem that the Senator from Georgia is the poorest sort of judge of the meaning of the rules of the Senate, in view of the fact that some of the recent rulings have been entirely contrary to the Senator's understanding of the rules. Nevertheless, I thank the Chair for the compliment.

The VICE PRESIDENT. Congress frequently has passed laws which have been held unconstitutional by the Court.

The inquiry of the Chair is this: When a bill, joint resolution, or measure in any other form is pending before the Senate, will a point of order lie against it on the ground that it is in violation of the Constitution? Does a point of order properly lie against a bill, resolution, or any other proposal which may come before the Senate, on the ground that it is unconstitutional or in violation of the Constitution?

Mr. RUSSELL. Mr. President, I have not understood that such a point of order has been ruled upon by the Chair. Of course, I have heard prolonged arguments on the floor of the Senate on the ground that some measure was unconstitutional but I do not think the Chair could properly pass on such a point if it were raised.

The VICE PRESIDENT. The Senator's reply confirms the Chair's impression, namely, that although a bill or other legislative proposal may be unconstitutional, the Senate may still pass or adopt it, and a point of order does not lie against it on the ground that it is unconstitutional.

Mr. RUSSELL. Mr. President, I did not submit any such point of order as that.

The VICE PRESIDENT. No; the Senator from Georgia did not submit such a point of order. He was arguing against the point of order made by the Senator from Illinois.

Mr. RUSSELL. That is correct. I was arguing—and let us consider the matter without regard to any particular state of facts—in regard to the proposition of whether a treaty violator can be denied the right to receive the benefits of these funds by a limitation in an appropriation bill. In my judgment, the question as to whether a treaty has been violated would be left to the judgment or analysis of the man to whom we have delegated all these other vast powers, namely, the Administrator of the European Cooperation Administration Act. We would leave it to him to see that none of these funds went to any nation which was a treaty violator. I do not think the Chair can pass on the question as to whether there has been a violation. That is a matter for the executive branch of the Government to determine.

I had not intended to go into the question of the recent rulings. But I did not think the Chair had a right to take judicial cognizance as to whether Spain was in the United Nations. I did not think the amendment related to that in any way.

The VICE PRESIDENT. The Chair did not take cognizance as to whether Spain was in the United Nations. The Chair took legislative cognizance of the fact that Spain was not a participant or signatory to the agreement signed at Paris on September 22, 1947.

Mr. RUSSELL. Yes; that is what I understood.

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

Mr. RUSSELL. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I should like to have the Senator's view on this suggestion: Does the Senator from Georgia believe that a provision in an appropriation bill—in particular, the ECA appropriation bill—to the effect that any participating country which refuses to devote the money allowed to it to the purposes for which the Administrator directs the money be used shall thereafter be denied such money, would be a proper provision?

Mr. RUSSELL. I certainly think it would be in order as a limitation and also because it would be authorized by law.

Mr. HICKENLOOPER. What would be the Senator's opinion as to whether such a provision would be a proper one for the Appropriations Committee to place in this measure?

Mr. RUSSELL. Mr. President, the powers of the Appropriations Committee have been sharply delimited by what has taken place recently. That may be for the good of the administration of the Senate; it may assist us in the future operations of the Senate as a body. I am quite sure that, all other things considered, after some of the events of the past several days, the Appropriations Committee will be exceedingly careful about anything it places in an appropriation bill hereafter.

But my view is that the power of limitation has not been completely destroyed. It has been broadly used in times past. Now it has been narrowed.

Mr. HICKENLOOPER. My purpose in asking the question of the Senator is to inquire whether there might be an analogy. It would seem to me that it might be proper for the Appropriations Committee to say in this measure that any participating nation which refused to use the aid in the manner and in the field directed by the Administrator, should be denied future aid. That would seem to me to be a perfectly proper provision.

Then to go a step farther, I wonder whether the Senator from Georgia believes there is a similarity between such a provision and a provision to the effect that any participating country which violates its treaty with the United States shall be denied further aid.

I should like to hear the Senator's views on that comparison.

Mr. RUSSELL. At the outset of my remarks I stated—and I do not wish to discuss this matter at length—that in my opinion this is a definite limitation which does not fall within the inhibitions of rule XVI, even with the construction placed upon it by the vote taken yesterday. I think it is just as much in order as would be a limitation that the funds contained in an appropriation made hereafter could not be expended for any unconstitutional purpose which the Congress might designate, just as in this case this amendment provides that the funds cannot be expended for the benefit of any nation which violates a solemn treaty with the United States of America.

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

Mr. RUSSELL. I yield.

Mr. LONG. Does not rule XVI provide that—

> Nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency.

That being the case, is not this a restriction which is authorized by law, for could not the Administrator at any time take cognizance that such nation was violating a treaty with the United States?

Mr. RUSSELL. The Senator from Louisiana has clarified what I undertook to express when I said this amendment was authorized by the supreme law of the land and was intended to implement and enforce the supreme law of the land, as set forth in the Constitution of the United States.

Mr. President, I have yielded the floor.

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

Mr. RUSSELL. I do not know, Mr. President; I may wish to have something to say on this subject a little later, and I do not want this to be counted as a second speech.

The VICE PRESIDENT. It will not be; the Senator is extending his first speech.

Mr. RUSSELL. Very well.

Mr. SALTONSTALL. Is it the understanding of the Senator from Georgia that these words are really unnecessary; in other words, that the Appropriations Committee put in the language, but that it is not really necessary because such payments cannot be made to any country which is violating a treaty with us?

Mr. RUSSELL. Oh, no; I did not make that statement at all. As a matter of fact, I think the payments have been made. But for the purposes of this argument, I did not want to go into the merits or demerits of the treaty.

I did not say it could not be done, because undoubtedly the Administrator has construed the law as permitting him to pay funds to a nation which has violated a treaty with the United States. But under the supreme law of the land, the Constitution of the United States, the Congress can still say, by way of this limitation, to the Administrator, "If you find a nation to be in violation of a treaty with the United States, you shall discontinue aid to that nation."

I did not say it would be illegal to pay it to a nation which was a treaty violator, but that the Congress had a right to put a limitation on the fund which would call it to the attention of the Administrator and cause him to discontinue payments to a nation that was in violation of a treaty.

Mr. VANDENBERG. Mr. President, I desire to make only a brief observation. It seems to me this particular amendment most perfectly demonstrates the reason for the existence of the rule against legislation on an appropriation bill, for this reason: All the issues involved in the amendment were debated at great length when the ECA authorization bill was pending. Everything in the amendment was offered in the first instance frankly and flatly in the form of legislation. Not only that, but in the course of 2 days of debate the Senate itself twice voted by a yea-and-nay vote on the precise subject matter of the amendment. In one instance the result was 22 yeas, 59 nays; in the other instance, 35 yeas, 45 nays.

Without reopening the question of the merits of the issue, which was closed in the appropriate legislative forum when the issue was raised in proper legislative form, I respectfully submit that if ever any words were identified as legislation, these words are identified as legislation by the history of the words in this session of Congress.

The VICE PRESIDENT. Will the Senator permit the Chair to ask him a question?

Mr. VANDENBERG. I yield.

The VICE PRESIDENT. In the basic act upon which all the ECA appropriations are founded, there is a section—the Chair has not been able in his haste to refer to it—providing for the withdrawal of assistance to any participating nation which fails to carry out its agreements with respect to the conditions under which the aid is proffered. That is not the exact language, but the Chair thinks he has stated the substance of the provision. Is the Chair correct about that?

Mr. VANDENBERG. Speaking generally, I think so.

The VICE PRESIDENT. The amendment, however, apparently does not apply to any failure on the part of a participating country to carry out its agreements under the act for self-help and for cooperation within the limits of the nations participating and with the United States. But it seems to go further than that and to provide that if any such country is violating any treaty, whenever made, however long it may have existed, and although it may have no relationship to the ECA Act, under those conditions, the fund deposited as a result of the act and of the provisions, shall not be used. Is it the Senator's viewpoint that the amendment, which applies to any treaty heretofore made with any of the participating countries that is being violated, would go beyond the basis of the original act, which provides for the withdrawal of assistance in case any participating nation fails or ceases to carry out its obligations under the act and under the multilateral and bilateral agreements made thereunder?

Mr. VANDENBERG. If the Senator understands the Chair's question, the answer would be in the affirmative. I should like to submit a thought on that question, although I had not intended to enter the discussion of the merits at all. I respectfully suggest that nations which are members of the United Nations have a right to submit treaty violations to the adjudication of the International Court of Justice, and they do not have any right to take unilateral action. I withdraw the suggestion, "they do not have any right," for I suppose they have the right to do anything they please; but under the theory of the Charter of the United Nations it certainly is appropriate for any member nation to have an adjudication of an alleged treaty violation by the International Court of Justice.

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

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. Yes, indeed.

Mr. DONNELL. Before phrasing the question, I should like to say the question is not intended in any sense to indicate sympathy with any country which fails to comply with its treaty obligations, nor does it indicate any lack of reverence for the Constitution of the United States.

Mr. VANDENBERG. The Senator will be absolved from any lack of respect for the Constitution.

Mr. DONNELL. I thank the Senator. I should like to ask the Senator this question: There certainly is no provision of the Economic Cooperation Act of 1948 which says that among the things which may be used as a disqualification—if there is any such provision—of a participating country to receive aid, a failure to comply with a treaty is one of the grounds of disqualification. That is certainly true, is it not?

Mr. VANDENBERG. I think so.

Mr. DONNELL. Then the amendment, by adding it as one of the grounds on which a nation may be disqualified, clearly adds legislation, something that is not in the existing act. Does not the Senator agree with that?

Mr. VANDENBERG. It would seem so to the Senator from Michigan. All his inclinations are to agree, at any rate.

Mr. DONNELL. I hope the Senator's inclinations will be translated into actual agreement.

This is the point I am trying to make, very faultily, I appreciate: If there is a provision—I have been searching to find it—of the type to which the Vice President referred, which says that, instead of the participating countries, as mentioned in section 102, being entitled to receive funds, or words to that effect, certain of them may be disqualified by certain actions or failure to perform, certainly the failure to perform a treaty obligation is not listed as one of those disqualifying elements. Consequently, would it not seem absolutely incontrovertible that when the amendment adds such an element as a specific ground of disqualification it constitutes new legislation.

Mr. VANDENBERG. Mr. President, the distinguished Senator from Missouri raises a new point so far as the Senator from Michigan is concerned. But on the statement of the Senator from Missouri, it would seem to the Senator from Michigan that the Senator has taken a correct position.

Mr. DONNELL. I thank the Senator.

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

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield.

Mr. SALTONSTALL. I desire to ask the Senator a question. If I understand his argument correctly, and I think I do, it is to this effect: The fact that the Appropriations Committee added the words "fail to comply with a treaty" is legislation by reason of the fact that the words add a condition to the basic act. If they were not in this appropriation bill the Administrator possibly could pay the money to a nation in spite of its violation of a treaty. Do I make myself clear?

Mr. VANDENBERG. I am afraid the Senator does not. I am sure it is the fault of the Senator from Michigan.

Mr. SALTONSTALL. It is not. What I tried to say to the Senator from Georgia was this: I asked the Senator from Georgia, if these words were not put in by the Appropriations Committee, could the Administrator pay money to such a nation in spite of its being a treaty violator. As I understood him, he said he did not make that argument; rather he made the argument that this wording was simply requiring the Administrator to live up to the Constitution. As I understand the Senator from Michigan, he has argued that the Committee on Foreign Relations considered the words and deliberately omitted them, and that the Senate confirmed the action of the committee in omitting them. Therefore, as I understand, the words are legislation on an appropriation bill, because they do add something to the duties of the Administrator. Is that correct?

Mr. VANDENBERG. I think that is correct.

Mr. McCARTHY. Mr. President, I understand that earlier today there was some comment made on the floor regarding the alleged lobbying of Mr. Paul Hoffman. I do not know the situation so far as other Senators are concerned, but I think, in fairness to Mr. Hoffman, I should advise the Senate that Mr. Hoffman and Mr. Foster did discuss the McClellan amendment with me. They were here, however, on my express invitation. I called Mr. Hoffman and Mr. Foster because I wanted to discuss a matter which I thought was directly concerned with the McClellan amendment.

In my State there is a sizable number of wheat farmers and rye farmers. There are approximately 6,000 or 7,000 rye farmers. Farmers in North Dakota, South Dakota, and the whole wheat and rye belt are much concerned because we find that the Army is negotiating for the purchase of 200,000 tons, approximately 8,000,000 bushels, of rye from eastern Poland and the Russian Ukraine. There is a difference of opinion as to the value of the Brannan plan to the American farmer, but there is not much difference of opinion as to the Brannan plan for the purchase of rye from the Russian Ukraine. That is one of the reasons why Mr. Hoffman and Mr. Foster were called here. The matter was taken up with Mr. Voorhees of the Army and with the Department of Agriculture. After going into it in some detail I was firmly convinced that Mr. Voorhees, who is the purchasing agent for the Army was not at fault because his hands are completely tied. The matter is directly in the lap of the Secretary of Agriculture, or the Commodity Credit Corporation which the Secretary controls. The Secretary has made it absolutely impossible for the Army to purchase millions of bushels of American rye in this country. He has made it impossible for the Army to purchase rye next door, in Canada. We all know that there is at the present time a surplus in Canada. Our farmers are being offered about $ 1.19 a bushel for rye, which is less than 75 percent of parity. So I am sure Senators will understand the concern of Senators from the Wheat and Rye Belt when it was found that the Secretary of Agriculture was forcing the Army to purchase rye in eastern Poland and the Russian Ukraine, which is needed in Germany and Austria.

This is not being done directly. Under the law they cannot take GARIOA funds and purchase rye from the Russian Ukraine, but the same results are accomplished as follows:

England needs corn to feed livestock. Instead of England buying it directly, the Army purchases it in this country for England. England, in turn, which has no use for rye, purchases rye from the Russian Ukraine and after that she trades the rye she has purchased, to our Army which purchases the corn which England needs. The end result is that the American farmer is denied a market

for millions of bushels of rye. This is of concern not only to the rye farmer, but also to the wheat farmer, because when the price of rye drops, the price of wheat drops also. For example, when the rumor of this indirect Army deal became known the price of wheat dropped approximately 5 or 6 cents a bushel.

The Secretary of Agriculture was contacted by the junior Senator from Minnesota [Mr. HUMPHREY], the Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. THYE], the Senator from North Dakota [Mr. YOUNG], and me approximately 5 months ago in regard to this matter.

Around tax time, as the Senate knows, the subject of farm prices is rather important. In my State very few farmers rely upon rye for their entire income. It is called a tax crop. Many of them sell it to get money to pay their taxes.

As I stated, we discussed the matter with the Secretary and received very little of value, except a statement which I thought was rather unusual, as did some of the other Senators who were with me. He stated that the farmers had not come into the support program, and this would probably teach them a lesson, and that next year they would undoubtedly come into the program. It seems hardly possible that the Secretary meant that as a threat; it was probably a slip of the tongue. It was at least an unusual statement.

I thought the Senate was entitled to know that my contact with Mr. Hoffman and Mr. Foster yesterday was not a matter of lobbying on their part. I wanted to discuss with those gentlemen the subject as to whether they felt the McClellan amendment would prevent a repetition of this grain situation.

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

Mr. McCARTHY. I shall be glad to yield.

Mr. LUCAS. The Senator, in discussing Mr. Hoffman, has criticized the Secretary of Agriculture for failure to purchase Canadian rye. Am I correct in that statement?

Mr. McCARTHY. No; not for failure to purchase Canadian rye. I think the Secretary of Agriculture has a duty, and I believe it follows, as the night follows the day, that he should make any rye in this country available to the Army. If rye is not available in this country, then I think, instead of forcing the Army to purchase rye in the Russian Ukraine, he should make it easier for the Army to purchase rye which is right next door, from our neighbor, Canada. The Senator from Illinois does not have as many wheat and rye farmers in his State as there are in my State, but I am sure he knows that when there is a surplus next door in Canada it automatically flows into this country and unfavorably reflects on the amount of money received by our farmers for their rye and wheat. It is a question of whether we shall force the Army to buy Russian rye in accordance with the Brannan farm plan for the Russian Ukraine.

The VICE PRESIDENT. The Chair would like to suggest that this debate is directed to the Chair on a point of order with respect to a pending amendment, and while it is an interesting dissertation on rye, it has no bearing on the point of order. The Chair hopes the Senator will not prolong his discussion to a point at which the Chair will forget the point of order on which he is to pass.

Mr. McCARTHY. Mr. President, I consider this matter just as important to the farmers of the Middle West as is the point of order which the Chair is about to decide.

The VICE PRESIDENT. The Chair does not underestimate the importance of rye.

Mr. McCARTHY. I rose principally to clear up the matter insofar as Mr. Paul Hoffman was concerned, who had been charged with lobbying. I want to make it clear that while I do not know what his contact with other Senators happened to be, so far as I am concerned I asked him and Mr. Foster to come, and we discussed the relation of the Army rye purchase to the McClellan amendment.

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

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. The amendment says:

Provided further, That no part of the funds herein appropriated—

And so forth—

shall, after deposit in local currency accounts as a result of assistance furnished—

And then there is a restriction.

I should like to ask, are funds which are appropriated by the United States deposited in local currencies? I do not understand the mechanics of this operation. Where is there a limitation? It reads:

That no part of the funds herein appropriated * * * shall, after deposit in local currency accounts as a result of assistance furnished——

The VICE PRESIDENT. The Chair assumes that that refers to the provision of the original act which authorized the deposit in currencies of these different countries. The Chair does not understand it means that any part of this appropriation will be deposited in currencies of the ECA countries.

Mr. WHERRY. That is what I am asking. That is what the language provides, and I am asking the Senator from Georgia, who is on the floor, if he will answer, does this amendment starting with the words "that no part of the funds herein appropriated" do exactly what he has explained? I suppose that is the money which the countries get from the United States—dollars. Then we come down to the verb, it says "shall, after deposit in local currency accounts," and so forth.

Mechanically, does that actually happen? I had supposed the money we appropriated to these countries stayed here, that they used it as a credit against which to buy goods in this country, and that the only time the local currency was used was after the goods had been delivered and were sold in the normal channels of trade.

Mr. RUSSELL. That is correct.

Mr. WHERRY. Where is there a limitation on the funds appropriated?

Mr. RUSSELL. It is all right to put a limitation on the funds when they are in the form of dollars.

Mr. WHERRY. Is the limitation on the dollars before they leave the country, or when the money is finally deposited in the local currencies?

Mr. RUSSELL. It is when it is finally deposited in counterpart funds.

Mr. WHERRY. That is, the limitation is imposed upon what the local dollars, exchanged into the local currencies, mean in the countries where the deposits are made?

Mr. RUSSELL. That is correct.

Mr. BALDWIN. Mr. President, I should like to address myself for a few minutes to the point of order which has been raised, and I do so because I want to take the position the distinguished junior Senator from Georgia has taken. I do so particularly in light of the fact that the senior Senator from Michigan [Mr. VANDENBERG] recalled to the Senate a discussion on the floor of the Senate of an amendment to the original ECA Act itself.

The junior Senator from Connecticut was the Senator who proposed that amendment, and my recollection of what occurred at the time coincides exactly with what the distinguished Senator from Michigan has said, and I hesitate, because of the position he has taken, to take an opposite one, because I know of his long knowledge and experience in the Senate, and particularly of his intimate knowledge of the ECA Act and the administration of the fund.

Mr. President, I should like to raise this question: Is it within the province of the Committee on Appropriations to decide whether or not it shall grant or withhold funds based upon the knowledge that some law or treaty of the United States is or is not being violated? It seems to me it is very definitely within their power to do exactly that sort of thing. In other words, it is the contention of the junior Senator from Connecticut that this provision partakes of the very substance and nature of the appropriation itself. Obviously, if the Committee on Appropriations have brought to their attention the fact that there was a misuse of funds, it seems to me it would be perfectly within their power to decide whether or not to grant an appropriation on that particular basis.

Assume there was an appropriation of $100,000,000 for a particular purpose, or a recommendation or authorization, and the matter came before the Committee on Appropriations, and the point was made before the committee, "Yes, last year a similar appropriation for a similar purpose was misused." It seems to me that in the light of that claim, certainly the Committee on Appropriations could decide whether or not it should withhold the funds on that particular basis.

Mr. President, it is not a matter of policy, but if it is a matter of policy, it is a matter of policy peculiarly within the province of the Committee on Appropriations.

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

Mr. BALDWIN. I am glad to yield.

Mr. RUSSELL. I should like to point out to the distinguished Senator that the Committee on Appropriations cannot decide anything finally. It is a mere servant of the Senate. It can merely propose to the Senate. The question is not as to whether or not the Committee on Appropriations can decide. The question is whether or not the Senate of the United States can decide.

Mr. BALDWIN. I thank the Senator for his point, but what I meant to say was that it was up to the Committee on Appropriations to report a bill to the Senate with this provision in it, and that it was peculiarly a subject with which the Committee on Appropriations should deal in considering an appropriation.

The VICE PRESIDENT. Will the Senator permit the Chair to ask him a question which bears on the point he is making?

Mr. BALDWIN. Certainly.

The VICE PRESIDENT. How is the fact established that a nation has violated or is violating a treaty with the United States? Under this amendment, is the Administrator to be the arbiter of that? Is he to decide whether a given nation is violating a treaty under which decision he could withhold these funds? Can the Senate decide? The State Department might protest against a certain action which it claims is a violation of the treaty. It is not a unilateral proceeding. There must be some judicature somewhere in the world as to whether a treaty is being violated. There are certain provisions in the United Nations Charter under which it can adjudicate such a matter. But under this amendment, who would decide, who could decide?

Mr. BALDWIN. It does not seem to me that anyone needs to decide that question. It seems to me that it is sufficient if the point is raised. Then the Administrator, administering the fund, can bring the matter to the attention of the nation involved, and the nation involved, or the Administrator, or both of them together, can satisfy themselves as to whether a treaty is being violated, or, if it is being violated, whether the matter can be adjusted.

It seems to me this is a directive, as a part of the substance of this appropriation, to the Administrator to give great care to the question of whether there is a violation of any treaty between any nation concerned, which takes advantage of the provisions of the act and of the United States of America. In other words, it is a directive on the conduct of the Administrator in handling the funds, and it seems to me to be a proper directive to the Administrator.

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

Mr. BALDWIN. I yield to the Senator from Georgia.

Mr. RUSSELL. If the Senator will permit, and the Chair will indulge me, there is no question but that the Administrator would decide in the first instance. The appropriation is made to the Economic Cooperation Administration. But the basic law, the first ECA Act we passed, contains a section which deals specifically with this situation. Since we have gotten off on this matter, I invite the attention of the Chair to section 105 of the act, which provides the general functions of the Administrator. It proceeds in subsection 4 on page 4 of the printed act as follows:

> Terminate provision of assistance or take other remedial action as provided in section 118 of this title.
>
> (b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

This is in the law:

> The Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other.

I invite the Chair's attention specifically to this language:

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

So I submit, Mr. President, that this appropriation being made to the Economic Cooperation Administration, the decision of the question shall be made by the Administrator, and if the Secretary of State disagreed with him in the final analysis, the decision would be made by the President of the United States.

Mr. BALDWIN. Mr. President, I agree fully with what the Senator from Georgia has said, and I should like to add just one further thought.

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

Mr. BALDWIN. I yield.

Mr. VANDENBERG. Did not my good friend the Senator from Connecticut himself offer in the Senate precisely this same general proposal as legislation on April 5, 1949?

Mr. BALDWIN. Yes, indeed, he did.

Mr. VANDENBERG. And it was debated for some time, and on a yea-and-nay vote it was defeated. Is that correct?

Mr. BALDWIN. That is correct.

Mr. VANDENBERG. And subsequently it was again submitted to the Senate by the able Senator from North Dakota and the Senator from Wisconsin, and it was again defeated. Is that correct?

Mr. BALDWIN. I think that is correct. I do not recall that.

Mr. VANDENBERG. Upon what theory does the Senator think that this language now ceases to be legislation?

Mr. BALDWIN. The Senator's point is, if I may say so, that this not only may be the subject of legislation, but it also may be the proper subject of limitation or direction in an appropriation bill. The junior Senator from Connecticut submits that the mere fact that it may have been defeated as a matter of legislative policy when the original act was before the Senate, does not prevent the question being raised again if it can properly be raised in connection with an appropriation measure. It is the contention of the junior Senator from Connecticut that it can be properly raised again in the consideration of this appropriation measure because it is nothing more than a directive in connection with an appropriation, which partakes of the very substance of the appropriation itself, that the Administrator and all who administer these funds shall pay particular attention to the laws and treaties of the United States and be guided by them. It seems to me it is nothing more than that. Mr. President, I hope that point of view will be sustained.

The VICE PRESIDENT. The Chair asks the Secretary to read section 118 of the Economic Cooperation Act of 1948.

The Chief Clerk read as follows:

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

The VICE PRESIDENT. If there is no further argument on the point of order the Chair is ready to rule.

Mr. RUSSELL. Mr. President, will the Chair indulge me one moment?

The VICE PRESIDENT. Yes.

Mr. RUSSELL. I insist that under the language of section 118 the amendment is specifically in order because it provides that the Administrator shall decide that, because of changed conditions which relate to a treaty violation, assistance is no longer consistent with the national interest of the United States. What could be more important than to have strict adherence to a treaty? What could be more consistent with the national interest of the United States than strict adherence to and compliance with a solemn treaty entered into with the United States?

Mr. LUCAS. Mr. President, I desire to raise one point which does not seem to me to have been sufficiently discussed during the debate. That has to do with the second part of rule XVI dealing with contingencies, which was incorporated in the rule because of the Reorganization Act.

I read a portion of the language of the amendment:

> *Provided further*, That no part of the funds herein appropriated with respect to which local currencies are deposited * * * shall * * * be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States.

Mr. President, we have to assume in the beginning that the participating countries are complying with the treaties

this country has with them. So there must be a violation of such treaty before the provision of the amendment goes into effect. Consequently, if that is not a contingency under rule XVI, I do not understand the meaning of the term.

Furthermore, Mr. President, with respect to who shall determine whether or not a treaty has been violated; the distinguished Vice President and every Member of the Senate knows with what respect and dignity we regard treaties which we have with other countries. It is not every agent who goes out over Europe, or to any other part of the globe to a country with which we have a treaty, who is going to have the power to determine whether or not the nation in question is violating its treaty with the United States. A long period of examination, and exhaustive research must be made before the facts are submitted to the President of the United States, so he could make determination whether or not a treaty with France, for example, were being violated.

Obviously additional duties and obligations will be placed upon the ECA Administrator if he is the official who, under the provisions of the amendment, is to gather the evidence in the first instance so it may be submitted to the President of the United States for his final determination. This violates rule XVI. This is legislation and not a limitation.

Mr. President, I take the opposite view from that expressed by the distinguished Senator from Connecticut in the argument he just made. There must be a violation of the treaty before the terms of the act apply, and that certainly involves a contingency.

Mr. DULLES. Mr. President, may I suggest that this is an act which finds that the national interest of the United States requires that economic aid shall be given to certain countries. The proposed amendment says that the national interest of the United States may not be served if, perchance, one of the signatory countries once violates a treaty. I cannot conceive of an amendment which would be more legislative than an amendment which says that the national interest of the United States, as found by the Congress, as exemplified in this act, today cannot be served because of a possible violation of a treaty. One might just as well say, Mr. President, that it was not legislation if during the height of the World War the Appropriations Committee had adopted an amendment to appropriations bills for the military service saying we could not give military aid to our allies in fighting the war because, perchance, France and Morocco violated a 100-year-old treaty.

Certainly, the purpose of the act is to serve and protect the interest of the United States, which the preamble of the act says Congress has found must be served by giving this economic aid. Now to say that we cannot give such economic aid because of a treaty violation certainly is legislation to the *n*th degree.

Mr. LONG. Mr. President, I shall speak for only a moment on this subject. It appears to me that in the last analysis the decision is going to be the same as far as furnishing American aid to any foreign country violating a treaty is concerned, as it would be under the present law. Frankly, I feel that any nation that would be construed by the President and by the Administrator and by the Secretary of State as having violated a treaty with the United States, if they saw fit so to construe it, would also be construed as pursuing a policy that would be inconsistent with the national interest of the United States. However, to approach this particular problem, I construe this objection to be based upon the language of rule XVI, which states:

> Nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency.

The argument has been made that this matter is legislation, because certain restrictions were included in the authorization act, and that this is not one of those restrictions. The words "restriction" and "limitation" are synonymous. They mean the same thing. We are restricting or limiting the purposes for which funds can be spent. Any authorization act is necessarily a restriction. It contains many restrictions. We authorize expenditures for certain purposes. But rule XVI clearly contemplates that there is a difference between legislation and limitations. After restrictions and limitations have already been laid down, rule XVI clearly contemplates that further limitations may be proposed by the Appropriations Committee, but it provides that the limitation may not be received if it is not authorized by law.

Is this limitation authorized by law? I contend that it is. Here we have a treaty entered into between the United States and a foreign power. It is the supreme law of the land. I believe that a treaty overrides the rules of the Senate. We say that the treaty is being violated by a foreign power. If that foreign power is violating a treaty, it is probably inconsistent with our foreign policy, in my judgment, for the United States to furnish further economic aid to that country. But certainly the Appropriations Committee is authorized by law to propose to the Senate, under our rules, that we shut off aid to such a country when that country is violating its treaty with the United States. I contend that this is a limitation authorized by law, and that as such it will lie, under the rule.

Mr. BALDWIN. Mr. President, I should like to speak briefly in reply to the distinguished Senator from New York [Mr. DULLES]. The Senator from New York stated that the purpose of the act was the economic rehabilitation of certain European countries. Indeed it is. But it seems to me that his argument goes to the extent of saying that since this is primarily a rehabilitation act, and the appropriation is for that purpose, the Senate is foreclosed from raising the question of violation of a law or treaty because it may interfere with the economic rehabilitation of those nations.

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

Mr. BALDWIN. I yield.

Mr. DULLES. I may have misstated myself. I did not suggest that the Senate could not do so through legislation, as has been attempted. I did say that the Appropriations Committee could not do it.

Mr. BALDWIN. I am glad to stand thus corrected. But I go one step further and say, as I said before, that this limitation or directive, being part and parcel of the appropriation itself, is plainly within the province of the Appropriations Committee, in my humble judgment.

Let me say one or two sentences in answer to my distinguished friend from Illinois [Mr. LUCAS]. He says that this provision does not become operative except upon the happening of a contingency, and consequently is in violation of the rule of the Senate. Mr. President, is a violation of the law a contingency within the province of the rule? It seems to me that it is not. It may very well be a contingency; but must we continue to pour out money and the Senate say nothing about it? Can the Appropriations Committee, which recommends appropriations, say nothing about it if the Administrator wants to continue to pour out money in violation of laws and treaties of the United States? I humbly submit that such a contention is not in accord with sound public policy.

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

Mr. BALDWIN. I yield.

Mr. LONG. If the Senator will refer to the rule, I ask him if he does not agree that if this is a limitation authorized by law, even though it be based upon a contingency, it will lie, under the rule.

Mr. BALDWIN. The distinguished Senator from Louisiana has stated it much better than I did.

The distinguished Senator from Illinois takes the position that the rule forbids any restriction or limitation based upon a contingency. It is the position of the junior Senator from Connecticut, and apparently also of the junior Senator from Louisiana, that there are contingencies which are outside the rule. I submit that if this is a contingency, it is that kind of a contingency.

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

Mr. BALDWIN. I yield.

Mr. SALTONSTALL. Is it not an extension of the power of the Administrator to give him, and him alone, the authority to determine whether or not a treaty is being violated? It seems to me, following up the ideas expressed by the Senator from Michigan [Mr. VANDENBERG] and the Senator from New York [Mr. DULLES] that putting the power in the hands of the Administrator alone to determine whether or not there has been a violation of a treaty is an extension of his authority and is, therefore, an extension of the law.

I invite the Senator's attention to a letter from the Assistant Secretary of State, Ernest A. Gross, dated July 29, 1949, and addressed to me, in which he says:

> As a matter of fact, the interpretation of United States treaty rights in French Morocco has consistently presented a problem to this Government; and consequently these rights cannot be said to be well defined.

This amendment would leave it in the hands of the Administrator alone to determine whether a treaty had been violated. It seems to me that that is a distinct extension of his powers, and is, therefore, legislation.

Mr. BALDWIN. In reply, let me say that what this directive does is to tell the Administrator to do his job, to observe the treaties between this Nation and other nations, and to observe the laws of the United States. He ought to do it anyway; but if the matter is brought to the attention of the authority which grants the money, it seems to me that that authority, the Congress of the United States, has a right to say to the Administrator, "We are particularly interested in your seeing to it that the laws and treaties of the United States shall not in any way be violated by those who are to receive this aid."

The VICE PRESIDENT. The Chair is ready to rule. The discussion has been enlightening, and has materially aided the Chair in reaching his conclusion as to the validity of the point of order.

The act under which we are operating, the ECA Act, in a long preamble sets forth certain statements and facts which Congress adopted as a matter of policy. Among them is the declaration that this program is necessary for the economic and other welfare of the United States. The Chair is not quoting verbatim, but in a general way the statement is that it is in the interest of the United States to conduct this program.

Subsequently Congress proceeded to implement that declaration of policy by the details of the original Act. Section 118 sets forth the obligation of the Administrator with reference to certain things which he must take into consideration in determining whether the recipient countries are entitled to the aid provided. Among other things, they were required to do certain things with respect to their currencies. They were required to do certain things looking toward the balancing of their budgets. They were required to engage in self-help and mutual cooperation among the participating nations through multilateral treaties among them, and bilateral treaties between each of them and the United States.

Section 118 authorizes the Administrator to determine whether these conditions are being met, in determining whether aid should be continued, or withdrawn or terminated. Nowhere in section 118 or in any other part of the act, so far as the Chair is aware, is there any authority for the Administrator to determine whether a recipient nation is violating some other treaty which it has entered into with the United States, wholly beyond the jurisdiction of the ECA.

If there is no such authority to withdraw aid because of the violation of some other treaty, which has no relationship to the agreements referred to in the act, certainly it seems to the Chair that for the Senate or the Congress to give the Administrator the authority to determine that matter, and to withhold aid to any country which he found was violating some other treaty, would be an extension of his authority—an extension of authority to one who really has no power to determine that question.

No single individual can decide finally whether or not a treaty is being violated. Under international law there are certain usages which may bring such a question to an ultimate decision, but it is not within the province of the Administrator, the Secretary of State, or even the President to determine finally and unilaterally whether a treaty is being violated. They may arbitrarily withdraw aid if they believe that one is being violated because, in any event, there is no remedy if the aid is withdrawn. But it does not seem to the Chair that a provision withholding aid from any country which is a participating country under this law, and which has not violated any agreements made under this law, would be in order because that would seem to the Chair to be legislation beyond the scope of the original act and beyond the power of the Congress to enact.

The question of contingency has arisen. The definition of the word "contingency" reminds the Chair of a discussion between two Irishmen as to what is a contingency. They got into quite an argument about it, and finally they called in a third Irishman to get him to tell if he knew what a contingency was. He said, "Well, a contingency is this: If you lose your case, your lawyer gets nothing. But if you win the case, you get nothing." [Laughter.]

After all, "contingency" is a broad term which may be defined according to the conception of the definer.

But it seems to the Chair that a contingency is any happening which may occur in the future, whether it be a violation of a treaty, a drought in some recipient country, or any other condition which may happen in the future and which would be used as a basis for action on the part of those who administer an amendment or measure of this sort.

Certainly the Chair cannot assume that any one of the recipient nations is now violating that provision. Therefore, the Chair must assume that this matter relates to a future contingency.

Under the circumstances, aside from the fact that the Senate had a chance to put such language in the original act, but did not do so—which is a persuasive, but not conclusive, consideration; and even if an amendment had not been offered by the Senator from Connecticut [Mr. BALDWIN] and other Senators and had not been voted down by the Senate, the Chair feels that there is nothing in the original act authorizing the Senate to pass upon the question of the violation of other treaties; and therefore the amendment is legislation on an appropriation bill and is legislation in violation of the new part of rule XVI which the Chair thinks was passed on only yesterday, and not before, because the question with respect to it had not previously arisen. In other words, the Chair believes that this amendment is in violation of both those subsections, as legislation on an appropriation bill, and is violative of the provision of the rule that an amendment cannot be offered if it is to take effect upon the happening of a contingency.

Therefore the Chair sustains the point of order.

Mr. RUSSELL. Mr. President, I dislike very much to prolong the discussion of this matter, particularly in view of the fact that I have the feeling that whatever may be the outcome of it, I have it on a contingent basis, from the standpoint of the story just related by the Chair. [Laughter.]

However, I have a conviction that this issue is of such importance that the Senate of the United States itself should pass upon it.

I respectfully submit that under the specific language of the European Cooperation Act this amendment is completely in order.

For the purpose of this argument, I shall abandon the Constitution of the United States, Mr. President. This is not due to lack of respect for that document but because I fear I would get very little help by relying on the Constitution or on that provision of the Constitution which makes treaties a part of the supreme law of the land, and by arguing that since they are the law of the land, any limitation which is based upon an existing treaty is in order.

Mr. President, in my opinion section 118 of the Economic Cooperation Act was written with a specific view to possible violation of other treaties. The Chair has ruled that no other treaty had any part whatever in it. I ask Senators to listen to the reading of that language. I shall not read all of it, because I wish to be as brief as possible. But I read a part of it, as follows:

> The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that—

I now skip a line—

> (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States.

Mr. President, there is no doubt in my mind that that language was written specifically to protect the national interest of the United States against the possibility that nations which have treaties of friendship with us today might in future violate those treaties or might enter into a treaty with another foreign power whose interest was inimical to our own interests.

Indeed, it was specifically argued on the floor of the Senate, when this legislation was under consideration, as I recall, that if any of these nations did enter into any international relations with the Soviet Union—and, Mr. President, we might as well call the name of that power—this assistance would immediately be withdrawn.

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

Mr. RUSSELL. I yield.

Mr. CORDON. I should like to inquire of the Senator from Georgia whether, in consideration of the statements which have been made on the floor of the Senate—statements to the effect that the Administrator could not determine whether a treaty had been violated or had not been violated—the question of whether a treaty is violated is wholly

beside the point, in relation to the act. So, in view of what has been said on the floor of the Senate or in view of what has been said by the Chair, I inquire of the Senator whether any consideration has been given to the provisions of section 105 (b) of the act, namely—

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

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

Mr. RUSSELL. Mr. President, I may say to the distinguished Senator from Oregon that in the effort to persuade the Chair that this amendment is in order, I read all of subsection (b) of section 105 of the act, which provides the very machinery for using a treaty breach as a basis for ceasing or suspending all such aid to a nation which may violate a treaty which it has with us.

Mr. President, to sustain the decision of the Chair would put us in the ridiculous position that if tomorrow Italy were to renounce the Atlantic Pact and were to form an alliance with or become a satellite of the Soviet Union, we would have no right to terminate aid to Italy under this measure. If the Chair's decision is sustained, that is what the Senate will do; the Senate then will be saying that if tomorrow Italy were to renounce the Atlantic Pact and were to sign an agreement bringing Italy under Russia's orbit and making Italy a satellite state to Russia, then—under those conditions—we could not cut off the flow of American aid and American dollars going to Italy under the European Recovery Act.

The VICE PRESIDENT. Will the Senator from Georgia allow the Chair to ask him a question at this point?

Mr. RUSSELL. I shall be glad to do so.

The VICE PRESIDENT. Of course, in this case we must consider the difference between the violation of a treaty and the renunciation or abrogation of a treaty. The latter is the exercise of the right of each party to a treaty, including ourselves, to withdraw from a treaty by abrogating or terminating its adherence to the treaty.

The question posed by this amendment, in the opinion of the Chair, is not the abrogation of a treaty, for any nation has a right to abrogate a treaty or to renounce a treaty on its terms, and that can be done without violating the terms of the treaty; but in the opinion of the Chair, that is quite a different matter from a violation of a treaty which still is in effect, which is what it seems to the Chair this amendment contemplates.

Mr. RUSSELL. Mr. President, I can see no difference between changes in treaties which affect our national interest, so far as I am concerned. Of course, I am not as great a technician on these matters as is the Chair or as are some other Members of the Senate. But to my mind, a treaty is a treaty and a violation is a violation.

The other day I voted for the so-called North Atlantic Pact. I understood it was an association of nations for a period of 20 years. It is a treaty. For my part, I intend to do what I can to see that the United States gives full faith and credit to it. But if other powers signatory to the Atlantic Pact violate it, then I have no hesitancy in saying that the Congress of the United States, by way of a limitation on an appropriation bill, has a right to cut off the supply of dollars to such nation, and that will not be legislation on an appropriation bill, in view of the fact that section 118 specifically gives the Administrator the power to terminate such assistance when it is no longer consistent with the national interest of the United States, and also in view of the fact machinery is set up, under section 105, for that decision to be reviewed by the President of the United States.

So it seems to me that that matter is foursquare not only with the Constitution of the United States, which is supposed to give credit to and uphold the sanctity of treaties, but with the specific language of the European Cooperation Act.

Perhaps in the view of some Senators I made a mistake in becoming interested in this matter. My interest arose in a most unusual way. I happened to find in the so-called junk mail that comes into my office a letter from one who described himself as an American citizen, who said he was being victimized through the violation of a solemn treaty this Nation had entered into with another power. I had never seen the man. I had never heard of him. When Mr. Hoffman came before the Committee on Appropriations I asked him a few questions. I asked him about this specific situation. Mr. Hoffman replied, "Yes, there may be a matter of principle involved there. There undoubtedly is. These American citizens have some treaty rights. But there are only about 37 of them involved." There was something about the statement that gagged me. I have not yet accepted altogether the idea that nationality is something of which a man should be completely ashamed. I thought in my mind if there was only one American citizen involved, it was the duty of the Economic Administrator, it was the duty of the State Department—yes, it is our duty as Senators of the United States, and it is the duty even of Senators who have never heard of the man, to do what we can to see that his rights are protected.

I voted for the European Recovery Administration. I voted for the appropriations to implement it. That did not mean that I thought any individual American citizen, wherever he might be under the canopy of God's heaven, did not still have about him the flag of this Republic, and that we were not interested in him. Even though he be a humble man, and even though he be a wayfaring man, he is an American citizen, and he is entitled to the protection of the United States. He is entitled to his rights wherever he may be. The argument that there were but 37 American citizens involved did not appeal to me one iota. Neither, I may say, does the argument that it is a 100-year-old treaty appeal to me one iota. If a treaty is a hundred years old, it is still entitled to respect, just as if it were entered into only day before yesterday.

I realize, Mr. President, those are the arguments of the fast vanishing American, but they are my views. I think, until we have organized the world state, every American citizen is entitled to the protection of his rights from whatever source derived so long as they are legitimate, wherever he may be in the world.

Mr. President, American sentiment has changed somewhat on this. There was another occasion on which the rights of an American citizen were violated. It happened that that was also in north Africa. An American citizen was seized by a bandit and kidnapped, and word was immediately sent to our Government. Theodore Roosevelt was President at the time. Word came that we had better get the ransom over there if we wanted to protect the rights of that American citizen. The ransom was not sent. We sent instead one of the shortest messages of all time—"We want Perdicaris alive or Raisuli dead." That was the message sent to the American consul at Morocco. He was either to deliver the American alive, or to bring in the body of the man who was denying him his rights.

Today we are told there are only 37 American citizens involved. In other words, not satisfied with denying them their rights in violation of the treaty, we will ship them some more Americans along with the goods we have given them, and let them violate the rights that are theirs also under the treaty. I submit, Mr. President, there ought to be some way by which the Senate of the United States can deal with the situation. I know nothing about the details of it except that Mr. Hoffman himself in his testimony said the men were being denied rights. As it appeared to him, the fact that only 37 American citizens were involved might cause the Senate to say it was not worthy of consideration. But I say, Mr. President, if they have any undue rights under the treaty, the State Department should renegotiate the treaty immediately and take away from them any such rights. They ought not to hold them out to American citizens. But here are the treaty rights of an American citizen in this area, and we permit a foreign power to deny him his rights. There is some better way of getting at it than to put us in the position of being absolutely callous and indifferent to the rights of an American citizen—not one, but a small group, only 37 of them. Regardless of how many there are, they are entitled to consideration at the hands of the Senate. They are protected under the amendment by the clear language of the ECA Act, which gives a right to withdraw aid.

Without taking more of the time of the Senate in expounding what is doubtless an outworn theory, but to justify my action in my own conscience, I respectfully appeal from the decision of the Chair.

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

Mr. WHERRY and Mr. McKELLAR requested the yeas and nays.

The yeas and nays were ordered.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

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

The VICE PRESIDENT. A quorum is present.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

On this question the yeas and nays have been ordered.

Mr. SALTONSTALL. Mr. President, before the Secretary calls the roll I should like to have placed in the RECORD at this point, as a part of my remarks, a copy of a letter to me from the Assistant Secretary of State in response to a request of mine on Morocco. I make this request because I expect to vote to sustain the ruling of the Chair, as I believe this amendment does violate rule XVI. But I agree entirely with what the Senator from Georgia has said. The same gentleman he has mentioned has been in my office many times. I believe the State Department should give more protection to American citizens in Morocco.

The letter from the State Department specifically states:

The Department has repeatedly recognized that American businessmen have specific legitimate grievances in French Morocco that should be remedied, and these grievances have been discussed with the French protectorate authorities during the negotiations.

I ask that this letter be placed in the RECORD at this point.

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

JULY 29, 1949.

The Honorable LEVERETT SALTONSTALL,
United States Senate.

MY DEAR SENATOR SALTONSTALL: Further reference is made to your letter of May 19, 1949, with which you enclosed for comment a copy of remarks received from one of your constituents concerning import-licensing regulations in French Morocco. The Department's comments are submitted herewith, on the specific points made by your correspondent.

Coffee, sugar, and tea were subject to the requirement of an import license before December 30, 1948, and are still subject to that requirement. The Department is aware that a cession of a part of these imports has been required as they are goods for which the French consider the maintenance of a reasonably stable price to be essential for economic or political reasons. The Department recognizes that during the transitional period control of the prices of certain essential commodities is necessary.

The Department has repeatedly recognized that American businessmen have specific legitimate grievances in French Morocco that should be remedied, and these grievances have been discussed with the French protectorate authorities during the negotiations. In this connection I refer you to the memorandum sent to you on June 11, another copy of which is attached for your ready reference. The Department believes that the position of Americans will be ameliorated as a result of these discussions.

Your constituent refers to the illegal holding of merchandise by the Moroccan authorities. Upon protest by the State Department, the merchandise that was held illegally was released. The Department took the position that the application of the regulations to Americans before formal assent had been given was illegal, notwithstanding the fact that the French knew that the Department was, in general, disposed to give assent to the regulations.

Your constituent remarks that Morocco is an independent country. This is not correct, in that the major part of the country is a French protectorate, and France is responsible for its foreign relations. He also states that the United States has well-defined treaty rights in Morocco and that the State Department is relinquishing two important rights of these treaties, namely, most-favored-nation and "open door" treatment in assenting to the decree of December 30, 1948. As a matter of fact, the interpretation of United States treaty rights in French Morocco has consistently presented a problem to this Government, and consequently these rights cannot be termed well defined. Furthermore this Government did not relinquish the rights of most-favored-nation and "open door" treatment in assenting to this decree. United States assent was given as a temporary expedient with full reservation of existing United States treaty rights.

With reference to your constituent's remarks on French dollar resources and increased imports from Switzerland and Czechoslovakia, it should perhaps be reiterated that because of the inseparability, under present circumstances, of the Moroccan and French foreign exchange situations, unrestricted imports from the United States into the franc zone are impossible at the present time. Imports from countries not in the dollar area are, of course, subject to other criteria.

It may be observed that the Department's objective is to assure an appropriate measure of protection to the interests of Americans in the French Protectorate of Morocco and that the choice of methods for achieving this objective has to be determined in the light of changing circumstances.

Sincerely yours,

ERNEST A. GROSS,
Assistant Secretary
(For the Secretary of State).

UNITED STATES ASSENT TO MOROCCAN IMPORT CONTROLS OF DECEMBER 30, 1948

For a period of several months prior to December 30, 1948, most goods could be imported into the French protectorate of Morocco without an import license as long as the importer did not request from the protectorate exchange office an allocation of dollar exchange with which to finance such imports. It became evident, however, that in many cases goods imported in this way were sold for francs, and the francs were then either used to purchase dollars in French black markets or were exported in contravention of exchange-control regulations and used to purchase dollars in Tangier. These francs in either case exerted a strong attraction for dollars to move illegally out of the channels of the French exchange-control system. They put pressure on the franc rate in currency markets, and reduced the number of dollars available to the franc zone.

On December 30, 1948, the French protectorate authorities in Morocco issued a decree relating to this situation. The decree provided that imports made without an allocation of foreign exchange by the protectorate exchange office would be subject to the requirement of an import license, and limited such imports to a list of essential goods

Because of the United States treaty position in Morocco, no law or regulation may legally be applied to American nationals unless this Government has given assent thereto. The French protectorate authorities therefore requested this Government's assent to the application of this decree to American nationals resident in Morocco. The protectorate authorities began to apply the decree before assent was given, and detained goods consigned to Americans in the Moroccan customs. These goods were released at the request of the Department of State before discussion of assent took place.

The Department of State and other interested agencies of the Government felt that it would be necessary, in view of certain practices of the protectorate government to make assent to the decree conditional upon agreement with the French on measures which would remedy some of the more urgent grievances of Americans in Morocco and which would protect American businessmen from arbitrary treatment as a result of such assent.

Discussions were therefore initiated between United States representatives in Morocco and officials of the French protectorate government with respect to these matters. They included the failure to allocate to Americans a reasonable amount of dollar exchange; the employment of delaying tactics in granting import licenses for goods which Americans needed for the maintenance of enterprises they were operating, and which they wished to import without an allocation of exchange by the protectorate exchange office; the assessment of customs duties on the basis of arbitrary valuations of imports; the assessment of consumption taxes to which this Government had not given assent; and other matters, such as the failure to install telephones, furnish adequate gasoline rations, etc.

During the course of the negotiations, the French protectorate authorities made the following proposals:

1. With respect to the allocation of dollar exchange, they would (a) establish a comprehensive system of invitations to bid on all imported products susceptible of such treatment; (b) publicize all products to be imported; (c) establish quotas for the allocation to Americans of exchange covering certain commodities, with provision for new importers.

2. They would grant licenses liberally for the importation, without an allocation of foreign exchange, of all items included in the list of essential goods published with the decree of December 30, which includes capital equipment.

3. They would not modify this list without the consent of the American consulates in French Morocco.

4. They would grant licenses for the importation, without an allocation of foreign exchange, of maintenance goods not on the list, upon the intervention of an American consulate in Morocco.

5. They would value imports on a uniform basis for customs purposes.

In view of these proposals, and of this Government's interest in the effective utilization of the dollar resources of the franc zone, the American Legation at Tangier, Morocco, upon instructions from the Department of State, informed the French protectorate authorities on June 10 that the United States Government gave its assent to the decree for a period of 3 months on the following conditions: The proposals outlined above would be placed in effect; goods shipped to Americans in French Morocco before June 26 would be entered without license; the discussion of other problems, such as consumption taxes, would continue. The assent of the United States Government to the decree was given with full reservation of existing United States treaty rights in Morocco.

Mr. LANGER. Mr. President, may I inquire of the distinguished Senator from Massachusetts how he voted?

Mr. SALTONSTALL. I think I voted against the Senator from Connecticut. At that time I had not had any correspondence or any discussion on the subject.

Mr. GEORGE. Mr. President, since the question has arisen as to how the Senator from Massachusetts voted, I want to make it very clear how I voted. I voted against the amendment offered by the distinguished Senator from Connecticut. I did so on the assurance that the State Department would at least go into the matter and would exercise the authority and power it undoubtedly has to direct Mr. Hoffman as the Administrator of the fund. I took the matter up with the ECA, or with the Administrator. It has been taken up through my office over a long period of time. I am not a member of the Appropriations Committee, but I confess a great sympathy for the 37—I had the impression that the number was 47—American soldiers who fought in the war and who remained in Morocco to do business on a legitimate basis. The State Department has not undertaken to exercise the duty which it owes an American citizen to see that his rights are protected.

Mr. President, on that ground I shall vote to override the decision of the Chair in this instance, although I have voted, since the original error was made by the Senate, to sustain the Chair. We have gotten ourselves into an ugly predicament, if, in giving charity or granting aid, a pure gratuity, presumably to help ourselves and help the world, our committee cannot lay down reasonable conditions for the expenditure of an appropriation which is made by Congress. The authorization bill that came through the Foreign Relations Committee never intended to strip the Appropriations Committee on the exercise of reasonable control over the money it appropriates. There is no legal obligation resting upon us to give this money to European nations. There is only the obligation which we ourselves have voluntarily imposed. Now to say that, although the treaty rights of American citizens are being violated, in appropriating money the Appropriations Committee is not authorized to fix reasonable conditions, to wit, the observance of a treaty already in existence, is going too far. We are now in the awkward and untenable position of permitting the House of Representatives to impose restrictions, prohibitions, and inhibitions upon the fund being appropriated, but we cannot offer an amendment imposing another prohibition or another restriction upon the same fund as to which the House has written admitted legislation. That is where we made the initial mistake, and unless we are courageous enough ultimately to correct it, the Appropriations Committee will have to submit to a strait-jacket operation which would deprive it of discretion in doing what is obviously and manifestly right.

For that reason, Mr. President, I shall vote to override the decision of the Chair.

Mr. McKELLAR. Mr. President, I want, first to thank the distinguished Senator from Georgia for what he has said in connection with robbing the Appropriations Committee of its duties under the circumstances stated by him. I agree with the Senator entirely, of course, and I think every Member on both sides of the aisle feels the same way, except possibly the distinguished Senator from Massachusetts, whom I esteem very highly. He has just read from a communication from French Morocco. I wish to take the liberty at this point of reading two very short telegrams from the ex-soldiers who are in Morocco and who are being deprived of their rights. The telegrams are dated July 22, 1949. The first one is from the American Trade Association of Morocco, which says:

CASABLANCA, *July 22, 1949.*

Hon. KENNETH McKELLAR,
Chairman, Senate Appropriations Committee, Washington, D. C.:

American Trade Association of Morocco wishes to express its feeling of appreciation to you and your committee for your splendid support in guaranteeing the safeguard of American rights to Morocco.

AMTRADE.

On the same day, as chairman of the Appropriations Committee, I received another telegram, which is from the American Legion, and which reads as follows:

CASABLANCA, *July 22, 1949.*

Hon. KENNETH McKELLAR,
Chairman, Senate Appropriations Committee, Washington, D. C.:

American Legion Casablanca tender you and your committee sincere thanks for your defense and support of American business interests in Morocco.

MOROCCO POST No. 1.

Mr. HAYDEN. Mr. President, apparently we have arrived at the time when we should discuss the merits of the amendment, and I have some doubt in my mind about these American citizens in Morocco which I should like to express to the Senate.

I was not privileged to listen to the testimony of Mr. Rodes before the committee. I did examine the committee hearings, and on page 49 is printed a letter from Mr. Hoffman addressed to Mr. Rodes under date of May 5. I invite attention to the top of the page, where it is stated:

It has become increasingly evident that many importers in Morocco have been obtaining foreign exchange in the following manner:

They have imported products from the United States, sold them for francs in French Morocco, and then directly or indirectly converted such francs into dollars in the free exchange market in Tangier. There were also indications that near the end of 1948, because of the abundance of dollars on the Paris black market and the publicity which had been given to certain exchange transactions at Tangier, more and more importers in Morocco were buying dollars in the black market in Paris.

In response to that letter we would expect Mr. Rodes and his associates to say that they had not bought dollars on the black market. But this is the response:

The operations described by you are stated to be crimes by French officials and by the State Department. If a foreigner tells an American official that one or more American citizens are engaged in criminal practices, only one course is proper or admissible. The foreigner should be impressed with the fact that America is still a constitutional democracy. He should be assured that our consular court, when confronted with a prima facie case, is fully prepared to try any American on the evidence presented and to sentence him if charges are substantiated, but that no American official will countenance innuendoes or unsupported charges that Americans may be criminals. Certainly our system does not admit injury to one or a group of our citizens because of a decision that presupposes their guilt in a matter for which they have never faced trial.

In other words, he states, not that they have not been in the black market, but "If we have been in the black market, why have we not been arrested?" That is the defense.

The next statement that struck me in Mr. Hoffman's letter was this:

According to the information available to the Department of State, members of the American Trade Association of Morocco generally have declined to give information particularly regarding the volume of their business, on which World Trade Directory Reports might be based. Also, most of the members of the association refused to answer a questionnaire sent them last year by the consulate general at Casablanca, under instruction from the Department of State, for the purpose of obtaining data for the regular annual report on American citizens, interest, and investments abroad. As a result of the withholding of such information, it is difficult to determine the precise extent to which American interests are represented by the association.

Mr. Rodes' reply to that reads as follows:

In paragraphs 12 and 13 you make certain remarks, prompted undoubtedly by the State Department's commercial policy personnel about failure to receive certain statistics from members of the American Trade Association, and state that it is difficult to establish precise extent to which American interests are represented by the association. This concerns the State Department and American citizens resident in Morocco. The question of American interests may be raised in connection with a corporation. As far as an individual American who owns his own business is concerned, it would appear that any doubt of American interests can be dispelled by the presentation of his passport, accompanied or not by an Army discharge. The active membership of the American Trade Association is limited to American citizens engaged in business on their own right or managing an American concern so engaged.

Mr. President, I believe that in truth and fact that statement is not correct.

These gentlemen, instead of being engaged in business on their own, are actually a front for French and Moroccan interests who use them and their American citizenship as a means of bringing goods into Morocco which could not be brought into that country under ordinary trade regulations.

The questions on the questionnaire sent are brief, and I should like to bring them to the attention of the Senate. The first questionnaire, addressed in 1948, is entitled "American Citizens, Interests and Investments Abroad." These questions are asked of all Americans throughout the world, so that if an occasion should arise when the State Department desired to be of assistance to them, or if they got into trouble, the Department would have accurate information as to what a firm was doing. The questionnaire reads:

AMERICAN CITIZENS, INTERESTS AND INVESTMENTS ABROAD, 1948

In order to compile a report on United States citizens and investments in foreign countries for the Department of State, the United States Consulate General in Casablanca sent a routine questionnaire requesting the following information to all United States businessmen. Most of the members of the American Trade Association of Morocco refused to answer the questionnaire.

1. Name of firm.
2. Manager or person in charge (specify nationality).
3. Total capital.
4. Percentage of total capital, and amount in United States dollars, controlled by United States nationals (as of date firm established and as of date of questionnaire).
5. Names of American investors.
6. Dollar investments in the United States.
7. Total exports to United States.
8. Total imports from United States.
9. List of more important exports and imports.
10. Volume of business transacted in United States dollars.
11. United States loans made during year:
(a) Short-term.
(b) Long-term.
12. Number and names of United States nationals employed.
13. Average number of foreign employees.
14. Special problems, if any.

The members of this association refused to answer that questionnaire. On the other hand, there are in Morocco American business firms, a list of which I have, which did answer. They included: Socony Vacuum Oil Co., Armstrong Cork Co., Coca-Cola Export Co., International Business Machine Co., St. Joseph Lead Co., Atlantic Refining Co., Newmount Mining Co., Singer Sewing Machine Co., International Harvester Co., Republic Enterprises, Inc., Standard Oil Co. of New Jersey, Compagnie Continental du Maroc S. A., which had 50-percent American interest.

They all answered. The requirement to respond is on American citizens. Mr. Rodes says the corporations can answer, but an American citizen is not required to answer these questions, that all he has to do is to show his passport and his Army discharge.

When these gentlemen complained to the State Department that they were being discriminated against in Morocco, having failed to answer the 1948 questionnaire, a direct request was made of them, dated March 8, 1949. This was from the Consul General in Morocco to the American Trade Association. It read:

MARCH 8, 1949.

SIR: The Department of State, Washington, D. C., has expressed interest in knowing the amount of trade with the United States effected by the American Trade Association of Morocco.

It is therefore requested that the American Trade Association furnish the Consulate General with a list by individual members of the total 1948 imports from the United States in dollar value and franc value. It would be further appreciated if the merchandise imported would be classified by the more important commodity headings.

It is requested that this information be presented at the earliest possible moment.

Very truly yours,

C. PAUL FLETCHER,
American Consul General.

That letter was dated March 8, as I have said. Nearly 2 months later, on May 4, this was the reply:

MAY 4, 1949.

SIR: With reference to your letter of March 8, 1949, in connection with the amount of trade with the United States effected by the members of the American Trade Association of Morocco, I enclose herewith list showing approximate imports for the year 1948.

Owing to the absence of some of the association members it has been difficult to obtain exact figures.

Yours truly,

F. GRAHAM
(For American Trade Association of Morocco).

There was appended this statement of the business done by the organization, as follows:

Imports from United States in 1948

Asbestos	$10,000
Chemicals	48,000
Electrical appliances	180,792
Foodstuffs, candy, gum, etc	825,820
Lubricating oil	80,000
Miscellaneous	67,200
Machinery and spare parts	45,700
Plastics	71,090
Refrigerators	165,836
Sugar	76,000
Tires	243,666
Typewriters	132,000
Textiles and used clothing	818,646
Tractors	68,000
Vehicles	2,439,676
Washing machines	10,000
Wireless sets and phone records	10,400
Total	5,292,826

These individual firms never have, in either of these instances, furnished the State Department with any definite information about their business.

Obviously the reason for that is, first, that it would lead to disclosures as to whether or not they were buying francs in the black market. Certainly it is not to the interest of this country, when we are trying to stabilize the currencies of these foreign nations, to encourage operations in the black market. Second, Americans abroad are required to pay income taxes. That also might have had an influence in the matter.

It seems to me that if we reason this matter out, we must arrive at the conclusion that this must have been what happened, that there were some of these 34 gentlemen who were in Morocco prior to the war, most of them having gone there as soldiers, and remained abroad. They had no capital with which to engage in trade. They were not wealthy men. They could not have gone into this business unless they did so with the aid of money furnished them by Frenchmen or Moroccans who desired to import goods, luxury goods, in contravention of the arrangements we had had with France with respect to imports.

Mr. President, that being the case, it is my judgment that they are primarily a front for French and Moroccan interests, and that for that reason they have declined to furnish the State Department with the necessary information, when twice requested to do so. Under those circumstances it seems to me that we should look with some suspicion upon a situation of this kind.

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

Mr. HAYDEN. I yield.

Mr. McKELLAR. The Senator did not read the entire letter of May 4, 1948, from Mr. Hoffman to Mr. Robert Ernest Rodes. I want to read from it, although I believe the Senator would probably give more credence to it than I do. However, I shall read from it.

As concerns your second point—that there has been discrimination against American importers in French Morocco in the issuance of import licenses for goods financed—

Not by the French, as suggested by my good friend the Senator from Arizona, but financed by the ECA—

for goods financed by ECA—it seems to me quite possible that there has been discrimination of this kind.

There we have Mr. Hoffman's statement that there has been discrimination against these Americans. It is true there are not many of them. But if there has been discrimination it ought to be corrected, and this is the only way we can correct it.

Mr. HAYDEN. If there was discrimination why were these individuals unwilling to open their books and tell the government to which they were appealing about them? In a case such as this, they were appealing to the United States Senate to take action to protect them, when what they were doing, if my suspicions are at all correct, was to destroy the very object we are trying to accomplish, that is, to rebuild the economy of Europe.

Mr. GEORGE. Mr. President, will the Chair yield to me to make a statement?

Mr. HAYDEN. I yield.

Mr. GEORGE. The Senator from Arizona asks why they were unwilling to open their books. I went into this matter at some length. I was assued by not merely one of these men in French Morocco, but by three of them, and I have their correspondence that they did not dare disclose all the secrets of their business because the officers in Morocco with whom they had to deal were ready to take advantage of them so far as their business matters were concerned. They may have been wrong about it, but there is some evidence, to my mind at least, that they were acting in good faith.

It is against that sort of general condition which they have appealed in vain to our State Department and to Mr. Hoffman. I can very well understand

why 37 lonely Americans in French Morocco would not care to be disclosing all their secrets to hostile officers who would take advantage of them. But I think they did convince the State Department they were perhaps entitled to certain treaty protections. The State Department, however, talked about black market operations, something in the nature of pleas in avoidance, rather than giving the direct protection which the State Department should extend to an American citizen when he has to deal with a situation such as this.

I do not want to be unduly critical of the State Department, nor of Mr. Hoffman's organization, but I have repeatedly called the attention of the organization, through Mr. Brown, to whom I was directed to present the case, to the facts as they were disclosed to me. While some of these young men may not have responded as fully as they should have responded, and while they may have engaged in some sort of black-market operations, that does not and cannot relate to treaty rights, that is, to general provisions for equal treatment to which they were entitled under the treaties.

Mr. HAYDEN. If they were engaged in shipping American cotton goods to Morocco, and exchanging those cotton goods, let us say, for Moroccan manganese to ship back to the United States, and were doing it as American citizens, they were entitled to protection. If, on the other hand, they were acting as a front to enable French and Moroccan interests to import luxury goods which otherwise could not be imported, and in that way injured the European recovery program, and if they went into the black market to exchange the francs they received for American dollars, they were again acting against the interests of their own nation. I say that men who come with clean hands should not hesitate to tell their government the truth about their business when they appeal for its protection. They have not done so.

Mr. GEORGE. Mr. President, I should have to take issue with my good friend from Arizona on the basis of the facts as I was able to ascertain them.

Mr. McKELLAR. There was no evidence of that kind in the record.

Mr. FULBRIGHT. Do any of these men pay income taxes to the United States Government? The Senator says they are supposed to.

Mr. HAYDEN. I do not know anything about income taxes or black-market operations. I know that if they were acting openly and above-board they would make reports similar to those made by other American businessmen throughout the United States.

Mr. FULBRIGHT. Have they made no reports?

Mr. HAYDEN. They have not, so far as I know.

Mr. McKELLAR. Mr. President, we should not decide this question on the suspicion of our good friend, the Senator from Arizona [Mr. HAYDEN], who is one of the best men in the world. He admits that there is no evidence to this effect. He simply has suspicions that they were, maybe, in the black market business in Morocco.

Mr. HAYDEN. I read the following statement in regard to that matter, a statement which comes from the State Department:

> It is naturally difficult to obtain definite proof of illegal exchange transactions on the part of American, or any other, importers in French Morocco. However, numerous reports received from the Consulate at Casablanca state that, on the basis of trade statistics, it became quite evident that francs were being exported to the Tangier free market or to the Paris black market for conversion into dollars in contravention of Moroccan exchange control regulations. These statistics showed great discrepancies between the volume of imports from the dollar area and official allocations of exchange, and thus made it clear that a great percentage of imports were being financed by illegally obtained dollars.

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

Mr. HAYDEN. I yield.

Mr. CHAVEZ. Senators may have various opinions respecting certain matters, and what the Senator has just read is simply the opinion of someone in the State Department. That is not an accusation against these American citizens of violating any law.

Mr. McKELLAR. The statement just read is wholly different from the testimony of the Administrator.

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

Mr. HAYDEN. I yield.

Mr. BALDWIN. If these young men, these veterans, who, it appears, are charged in a sort of a left-hand way in that letter, are violating the law, they can be prosecuted, can they not?

Mr. HAYDEN. Yes.

Mr. BALDWIN. And if they are convicted, then they are beyond the pale of the law, and they have no rights. Is that not correct?

Mr. HAYDEN. But if the Senator were charged with a crime, would he say, "Why do you not arrest me?" He would say, "I am not guilty. I have not committed the crime." They do not say that.

Mr. BALDWIN. I do not understand that they ever said, "Why do you not arrest me?" The point I want to make in one final sentence is this. The violation of one law does not justify the violation of another. Two wrongs do not make a right.

I think that is the extent to which the argument of my distinguished friend from Arizona goes.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TAYLOR (when his name was called). On this vote I have a pair with the senior Senator from Maryland [Mr. TYDINGS]. If he were present and voting, I understand that he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announced that the Senator from California [Mr. DOWNEY] and the Senator from Idaho [Mr. MILLER] are necessarily absent.

The Senator from Montana [Mr. MURRAY] is detained on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is detained on official business.

I announce further that if present and voting, the Senator from Florida [Mr. PEPPER] and the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is necessarily absent.

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

The Senator from Kansas [Mr. SCHOEPPEL] is absent by leave of the Senate.

The result was, yeas 42, nays 44, as follows:

YEAS—42

Aiken	Hayden	Millikin
Anderson	Hickenlooper	Morse
Byrd	Hoey	Myers
Chapman	Humphrey	Neely
Connally	Hunt	O'Conor
Donnell	Johnson, Tex.	Robertson
Douglas	Johnston, S. C.	Saltonstall
Dulles	Kefauver	Smith, Maine
Flanders	Kilgore	Sparkman
Frear	Lodge	Taft
Fulbright	Lucas	Thomas, Utah
Graham	McGrath	Thye
Green	McMahon	Tobey
Gurney	Magnuson	Vandenberg

NAYS—44

Baldwin	Hendrickson	McKellar
Brewster	Hill	Malone
Bricker	Holland	Martin
Bridges	Ives	Maybank
Butler	Jenner	Mundt
Cain	Johnson, Colo.	O'Mahoney
Capehart	Kem	Russell
Chavez	Kerr	Stennis
Cordon	Knowland	Thomas, Okla.
Eastland	Langer	Watkins
Ecton	Long	Wherry
Ellender	McCarran	Wiley
Ferguson	McCarthy	Williams
George	McClellan	Young
Gillette	McFarland	

NOT VOTING—10

Downey	Reed	Tydings
Miller	Schoeppel	Withers
Murray	Smith, N. J.	
Pepper	Taylor	

The VICE PRESIDENT. On this vote the yeas are 42, and the nays 44. The decision of the Chair does not stand as the judgment of the Senate.

The question is on agreeing to the committee amendment on page 5, beginning in line 3. (Putting the question.)

Mr. LUCAS. Mr. President, I was on my feet before the Chair put the question.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. LUCAS. I thank the Chair.

Mr. President, it is my understanding that the Republican National Committee is in town, and that it plans to have a little banquet tonight——

Mr. WHERRY. A big one.

Mr. LUCAS. A big one, the Senator from Nebraska says. I understand that it will be a big one, and will probably last a long time, if the newspaper reports are correct. I wish my colleagues on

the other side of the aisle all possible pleasure tonight; and that they finally get around to the peace and amity which they have been trying to reach for quite some time.

Mr. President, in view of the lateness of the hour and the vote overruling the decision of the Chair, we shall not now debate the amendment on its merits. From what little I have heard this afternoon in regard to the merits of the amendment, I think perhaps there will be a number of Senators who will desire to enter the debate tomorrow.

Consequently, I shall move that the Senate take a recess——

Mr. WHERRY. Mr. President, will the Senator withhold that motion until I can ascertain whether the Chair has stated the result of the vote on the amendment, or whether the Chair went no further than to state the result of the vote on the question whether the decision of the Chair should stand as the judgment of the Senate?

The VICE PRESIDENT. No; the Chair made no announcement as to the vote on the amendment.

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

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Will the Chair make the announcement?

The VICE PRESIDENT. No; the Chair will not make an announcement as to the result of the vote on the amendment, because the Senator from Illinois requested recognition.

Mr. McKELLAR. I misunderstood; I thought the Chair was in the process of stating that, because of the last vote, the Senate had overruled the decision of the Chair.

The VICE PRESIDENT. Oh, no; the Chair announced some time ago the result of the vote on that question.

Mr. McKELLAR. Very well.

The VICE PRESIDENT. The Chair was putting the question on the amendment, and asked for the Senators who favored the adoption of the amendment to so indicate, and that had been done, whereupon the Senator from Illinois requested recognition, and was recognized.

Mr. McKELLAR. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Is it now in order to move that the Senate reconsider its recent vote, and then to move to lay that motion on the table?

The VICE PRESIDENT. If the Senator from Illinois will yield for that purpose, it will be in order.

Mr. BALDWIN. Mr. President, will the Senator yield to me for a moment?

Mr. LUCAS. I yield.

Mr. BALDWIN. I should like to ask the Senator from Illinois to withhold his motion that the Senate take a recess, until it can be ascertained whether we can obtain a vote tonight on this amendment. I have talked to several Members of the Senate who are interested in it, and indication is that the debate on it is over.

I do not know how the junior Senator from Georgia [Mr. RUSSELL] may feel about it; but almost all Members of the Senate are here now, and we could move just that much further along with the consideration of the bill if we could obtain a vote on the amendment tonight.

Mr. LUCAS. Mr. President, I regret that it will not be possible to have a vote on the merits of the amendment tonight, because some arguments on the amendment will be made tomorrow on the floor of the Senate. I take this position primarily because of the request made by the distinguished minority leader. I mentioned the possibility of a night session, but he begged me not to have one tonight because, as he told me, the Republican National Committee is in town for the meeting to which we have referred.

So, in deference to the distinguished minority leader and other Members on his side of the aisle, who will attend the banquet tonight, I shall not move that a night session be held, thus requiring the Senate to remain in session considerably longer.

Mr. WHERRY. Mr. President, I appreciate the Senator's position. The reason I inquired whether a vote had been taken on the amendment was that I felt an opportunity should be given to the distinguished Senator from Georgia [Mr. RUSSELL] to move that the Senate reconsider its vote on the question of sustaining the decision of the Chair, and that then an opportunity should be afforded to move to lay the motion to reconsider on the table.

I think there will be debate tomorrow on the merits of the amendment. But I think an opportunity should be given the Senator from Georgia to move to reconsider the last vote, and then to move to lay the motion to reconsider on the table.

Mr. LUCAS. That opportunity will be afforded tomorrow.

Mr. RUSSELL. Will the Senator yield?

Mr. LUCAS. I yield.

Mr. RUSSELL. Of course, the Senator from Illinois has the floor, and he can move that the Senate take a recess, and thus deny the right that is usually extended under such circumstances. I have no desire to preclude any discussion of the amendment. I hope it will be discussed very fully, because there are some phases of the amendment concerning which I trust we may be enlightened. I, myself, should like to have some enlightenment on the amendment from some sources.

But it seems to me that we might go through the formality of closing the proceedings insofar as the last vote is concerned.

Mr. LUCAS. In that connection, I may state, for instance, that only a few minutes ago I told the distinguished Senator from West Virginia, who now has left the Chamber, that there would be no further votes tonight. He is taking care of some problem in the executive branch of the Government and has left for the day. I have told other Senators the same thing.

Of course, after Senators are told there will be no further votes on a certain day, it almost always happens that requests subsequently are made to have votes taken on that day. I suppose the majority leader should never advise any Senator that he can leave the Chamber and can go down town in order to transact some business with a governmental department, and that he may do so in reliance upon the word of the majority leader that no further votes will be taken.

But in order to keep faith with the Senator from West Virginia, who particularly asked me, before he left the Chamber, whether other votes would be taken today—and I told him there would be no further votes—I feel that the Senate should take a recess at this time. It seems to me we shall lose no ground by doing so, and by having the amendment come before us tomorrow at noon, or even at 11 o'clock in the morning, if that is desired, for I shall be willing to move to have the Senate meet at 11 o'clock, if that is the wish of Senators.

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

Mr. LUCAS. I yield.

Mr. LONG. If agreeable to the Senator from West Virginia, I shall be glad to give him a live pair, if that is desired.

Mr. LUCAS. The Senator from West Virginia did not ask me to get him a pair, before he left.

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

Mr. LUCAS. I yield.

Mr. WHERRY. I merely want to make a brief observation. When I was thanking the distinguished Senator from Illinois for his cooperation, in order that a recess might be taken at this hour, I of course had in mind the fact that he had already made the announcement there would be no night sessions, and that was why the great Republican family planned to have its meeting Thursday night. But I appreciate the fact that we are recessing now at 6 o'clock. I do not want the RECORD to show that there is any particular accommodation in the fact that we are not having a night session, because the distinguished majority leader had already announced at the beginning of the week that there would be no night sessions this week. I wanted the RECORD to show that.

Mr. LUCAS. The Senator from Nebraska, of course, will not deny the fact that he requested that no late session be held, in order to accommodate the Republicans of the country who have gathered in Washington, D. C.

Mr. WHERRY. That is correct, and I appreciate the Senator's cooperation very much.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had insisted upon its amendments to the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KEE, Mr. RICHARDS, Mr. MANSFIELD, Mr. CHIPERFIELD, and Mr. JACKSON of California were appointed managers on the part of the House at the conference.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, 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.

EXECUTIVE MESSAGES REFERRED

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

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

The VICE PRESIDENT. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

TREATIES

Mr. LUCAS. Mr. President, there are certain treaties on the calendar which the Senator from Texas says should be ratified at this time.

Mr. WHERRY. I ask unanimous consent that the treaties be passed over tonight.

The VICE PRESIDENT. Is there objection to the request?

Mr. CONNALLY. Mr. President, we would like very much to have the treaties ratified. As a matter of fact they have been unanimously reported by the committee. They do not involve very important subjects.

Mr. WHERRY. I understand. I only request 1 day's delay.

Mr. CONNALLY. I cannot object to the Senator's request.

The VICE PRESIDENT. Is there objection to the unanimous-consent request? The Chair hears none, and the treaties will go over. The clerk will proceed to state the nominations.

NOMINATIONS PASSED OVER

Mr. LUCAS. Mr. President, I suggest the nominations of W. Walton Butterworth, Ellis O. Briggs, Nathaniel P. Davis, and Philip M. Kaiser be passed over.

The VICE PRESIDENT. Without objection, it is so ordered.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. LUCAS. I ask that the nominations in the Public Health Service be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Public Health Service are confirmed en bloc.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the three nominations of postmasters in the State of Tennessee be passed over until the next session.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LUCAS. I ask that the remaining nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters, other than those for the State of Tennessee, are confirmed en bloc.

Mr. LUCAS. I ask that the President be immediately notified of all nominations confirmed this day.

The VICE PRESIDENT. Without objection, the President will be immediately notified.

RECESS

Mr. LUCAS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 5, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received August 4 (legislative day of June 2), 1949:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance:

Roger M. Cole
Stewart R. Panzer
Paul K. Benedict
Winslow J. Bashe, Jr.
Jarvis E. Seegmiller
Richard S. Yocum
Harry S. Wise
Carl F. Essig, Jr.
William W. Quisenberry
William A. Rinn

To be assistant sugeons (equivalent to the Army rank of first lieutenant), effective date of acceptance:

Charles H. Lithgow
James V. Maloney, Jr.
Robert D. Sullivan
William E. Ganss
John M. Bishop, Jr.
Werner F. Cryns
Clifford H. Cole
Charles J. Buhrow
Charles L. Fellows
Robert H. Aronstam
John C. Stirling
Lee A. Craig, Jr.
Benjamin M. Primer, Jr.
James W. Osberg, Jr.
Carl F. T. Mattern
James S. Hawthorne
John A. Pierce
Francis Chanatry
Robert L. Brutsche

Senior assistant surgeons to be surgeons (equivalent to the Army rank of major):

Gene B. Haber
Louis C. Floyd
Arthur H. Maybay

IN THE NAVY

The following-named officers for permanent appointment to the grade of rear admiral in the line of the Navy:

George C. Crawford
Edward C. Ewen
Apollo Soucek
Robert P. McConnell

The following-named officer for permanent appointment to the grade of rear admiral in the Supply Corps of the Navy:

Samuel E. McCarty

The following-named officers for permanent appointment to the grade of lieutenant in the line of the Navy:

Keith G. Fletcher
James L. Baxter
Thomas A. Featherstone
Arthur E. Thompson
William T. Shipes
Hugh N. Batten
Vann E. Savage
James H. Pyle, Jr.
Gerald W. Stoddard
Andrew Hulshof
Merrill K. Martin
Owen A. Roberts
Robert S. Harward, Jr.
Robert E. Morris
Wilbur L. Stallings
Robert L. Pierce
Joel E. Tilley, Jr.
Carl J. Seiberlich
Paul Bugg
Thomas B. Longley
Louis R. Emme
Dean G. Fleming
Maurice J. Underwood
Arthur D. Gordon
Charles N. Scarborough
Ashley "R" Hodges
James H. Robertson
Irving T. Gumb, Jr.
Nils A. A. Carlson
Daniel R. Paul
Harley G. Salisbury
Conner M. Petrie, Jr.
Richard A. Caldwell
Frank S. Howland
William M. Newell
"J" "A" Linn
John M. Suddreth
William J. Hess
Daniel P. Zylla
Floyd K. Clymer
Joseph F. Stanfill, Jr.
Clyde E. Crowder
Benjamin Hashmall
John T. Dempster, Jr.
Harrison H. Baker
Warren L. Gibson
George W. Loveridge, Jr.
Leonard D. Welch
George E. Franklin
Wilbur W. Warlick
Albin Marn
Harry E. Carter
Benedict J. Scott
Harry N. O'Connor
Joseph P. Tidwell
Robert W. Reeve
Thomas C. Young
Edwin W. Matthews
Joseph "S" Reedy
Warren F. Paris
Almon "P" Oliver
Lyttleton T. Ward
Joseph L. Coleman
Robert P. Heekin
Willis E. Hardy
Edward Iglesias
Edgar L. McNett
Thomas W. Teal
Wilbur E. N. Keil
Richard E. Duncan
Clarence R. Meissner
Howard K. Wallace
Paul F. Lorah
James M. Bouldin
Edward J. Lawrence
William S. Hertig
Harold R. Eyer
Riley T. Folsom
Wallace E. MacDonald
Ralph R. Caruthers
Warren C. Richison
Addison R. English
Kenneth E. Lindley
Robert S. Sherman
Joe J. Culotta
George E. Barber
William B. Dever
Edward G. Kelley
Gerard P. Zornow
John A. Mattison
Michael J. Rura
Robert B. Linn
Douglas G. Parramore
Joseph R. Stroupe
Louis J. Schoenfeld
Carl R. Wenz, Jr.
Donald E. Brunner
Donald B. Long
Thomas J. Baxter, Jr.
Lloyd W. Moffit
Charles E. Rodgers
Keith J. Evans
Earl P. Seymour
Homer D. Savage
Marvin J. Nelson
James B. Doster
Emeryk Lichnerowicz
Francis F. Johnson
John T. Freeman
John F. Davis
Roy P. McCloskey
Norbert P. Vegelahn
William F. Walker
Richard M. Hopfinger
Mitchell L. Udick
Maurice O. Rishel
Lewis G. Gifford
Charles L. Duss
Lester Morris
Andrew R. Smith
Paul A. Veres
Charles H. Carroll
Robert C. Morris
James H. Crawford, Jr.
Joseph McNaughton
Clarence H. Howard
George E. Dennis
Samuel J. Miller
Raymond M. Chester
Charles C. O'Hearn
Vincent D. Maynard, Jr.
Maurice M. Perrine
Michael F. Rogus
William D. Acton
Joseph Bigger
Clifford I. Nettleton
William G. Whisler
John R. Kersey
Herschel B. Thorpe
Elmer C. Fry
Byrum C. Bingham
Lewis M. Moore
Ezra R. Bennett
David E. Glassman
Addison E. Medefind
Hector S. McDaniel
Howard C. Zangel
Arthur R. W. Thomas
Jack L. Erickson
Dale V. Hansen
Clifford S. Tomlinson
Robert J. Barnes
Paul E. Krebs
Harry E. Johns
Leonard R. Laughlin
John T. Gordon
William B. Moore
Fonville Kelly
Howard J. Stockert
Walter E. Constance
Elliott E. Okins
"J" "F" Branson, Jr.
Clyde C. McPherson
Charles W. Busey
Ralph S. Cerney
Berthel L. Roberts
Jack G. Kaye
Ralph F. Stoll
Paul C. Stadler
Lawrence A. Farquhar
John R. Bohlken
Joseph Boriotti
Lauren M. Johnson
Robert J. Massey
Melvin H. Brantley
Ellis E. Lee
Arthur J. Manger
James E. Ivy
George H. Winslow
James B. Morris
Richard G. Tobin
Clarence L. Lambing
Frederick E. Berg
Larry E. Dunlap
Robert N. DeLa Hunt
Everett E. Wigington
Clarke B. Walbridge
Richard W. Mann
Ivol E. Hansen
Charles J. Deasy
John J. Foley
Norman P. Currin
David M. Jeter
Joseph H. Fisher
Francis M. Guttenberger
Robert H. Johnson
Lee R. Thompson
Leo Kelly
John K. Freeman
Thomas E. Greenwood
Bernard L. Zentz
Stephen F. Kelley
Bert R. McClelland, Jr.
Melvin E. Call
Averill G. Griffin
Garvis D. Johnson
Victor J. Sibert
Leahman J. Holt
Herbert E. Duquette, Jr.
Adren P. Bonner, Jr.
John A. Delaney

William L. Thede
Richard J. Mumford
Walter I. Perry
William B. Kurlak
Bruce Smithee
John R. Bourchier
Albert J. Ross
John E. Echterling
Robert E. Anglemyer
Paul D. Davidson
Andrew Serrell
Henry H. Henderson
Harry K. Hoch, Jr.
Victor B. Rink
Lewis C. Ihrig
Alphonse G. Goodberlet
William R. Wilson
William E. H. Felchner
David P. Parks
Joseph J. Cote
Arthur D. Ronimus, Jr.
John L. Koch
Raymond V. Raehn
Melvin W. Cassidy
Alden M. Pierpoint
Carl C. Dace
John R. Miller, Jr.
Jerome O. Hovland
Roy S. Johnston
Donald H. Nitz
Norman M. Lambertsen
Arthur W. Motley, Jr.
David D. Harris
Wilfred G. Chartier
Barthalomew Castrichine
Milton B. Moreland
Daniel A. York
David E. Cummins III
Paul Roth
Robert "H" Ebersole
Elmer "P" Carlson
Inslee E. Grainger
John R. Atkins
Charles H. Hoar, Jr.
Theodore Hladik
Merritt W. W. Baldwin, Jr.
James E. Jenkins
David Miller
William M. A. Greene
Max F. Rolih, Jr.
James W. Bowen
Newel W. Smith, Jr.
William I. Brewington
Theodore L. Morgan
Walter R. Smith
James E. Tanner
Henry E. Ethier
Richard M. Davis
Clayton C. Windsor
William J. J. Heffernan
Derrill P. Crosby
Aloysius Sally
John B. Pruden
Oscar S. Maddox
Luther G. Bearden
John L. Perry
George W. Stubblefield, Jr.
John W. Casey, Jr.
William S. Rhymes
Thomas Fields
Robert W. Jensen
Edward A. Gurry

The following-named officers for permanent appointment to the grade of lieutenant in the Medical Corps of the Navy:

Edwin R. Shapard III
Bruce B. Barnhill
Frank M. Thornburg
Robert C. Lehman
Harry C. Nordstrom
Robert B. Green
William C. Turville
Walter S. Matthews, Jr.
John I. F. Knud-Hansen
Robert W. Mackie
Robert J. Fleischaker

The following-named officers for permanent appointment to the grade of lieutenant in the Supply Corps of the Navy:

Paul W. Eldridge
Walter B. Adams
Ray S. Ewing
Bentley L. Wilson
Houston W. McGlothlin
Robert C. Lyons
Charles A. Vasey
Lennus "B" Urquhart
Thomas M. Brown
Thomas J. Emmett, Jr.
Alfred G. Lachmann
Gordon L. Groover, Jr.
William B. Farley
Frank L. Pearce, Jr.
John L. Foil
Tadeus T. Merritt
John H. Nuck
Richard Bergen
Robert A. Wells
Conway C. Baker
Dewayne C. Miller
Wendell McCrory
Paul B. Fitch
Alfred V. B. Marrin
Eugene L. Tucker
Merlyn A. Nelson
Earl F. Hilderbrant
John E. C. Ott
John W. Clift
Robert B. Webster
James E. Hickey
Elwood M. Bevins
Earl G. Clement
Earl G. Fossum
Roy M. McDaniel
Charles P. Ramsey
Edward J. Miller
Paul N. Bentley
William H. Settle
Paul Gertiser
Whitney A. Chamberlain

The following-named officers for permanent appointment to the grade of lieutenant in the Chaplain Corps of the Navy:

Harold E. Meade
Edward R. Martineau
William G. Sodt, Jr.
Soren H. F. Andresen
Jackson D. Hunter
James W. Lewis
Oscar Weber
Arthur L. Dominy
Wendell S. Palmer
Robert C. Fenning
Joseph P. Cusack
William G. Tennant
Thomas B. Uber II
James E. Emerson
Richard P. Heyl
Elmo M. T. Hawkins
Bernard J. McDonnell
James W. Lipscomb
Stanley A. Mroczka
William F. Doyle
Edgar A. Day
George L. Martin
Carl Elwood

The following-named officers for permanent appointment to the grade of lieutenant in the Civil Engineer Corps of the Navy:

Robert C. Coffin, Jr.
Earl F. Gibbons
Leo Liberman
Cushing Phillips, Jr.
John M. Bannister, Jr.
O'Neill P. Quinlan

The following-named officer for permanent appointment to the grade of lieutenant commander in the Dental Corps of the Navy:

William E. Hutson

The following-named officers for permanent appointment to the grade of lieutenant in the Dental Corps of the Navy:

Kenneth R. Pfeiffer
John W. Lieuallen
Jerome J. Steinauer
Robert A. Anderson
Joseph G. Chudzinski
Glen H. McGee
Ralph M. Bishop
Elwood R. Bernhausen

The following-named officers for permanent appointment to the grade of lieutenant in the Medical Service Corps of the Navy:

Milfred E. Sims
Russell S. Nance
Emmett L. Van Landingham, Jr.
Clinton H. Dutcher
William B. Hull
James W. Kinder
Clair L. Patterson

The following-named officers for permanent appointment to the grade of lieutenant in the Nurse Corps of the Navy:

Verona B. Sprecher
Mary A. Prescott
Eugenia L. Moseley
Nellie B. Burock
Marguerite Good
Helen L. Kuebler
Gloria C. Parisi
Nellie R. Backlin
Emma R. Wing
Kate Young
Louise J. Bartlett
Kathryn A. D. Trayers
Lillee E. Elledge
Inez Watson
Elizabeth L. Pollock
Caroline M. Prunskunas
Mary E. Orlando
Helen A. Mieras
Ellen E. Pullekinus
Catherine O'Donnell
Veronica A. Stein
Phyllis A. Scungio
Bertha M. Davis
Mary R. Becker
Lucile P. Miller
Alma R. Ross
Elois M. Duffy
Marguerite L. Durnwald
Martha A. Van Wye

The following-named women officers for permanent appointment to the grade of lieutenant in the line of the Navy:

Muriel S. Johnson
Mary C. Houck
Doris E. Steeves
Helen R. Upson
Joan M. Caldbeck
Louise F. Merkle
Helen E. Pritchard
Lucy E. Boyd
Lucile S. Thompson
Anita Ramos
Josephine S. Bates
Mary E. Ward
Catherine E. Cox
Sara E. Mitchell
Margaret A. B. Mairs
Louise A. G. Platt
Dorothea Ritchie
Virginia M. Thompson
Arline "C" Gorn

The following-named women officers for permanent appointment to the grade of lieutenant in the Supply Corps of the Navy:

Jean M. Shaefer
Elizabeth J. Stover

CONFIRMATIONS

Executive nominations confirmed by the Senate August 4 (legislative day of June 2), 1949:

PUBLIC HEALTH SERVICE

APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS

To be surgeon (equivalent to the Army rank of major), effective date of acceptance:

Milton W. Gwinner

To be scientist (equivalent to the Army rank of major), effective date of acceptance:

Keith J. Perkins

To be dental directors (equivalent to the Army rank of colonel):

James F. Lewis
Thomas L. Hagan
James S. Miller

To be scientist directors (equivalent to the Army rank of colonel):

Howard L. Andrews
Heinz Specht
G. Robert Coatney

POSTMASTERS

ALABAMA

William L. Albritton, Camden.
Robert C. Salter, Castelberry.
Mary M. Davis, Chunchula.
Autry S. King, Eight Mile.
John P. Gottler, Elberta.
Russell S. Campbell, Heflin.

ARKANSAS

William L. Nabors, Donaldson.
Roger P. Klie, Grady.
Paul E. Williamson, Jr., Holly Grove.
Avery A. Kaylor, Lavaca.
Harold M. Jinks, Piggott.
Anna P. Essary, State College.
Lois G. Wright, Sweet Home.

COLORADO

Alice P. Allison, Eaton.

FLORIDA

Julian F. Clifton, Flager Beach.
Margaret V. Lindsey, Homosassa Springs.
George E. Lawrence, Grand Ridge.
Leland R. Brallier, Lake Butler.
Jessie L. Justice, Lake Hamilton.
Harry J. Hopcraft, Mount Dora.
Herbert A. Marlowe, Newberry.
Joseph W. Padgett, Panama City.
William D. Thomas, Samoset.
Charlotte L. Jenkins, Sharpes.

GEORGIA

Bennie F. Wammock, Adrian.
Olive S. Rich, Bartow.
Walter F. Wells, Jr., Bishop.
Robert P. Wight, Cairo.
Edith M. Holmes, Conley.
Endine M. Hart, Ellaville.
George E. Chandler, Jr., Keysville.
Neon E. Bass, Leslie.
Harry Baggs Chapman, Ludowici.
Virginia K. Kinsey, Mayfield.
Kathryn E. C. Hanley, Millhaven.
Adahbelle Elrod, Murrayville.
Charles Earl Sewell, Newman.
Cordelia A. Flournoy, Newton.
Jack Herring, Ochlochnee.
Monteen L. Sanders, Parrott.
Samuel W. McNair, Stapleton.
Ray G. Spangler, Sunny Side.
Maro L. Callier, Talbotton.
William F. Lambert, Temple.
Claude Rountree, Thomasville.
Thomas C. Fowler, Woodstock.

IDAHO

Charles S. Thornley, McCammon.
Mabel Logue, Stibnite.

ILLINOIS

Leland H. Watson, Ashmore.
John Pugh, Cutler.
Rae A. Arnould, Dixon.
Hazen L. Ernst, Gibson City.
Charles J. Ginaine, Glenview.
Beverly C. Wilborn, Grayville.
Francis M. Perkins, Lawrenceville.
Luella A. Nixon, Lomax.
Dale A. Schwarz, Roberts.
Nellie J. Lovelace, Rockton.
Clyde B. Miller, West Salem.
Pearl V. Reilly, Winnebago.

INDIANA

Verner L. Bowers, Crawfordsville.
Harry McOsker, Ewing.
George L. Staley, Garrett.
Charles C. Gilmore, Griffin.
Charles Woodrow Zehner, Windfall.

IOWA

Jack R. Campbell, Blockton.
Oscar A. Jaeger, Decorah.
Henry M. McMillan, Elgin.
Henry Bendorf, High.
Jeanette L. Mennen, Kesley.
Lawrence Isaac Colman, Macedonia.
John W. Johnson, Marathon.

Rose M. Wedeking, Nemaha.
Arthur Klein, Pella.
Harry A. Eddy, Rhodes.
Julia A. Stott, Titonka.
Albert J. Schmidt, Winfield.

KANSAS

Reginald D. Bennett, Cottonwood Falls.
Ralph L. Bogart, Gypsum.
Homer C. Brunow, Kensington.
John G. Wilson, Moline.
Roy J. Considine, Sterling.

KENTUCKY

Henry M. Piper, Farmington.
Robert X. West, Independence.
Claude G. Bonar, Newport.

LOUISIANA

Horace G. Hines, Sr., Bethany.
Charles H. Avery, Dubach.
William A. Hogan, Epps.
Lloyd B. Platt, Grand Cane.
William P. Lawrence, Haughton.
Tyler E. Adams, Keatchie.
Gladys H. Duke, Kelly.
Woodrow W. Hathorn, Monroe.

MAINE

Warner A. Howard, Coopers Mills.
Gordon M. Sandborn, East Sebago.
Cyril F. Hopper, Lincolnville.
Vernell L. Leighton, Millbridge.

MARYLAND

Earl F. Haenftling, Accident.
Florence W. Gillis, Eden.
William M. Remsburg, Knoxville.
Francis L. Leverone, Mount Rainier.
Thelma W. Billings, Riva.

MISSISSIPPI

Josephine W. Webb, Cleveland.
Eleanor O. Miller, Darling.
Randolph M. Sumerall, Isola.
Kenner E. Day, Rolling Fork.
Katherine W. Jones, Schlater.

NEW MEXICO

Max B. McBride, Grants.
Virginia E. Maya, Vanadium.

NORTH CAROLINA

Mark Sumner, Sr., Asheville.
Jake Price, Caroleen.
Joseph J. Meliski, Chimney Rock.
Henry G. Stewart, King.
Billy Bryan Medford, Lake Junaluska.
Ellis E. Fleming, Manson.
Lewis Chesley White, Merry Hill.
Edward A. Pipkin, Jr., Mooresboro.
John S. Regan, Nazareth.
Oscar C. Hull, Roxboro.
William Thomas McGoogan, Red Springs.
James B. Russ, Southport.
Ernest Lee Cherry, Stanley.
Ruby E. Stanley, Swansboro.
Samuel W. Garrell, Jr., Tabor City.
Sarah L. Lancaster, Vanceboro.
Allen McD. Callahan, Vass.

NORTH DAKOTA

Edmund F. Ost, Fredonia.
August F. Poehls, La Moure.
Cleo Flugga, Marion.
Leo J. Walerius, Munich.
Bessie G. Goding, Taylor.
Kenneth S. Hinck, Willow City.
Theodore O. Brandt, Wishek.

OHIO

Lyell F. Roush, Beverly.
Wilbur F. White, Delta.
Bertie A. Hamilton, Everett.
Dell M. Hathway, Gambier.
Ralph L. Painter, New Richmond.
Bernice E. Koch, North Royalton.
Marcus Baker, South Lebanon.
William T. Warner, Summerfield.
Robert C. Millikin, West Jefferson.

OKLAHOMA

William E. Martin, Erick.
Walter E. Ingram, Henryetta.
Verney L. Thorlton, Lamont.
James Bailey Carson, Marland.
H. Herbert Puckett, Wilson.

OREGON

Donald L. Jenkins, Beaverton.
Joseph R. DeSpain, Pendleton.
Clide W. Adams, Tualatin.

PENNSYLVANIA

George H. Gartland, Curryville.
Paul Silberman, Hallowell.
Pansy L. Williams, Port Matilda.
Walter F. Walsh, Spangler.

SOUTH DAKOTA

Marie Connery, Bison.
Norbert O. Wieting, Delmont.
Albert Christianson, Volga.

TEXAS

Thurman L. McDougald, Anderson.
Lewis L. Bradley, Sr., Channelview.
Antonio G. Pena, Delmita.
Walter W. Harriss, El Campo.
John R. Hearne, Jr., Groveton.
Rafaela Guerra, Hidalgo.
William Harvel Brock, Iola.
Ruth F. Jenkins, La Porte.
Lucy M. Derham, La Tuna.
Re.. Hudson, Levelland.
Norris L. Stanley, Linden.
Ewald Hoelker, Lindsay.
Henry B. Machen, Lockney.
Samuel J. Coffee, Loraine.
Murray L. Crone, Morton.
Aubrey B. Gilpin, Mount Pleasant.
Hugh S. Lewis, Robert Lee.
Leon Howard Lee, Rochelle.
Louis O. Senkel, Rosenberg.
Kyle C. Stone, Sherman.
Mary L. Wallace, Spade.
Bernard R. Strack, Spring.
Edmon F. Oden, Sundown.
Guy V. Pickett, Terrell Wells.
J. W. Oliver, Wells.

UTAH

Ona Mae Maxey, Sunnyside.

WASHINGTON

Carl H. J. Quill, Parkland.
Barbara H. Eggman, Skamokawa.

WEST VIRGINIA

Thelma M. Green, Barboursville.
Marion Reed, Clay.
Nathan B. Lee, Eskdale.
John B. Hawse, Petersburg.
Vincent M. Sufritz, Sabraton.
Donald E. Thaxton, Sissonville.

WYOMING

Lennah J. Vaughn, Lander.
Eliza J. Yuthas, Superior.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 4, 1949

The House met at 12 o'clock noon.

Rev. David F. Chastain, Jr., pastor, Christ Baptist Church, Washington, D. C., offered the following prayer:

Have mercy upon us, O God, according to Thy loving kindness: according unto the multitude of Thy tender mercies blot out our transgressions.

Empower us with vision by the Holy Spirit's presence to see the consequences of wrong and right and create a holy desire for right in us.

Grant to us faith in Thee that good can be achieved among men. Clear our minds of short-sighted selfishness as we think of the kind of world we shall bequeath to the boys and girls whose voices cheer us today.

O Father, let love to others and a desire to be good stewards of our trusts motivate our lives to usefulness in Thy kingdom as we live in Thy holy love.

In Jesus' name and to His glory, I pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, 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 joint resolution (H. J. Res. 327) entitled "Joint resolution making an additional appropriation for control of emergency outbreaks of insects and plant diseases."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 61. Concurrent resolution authorizing a change in the enrollment of S. 1323 to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncita Navajo group in New Mexico, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1962) entitled "An act to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. HOEY, Mr. ANDERSON, Mr. AIKEN, Mr. YOUNG, and Mr. THYE to be the conferees on the part of the Senate.

CORRECTION OF COMMITTEE REPORT

Mr. BECKWORTH. Mr. Speaker, in the report of the Rules Committee on the bill H. R. 1758, the gas bill, which will be considered today, the committee reports me as having attended and made my position known, in an incorrect way.

In the first place, although I was at the committee meeting just a moment, I did not testify and was not privileged to talk to any member of the Rules Committee.

In the second place, had I testified, I would have testified that I was for the rule and that I favored the legislation.

I discussed this matter with the gentleman from Massachusetts [Mr. HESELTON], whose name was deleted, and we are of the opinion that they meant his name rather than my name.

I ask unanimous consent, Mr. Speaker, that the report be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CANADIAN RIVER RECLAMATION PROJECT, TEXAS

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2733) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Canadian River reclamation project, Texas.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. PETERSON]?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. PETERSON. Mr. Speaker, this bill authorizes the construction, operation, and maintenance of a reclamation project known as the Canadian River reclamation project. The bill has been thoroughly considered by the committee and was reported out unanimously. I may say that of the cost of this project a little over 94 percent is reimbursable.

Mr. MARTIN of Massachusetts. What is the total cost of the project?

Mr. PETERSON. The total cost of the project will be approximately $85,000,000, of which 94 percent is reimbursable.

Mr. MARTIN of Massachusetts. There are no new features in the bill?

Mr. PETERSON. No; and there is no controversy over the bill.

Mr. RANKIN. Mr. Speaker, reserving the right to object, will the gentleman state where the project is located?

Mr. PETERSON. It is located in Texas and is greatly needed.

Mr. WORLEY. Mr. Speaker, may I first express by thanks to the Speaker for recognizing the distinguished gentleman from Florida [Mr. PETERSON], chairman of the House Committee on Public Lands, to request present consideration of H. R. 2733. Briefly, this measure authorizes the construction, operation, and maintenance by the Secretary of the Interior of the Canadian River reclamation project located in that section of Texas known as the Panhandle. It will affect the entire Texas Panhandle South Plains area, which is more than twice as large as the combined area of Rhode Island, Delaware, Connecticut, Massachusetts, and New Hampshire. The estimated population of this area is over a half million. Although the project is physically located in my congressional district, the people of the South Plains area, represented by our able and distinguished colleague, the gentleman from Texas, Hon. GEORGE MAHON, have the same intense interest. Water problems recognize no congressional, State, or party lines. Moreover, this project, which involves the use of the waters of an interstate stream, is also endorsed by the two other States involved, namely, New Mexico and Oklahoma.

Essentially our problem is this: We have little or no surface water. Our annual rainfall is slightly over 20 inches. Nearly all of our water has to be pumped from wells. Competent testimony shows that we are taking more water out of our underground supply than nature is replenishing.

With water, the economy of this section of our country will remain firm and stable. Without water, we cannot hope to hold our own in the future.

The solution to our problem is construction of this dam. At the northern boundary of the Llano Estacado, there is a great unused national resource—the waters of the Canadian River—which now largely waste into the Gulf of Mexico. These waters form a permanent supply available and adequate for all of our municipal needs, both existent and anticipated, for many years. The Bureau of Reclamation was requested to investigate the possibilities of developing these waters of the Canadian River along with other water-resource improvements in the area. It has made such an investigation. These studies clearly show the development is both engineeringly and economically feasible. As proposed, this would be a multiple-purpose development which would provide, in addition to municipal and industrial water supply, irrigation, flood control, fish and wildlife benefits, and increased recreational values.

From a national standpoint, we have in this project the development of a water resource which is now going to waste. This development will serve to protect an established economy which is an integral part of the economy of our Nation. The benefits will extend far beyond the borders of Texas into the entire country.

Now as to the cost. Our people find themselves in the same position as people in other parts of the country who have needed similar projects but who have not been able to finance them alone. We are much in the same position of a small-business man going to a bank and asking for a loan. We are asking the Federal Government for a loan, not a hand-out nor a gift. We are asking for a loan which we will repay. The estimated cost of the project is approximately $85,000,000. The amount which we will repay to the Federal Government is approximately $80,000,000, which is more than 90 percent of the cost; substantially higher than other projects previously authorized by Congress. This will be paid by the water users. It will be repaid over a 40–60 year period. The remainder of the project cost, 10 percent or less, would be charged to the nonreimbursable items such as flood control and other national benefits now covered by existing law.

I urge your most favorable consideration of H. R. 2733. The Canadian River project is engineeringly and economically sound. We need it. We need it now. We can pay for it. We will pay for it.

Mr. MAHON. Mr. Speaker, I wish to express my deepest gratitude for the action of the Speaker of the House in making it possible for the Canadian River project to be presented to the House for consideration today. I trust that the bill may be approved without objection. Members on both sides of the aisle have been most cooperative with the gentleman from Texas [Mr. WORLEY] and me in the efforts which we have undertaken to expedite the measure and we are not unmindful of their kindness.

The Committee on Public Lands, headed by the able chairman the gentleman from Florida [Mr. PETERSON], has moved rapidly in recognizing the urgency of this project. This speed on the project has been made possible by the Speaker, the Committee on Public Lands, and the quick and favorable action on the part of the Bureau of Reclamation. Of course, without a report from the Bureau of Reclamation, showing that the project is feasible and in the public interest, we could not have made any progress and we would not have been entitled to the consideration which we are receiving today.

The people in the South Plains-Panhandle area have been most cooperative with the gentleman from Texas [Mr. WORLEY] and me in providing all possible information and support.

This project will cost about $85,000,000, but in excess of 90 percent of it will be repaid to the Treasury. This is a project which is genuinely in the public interest. The gentleman from Texas [Mr. WORLEY] and I represent one of the finest areas in the United States. The maintenance of the prosperity of the area is important to the Federal Government and to the general welfare. Without a large surface-water supply our cities will be in jeopardy. Competent engineers tell us that the Canadian River project is the answer to our problems. I rejoice in the progress being made today on a matter of such great importance to the people of the South Plains-Panhandle area of Texas.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of irrigating land, furnishing water for industrial and municipal use, controlling floods, providing recreation and fish and wildlife benefits, and controlling and catching silt, the Secretary of the Interior, through the Bureau of Reclamation, is authorized to construct, operate, and maintain the Canadian River reclamation project, Texas, the impounding works whereof shall be located at a suitable site on the Canadian River in that area known as the Panhandle of Texas. In addition to the impounding works, the project shall include such main canals, pumping plants, distribution and drainage systems, and other works as are necessary to accomplish the purposes of this act. Said undertaking shall be governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto): *Provided*, That the costs of construction allocable to flood control, recreation, the preservation and propagation of fish and wildlife, and the catchment of silt, shall be nonreimbursable: *Provided further*, That repayment of the reimbursable costs thereof shall be assured by a contract or contracts satisfactory to the Secretary.

SEC. 2. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

With the following committee amendments:

Page 1, line 8, after the comma following the word "Texas", insert the following: "described in that certain report of the regional director of the Bureau of Reclamation, region V, dated June 15, 1949, on the subject 'Plan for Development of the Canadian River project, Texas,' project planning report No. 5-12.22-1, at an estimated cost of $85,383,000."

Page 2, line 7, after the word "That", insert the following: ", notwithstanding any recommendations in said report to the contrary, only."

Page 2, line 8, after the word "control", delete ", recreation," and substitute in lieu thereof the word "and."

Page 2, line 9, after the comma following the word "wildlife," add the following: "and operation and maintenance costs allocable

to the same purposes,". Delete the words "and the catchment."

Page 2, line 10, delete: "of silt."

Page 2, line 11, after the word "thereof", insert the following: "within not more than 50 years from the date of completion of the project."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit this afternoon during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. LYNCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. HOWELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

THE MINIMUM-WAGE BILL

Mr. LUCAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUCAS. Mr. Speaker, I believe the Members of the House are aware that Lesinski minimum-wage bill, the original bill (H. R. 3190) is a monstrosity. I believe that the gentleman from Michigan [Mr. LESINSKI] has proved this, because he has introduced an entirely new bill on this subject, which has just been made available to us by the document room. The gentleman from Michigan [Mr. LESINSKI] is to be congratulated, because he has been able to take all of the bad features of the original bill and scramble them up and write them all into the new bill. This bill is going to be on the floor of the House next Monday, at which time I shall offer a substitute which is a clean bill, a good bill, and which I solicit your help on in passing. The Members of this House are not going to be deceived by any new bill which the gentleman from Michigan [Mr. LESINSKI] may introduce, especially if it is as great a monstrosity as his first one, which I assure you it certainly is.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Mississippi.

Mr. RANKIN. What is the bill about?

Mr. LUCAS. I may say to the gentleman from Mississippi that the minimum-wage bill which the gentleman from Michigan [Mr. LESINSKI] has reported, would regiment the entire American economy.

Mr. RANKIN. I thought it was the FEPC monstrosity.

Mr. LUCAS. It is even worse than that bill.

PEANUT QUOTAS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, on yesterday we talked a good deal about quotas on cotton. It so happens that in this morning's mail I received a letter about quotas on peanuts from a veteran in my district. You will remember we had the peanut-quota program up last year. I just hope the cotton-quota program does not work like the peanut-quota program insofar as some of the veterans in our district are concerned. I shall read one sentence from this letter which comes from a veteran:

> I am sending you a letter I received about the peanut acreage. Last year on this farm I planted nearly 17 acres of peanuts, and this year they cut me to 4.7 acres.

In other words, he gets about one quarter of what he planted last year.

I ask you if you think that that is fair? I ask you if you think that that is treating a veteran the right way? As was pointed out on yesterday, Oklahoma lost 57 percent of her peanut acreage when the peanut quota was adopted last year.

There was some special consideration given to Oklahoma. It may be we are going to have to have a little special consideration for parts of Texas in order that our families shall receive their fair share of acreage of allotments.

The SPEAKER. The time of the gentleman from Texas has expired.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include a short editorial.

Mr. GREEN asked and was given permission to extend his remarks in the RECORD.

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Appanoose County (Iowa) Bar Association.

Mr. KEEFE asked and was given permission to extend his remarks in the RECORD on the subject of national service life insurance dividends and the answers to questions relating to the reserves of national life insurance and to include a letter and a table prepared by Mr. E. F. Bartelt, Fiscal Assistant Secretary of the Treasury.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include excerpts from a letter.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include an editorial from this morning's Washington Post.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include a speech by Forest Harness, former United States Representative from Indiana's Fifth District.

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include two petitions.

SMITHSONIAN INSTITUTION

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2290) to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Page 2, line 21, strike out "$5,000" and insert "$10,000."

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. SHAFER addressed the House. His remarks appear in the Appendix.]

(Mr. SHAFER asked and was given permission to revise and extend his remarks and include excerpts of speeches.)

UNITED STATES COAST GUARD

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, I want to pay tribute, especially today, on its one hundred and fifty-ninth anniversary, to the glorious accomplishment of the United States Coast Guard. Since my boyhood, I have been deeply interested in the Coast Guard, and this interest was intensified by my privilege to be designated a member of the Board of Visitors to the Coast Guard Academy at New London, Conn., during the Eightieth Congress. The Academy, as a matter of fact, was moved to New London in 1910, and there for almost 40 years, through its graduates and trainees, has continued

to contribute so much to the safety of our waterways and sea lanes.

We, of Connecticut, are not only proud of the great record of the officers and men who so nobly are upholding the traditions of the United States Coast Guard, but also of the Academy in New London, which today represents one of the most attractive and up-to-date collegiate institutions in America. The rigorous standards for selection of candidates to the Coast Guard Academy is the best assurance that the International Ice Patrol, Weather Patrol, daring search and rescue will continue to serve this great Nation in peace as in war.

I include a timely editorial which appeared in the Washington Post this morning, Thursday, August 4, 1949, which follows:

SEMPER PARATUS

The United States Coast Guard celebrates today its one hundred and fifty-ninth birthday. It is a day not to be passed over in silence. Too often the services of the Coast Guard have been overlooked; though, to be sure, it came into its glorious own during the war.

But the Coast Guard is primarily a peacetime service, attached to the Treasury Department. It was Alexander Hamilton who gave it its start—as the Revenue Marine—back in 1790. Among its duties, pleasant and unpleasant over the years, have been fighting pirates and hostile Indians, protecting the Alaskan seal herds from extermination, and blockading southern ports in the Civil War.

Today it is charged with enforcement of United States laws on all the navigable waters of this country and, insofar as they are applicable, on the high seas. It conducts the magnificent search and rescue service that, at a moment's notice, mobilizes ships, aircraft, and radio communications to help victims of disaster at sea. It takes care of channel markers, lighthouses and lightships, conducts safety inspections of ships, and fulfills a host of other duties.

Of all these, the one that appeals most to us on this August day is the iceberg patrol in North Atlantic waters. This duty, except for periods during both world wars, the Coast Guard has accomplished since 1913—a year after the *Titanic* disaster. Actually, the iceberg season is over now; it normally lasts from around March to June and this year began in February and ended on June 15. But cuddling up to an iceberg right now seems an ideal way to beat the heat, and we wish the Coast Guard could go out and haul one up the Potomac to celebrate its birthday. It would be most appropriate, we think, since, like an iceberg, only about one-tenth of the Coast Guard's activities appear above the surface of our everyday consciousness.

EXTENSION OF REMARKS

Mr. BATES of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an article relating to taxation.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD and include a radio address by former Senator Arthur Capper.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SCRIVNER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include newspaper articles.

WHY REARM SOVIET RUSSIA?

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, Dr. Hardach, one of the directors of Krupps, reported that in March of this year the last shipment of the Krupps-Barbeck armament plant left for Russia.

Mr. Speaker, again I feel compelled to ask why the United States continues to rearm Soviet Russia with one hand while asking our people to spend $1,500,000,000 to rearm western Europe against this same Soviet Russia?

This would be farcical if it were not tragic.

PERMISSION TO ADDRESS THE HOUSE

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. McDONOUGH addressed the House. His remarks appear in the Appendix.]

UNITED STATES COAST GUARD

Mr. GARY. Mr. Speaker, today the United States Coast Guard celebrates 159 years of continuous service to mankind.

The forerunner of the present-day Coast Guard, the Revenue Marine, was established in 1790 at the request of Secretary of the Treasury Alexander Hamilton for the purpose of collecting import duties, and thus defeat widespread smuggling. It was to be known by several other titles before it became "Coast Guard" officially in 1915.

Little did Secretary Hamilton realize that the small fleet of cutters he gathered to insure duty collections would grow into a great Government service charged with so many responsibilities. The scope of these activities enlarged almost immediately. The service fought pirates in Louisiana and hostile Indians in Florida. It conducted countless explorations in Alaska. It protected the dwindling seal herds against reckless hunters and battled Spanish ships at Manila and Habana. It absorbed the duties of the Lighthouse Service and the Lifesaving Service. After the *Titanic* disaster it began its now famous ice patrol to warn vessels of icebergs drifting into North Atlantic shipping lanes.

Today, the Coast Guard is a part of the Treasury Department in peacetime, and its functions have continued to expand. For example, the Coast Guard is responsible for the enforcement of all Federal laws upon the navigable waters of the United States and its possessions and upon the high seas. These Federal laws embrace navigation, criminal acts, revenue, conservation and a number of miscellaneous statutes. It perhaps is even better known for its search and rescue activities, which can alert a far-flung organization of ships, planes, and land stations for action on a minute's notice. It is charged with the Nation's maritime safety. It opens ice lanes on the Great Lakes. It polices the whaling industry, and enforces the Migratory Bird Act and Sponge Fishing Act. It assists in the enforcement of the quarantine laws, the immigration laws, and laws covering the transportation of dangerous cargoes. It provides aids to navigation, such as buoys and lightships. It inspects safety features of ship construction, transports "floating courts" in Alaska, operates ocean weather stations, conducts oceanographic and other surveys. It even inspects motorboats with the help of its volunteer, civilian Coast Guard Auxiliary. And there are many more similar assignments, some temporary, some permanent.

In wartime the Coast Guard joins the United States Navy to become a fighting force as well. It has participated in every major war fought by the United States; in World War II it took part in every amphibious landing from Guadalcanal to Tokyo, and from Casablanca to Anzio and the beaches of France, fought submarines by sea and air, captured Nazis in Greenland, guarded 50,000 miles of beach, and manned 291 Army, 351 Navy and 802 of its own vessels with a total military strength of approximately 240,000 officers and men. Nearly 1,900 Coast Guardsmen gave their lives, and a like number received decorations.

During the past year Coast Guard actually rescued more than 5,000 persons from danger, and saved or protected property valued at more than $160,000,000. It gave assistance to hundreds of ships and planes, and operated and maintained 40,000 aids to navigation, the International Ice Patrol, the 13,000-mile Bering Sea Patrol, and kept in military readiness for any emergency, afloat or ashore.

The Coast Guard is always ready—and always busy.

Mr. CANFIELD. Mr. Speaker, the unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, the United States Coast Guard has always lived up to its motto Semper Paratus and it deserves a hearty salute on its one hundred and fifty-ninth birthday.

Last week in company with my colleagues of the House Subcommittee on Treasury-Post Office Appropriations, I made an inspection of Coast Guard facilities along the eastern coast. We spent 2 days aboard the cutter *Chincoteague* and off Elizabeth City, N. C., a remarkable demonstration of sea rescue work by helicopters was run off to perfection. The cutter itself was getting set to operate as a weather vessel and rescue ship between the Azores and Bermuda.

It has been pointed out that among its host of duties the Coast Guard has fought pirates and hostile Indians, protected the Alaskan seal herds from extermination, operated the ice patrols,

and cared for channel markers, lighthouses and lightships, conducted safety inspections of ships, and in wartime fought the enemy as part of the Navy. Its officers and men are characterful, on their toes, and proud of the history they have helped to write.

It was Alexander Hamilton who founded the Coast Guard back in 1790 and it was Alexander Hamilton who was instrumental in founding my home city of Paterson, N. J.

Last week I suggested to Admiral J. F. Farley, Commandant of the Coast Guard, that the next large cutter constructed for the Guard be named the *Alexander Hamilton* and he has agreed to see such is done.

Four Coast Guard ships have borne the name of Hamilton. The first was commissioned in 1830 and was in service until 1853, when it was blown ashore in a gale and all hands but one were lost. The second was commissioned in 1871 and served 35 years. The third, originally the United States Navy gunboat *Vicksburg*, was used for a number of years as the practice cutter for the cadets of the Coast Guard Academy, New London, Conn.

The most recent *Alexander Hamilton*, built in 1937, was 327 feet long and carried a wartime complement of 16 officers, 5 warrant officers, and 200 enlisted men. The *Hamilton* served with the Bering Sea patrol force and the Grand Banks neutrality patrol prior to World War II, and reported to the United States Navy for a special assignment in December 1941. On January 29, 1942, shortly after casting off from a disabled Navy supply ship which she had been towing off the coast of Iceland, she was struck presumably by a torpedo, killing 26 crew members, and capsized while being towed into Reykjavik.

MINIMUM-WAGE LEGISLATION

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, on Monday next the wisdom of this House in amending its rules on the opening day will again be demonstrated. Under the 21-day rule the minimum-wage bill will come before this House for action.

I have been amazed at the amount of propaganda that has continued to come in through the mail, and the propaganda on this floor as well, to the effect that America cannot afford a 75-cent minimum wage. We are told we will be bankrupted, that the country will go to pot, if we pass a 75-cent bill. You and I know there are people who are paying less than 75 cents an hour minimum wage. I think it is a disgrace to the United States that such a situation exists. I hope that on Monday next the Members of this House will turn out en masse and see to it that we pass a bill giving basic economic justice to the poorer people of America. I leave just this one question with all of you, "How many of you would like to try to live on 75 cents an hour?"

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, is it possible to conceive that on Monday next there may be an unholy coalition in this House seeking to defeat the minimum-wage legislation to increase the present inadequate and obsolete minimum wage from 40 cents an hour, $16 a week for a married man with a family, to 75 cents an hour?

As he carried his dogged political campaign to nearly every whistle stop in the United States last November, from the Potomac to Puget Sound, President Truman denounced the Nation's obsolete and inadequate minimum-wage law and pledged that if a Democratic Congress were elected to give him support the minimum wage in this country as it relates to interstate commerce would be increased from 40 cents an hour to 75 cents an hour. We should on next Monday amend the present inadequate minimum-wage law. In the voting that followed our President's campaign from coast to coast the country dropped the Republicans from control. People generally did not like the do-nothing, standpat Republican Eightieth Congress. They said so. They made some changes. Now we propose to change and improve this obsolete law.

Jesus said in his Sermon on the Mount, "The laborer is worthy of his hire."

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I do not think there is anybody in this House that would not want 75 cents an hour for any man, woman, or child in this country that was working, I mean who wants to work but the same gentlemen who are talking about 75 cents an hour want to give it to only about 25 percent of the workers of this country. Why do you not come in here with a bill that will give it to everybody in this country who works instead of about 25 percent, and let us do a real job? I do not believe in bringing in here a bill that is going to give to only a few people in this country 75 cents an hour. Those who are recommended by the few. I think it is ridiculous that you do not include farmers—workers in all industry, in all business—I think you ought to come in here with a bill saying that every man that works and earns will get 75 cents an hour or more. If you do that, then you will do something worth while, treat everybody alike, but do not get up here and shout and holler when you want to give 75 cents per hour to one worker out of 4 or to only 25 percent of the people who work. Why discriminate, I think it is all poppycock to consider the legislation that this administration wants. It is not American. Why make fish of one and fowl of another? If a worker earns 75 cents an hour let him get it from everybody. Your bill is only a CIO-AFL bill. Let us make it an American bill and give it to all who work and earn 75 cents per hour. If it is good for one it should be good for everybody, regardless of who he works for or what he works at. Think it over. It is food for thought.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, we have just listened to one of the most unusual speeches that anyone has ever heard no matter how long one has been a Member of this body. My friend from Pennsylvania, as I recall, has always opposed minimum-wage legislation.

Mr. RICH. Because you did not give it to all the people.

Mr. McCORMACK. That is not the reason. That is what the gentleman said. The gentleman says 25 percent. Would he vote to include everybody?

Mr. RICH. Yes, I will. I will vote for it for everybody, if you bring in the bill.

Mr. McCORMACK. That is very difficult, because it is recognized that there are some situations in the national economy where the sudden increase to 75 cents in all of them would result in a dislocation. The gentleman knows that. Also, the interstate commerce clause comes into the picture. A 75-cent minimum for the ones covered by the present law, and they will be included in the minimum wage, certainly is a decided step forward.

If my friend means what he says—if he cannot get what he wants and what he says he would hope for, then a logical-minded person would vote to extend to those already covered as well as other groups that are not covered but who will be embraced in the coverage included in the substitute bill.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RICH. Why is it you do not want to give everybody 75 cents an hour? Let us have the real facts now. Let us take our hair down and let the people know.

Mr. McCORMACK. Was the gentleman from Pennsylvania, Mr. RICH, here when the original bill was passed?

Mr. RICH. Yes, I was.

Mr. McCORMACK. Did you vote for it?

Mr. RICH. No, because it did not include everybody.

Mr. McCORMACK. In other words, if the gentleman had his way everybody who is now getting 40 cents an hour minimum wage would still be exploited at 10, 12, and 15 cents an hour.

Mr. RICH. That is just the reason why your bill is a lot of poppycock.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that

on Monday next, and also on Tuesday, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MINIMUM-WAGE LEGISLATION

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, it certainly is interesting to hear the gentleman from Pennsylvania come out in favor of a minimum wage of 75 cents an hour. It is also interesting to hear the gentleman from Massachusetts.

I call to the attention of the gentleman from Massachusetts [Mr. McCORMACK] the fact that while the Northeast section of the country, including the States of Massachusetts, New Hampshire, Connecticut, Rhode Island, and Vermont, has no great resources in the way of coal, iron, steel, oil, gas, and some other things, like wool and cotton needed for industrial production, but nevertheless is a manufacturing section of the country, you have been losing industry after industry, one reason being that those industries have gone South because down there labor is cheaper and the cost of production is cheaper. The cost of production is less, not only because of lower wages, lower living costs, because other States, including those in the South, have greater natural resources. That section has lost many industrial plants. That is what has happened to you. And when you bemoan the fact that so many people in Connecticut, Massachusetts, and these other Northeastern States are out of jobs because the factories have moved away, just remember that one contributing cause is some of the laws the New Deal and the Fair Deal have put on the books and which the gentleman from Massachusetts [Mr. McCORMACK] supported.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield, would he want us to lower our standard of living in New England?

Mr. HOFFMAN of Michigan. Of course not, but obviously you will have lower living standards if you adopt legislation which drives all industry out of that section of the country.

The SPEAKER. The time of the gentleman from Michigan has expired.

SPECIAL ORDER GRANTED

Mr. VURSELL. Mr. Speaker, I ask unanimous consent that on today, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in two instances, in each to include extraneous matter.

Mr. COTTON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withdraw his point of order so that Members may have the opportunity to make unanimous-consent requests?

Mr. COTTON. Yes, Mr. Speaker; I withdraw the point of order.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include some editorials.

MINIMUM-WAGE LEGISLATION

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, several years ago we were able to pass in the Congress a bill which set a minimum wage of 40 cents an hour—in certain lines of industry—throughout the United States. That would bring to the worker, who works 40 hours a week, a $16 weekly income. According to the Hoover Commission's analysis of the purchasing power of the dollar, it would enable that man to buy $8.32 worth of the necessities of life. If we pass a bill raising this wage up to 75 cents an hour, and assume that the same individual works 40 hours a week, he would get $30. That $30 would have a purchasing power of $15.60 worth of the necessities of life. I ask you, is $15.60 a week too much to give to any wage earner to buy his necessities of life—and that does not even take into account his family obligations?

The SPEAKER. The time of the gentleman from California has expired.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, I have heard the remarks made about minimum wages. The gentleman from Pennsylvania [Mr. RICH] made a statement, and so did the gentleman from Michigan [Mr. HOFFMAN]. I understand the gentleman from Pennsylvania [Mr. RICH] is an employer. It has come to my attention that his plant pays very low wages. If the gentleman is willing to vote for a 75-cent minimum wage, he will have a chance next week.

The gentleman from Michigan [Mr. HOFFMAN] realizes also that this strike in Kalamazoo was over a contract for 75-cent wages but they paid 40-cent wages. That is why they had that strike in Kalamazoo.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. COMBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. COMBS. Mr. Speaker, I have listened with considerable interest to this discussion of prospective minimum-wage-and-hour legislation. I must say I was astonished at the remarks of the gentleman from Pennsylvania [Mr. RICH] who suggested that he will support a minimum-wage bill if it will guarantee everybody a minimum wage of 75 cents. I am sure the gentleman knows that no such bill has been introduced or could be seriously considered and, therefore, he is perfectly safe in making his offer which can only becloud the issue.

As everyone familiar with wage-and-hour legislation knows, the only authority conferred upon the National Government to enact legislation prescribing minimum wages and hours, or for fair labor standards, is that provision contained in section 8 of article I of the Constitution which empowers Congress "to regulate commerce with foreign nations and among the several States." Consequently such legislation must be limited in application to those businesses, industries, and employees engaged in or affecting interstate commerce. All purely local and intrastate businesses and industries and employees engaged in it are subject to wage-and-hour regulations only by the States. That fact was pointed out by President Roosevelt in his message to the Congress wherein he recommended the enactment of the Fair Labor Standards Act of 1938. That principal must be observed in any minimum-wage-and-hour legislation we may enact, but the Congress can enact sound and sensible legislation for minimum standards of wages and hours and all those businesses and industries which are engaged in interstate commerce will as a consequence compete with each other across the State lines. The purpose is not only to insure and make possible decent wage standards but also to insure fair competition.

The minimum-wage-and-hour legislation, which it is expected will be under consideration next week, is one of the most important pieces of legislation that can come before us. It will affect all of our people in one way or another. Legislation of that nature is highly technical and complicated and must be considered with great care. I do hope every Member will give to its consideration his best thought. I hope we can avoid bitterness and political sniping and as good Americans, under grave responsibility as the representatives of our people, endeavor to pass a sound, just, and workable bill.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEEFE. Mr. Speaker, there has been a great deal of talk about minimum wages. As I read the paper, there is a lot of activity about raising wages of almost everybody in Government service.

I am beginning to wonder when this Congress is going to get to the point of doing something about raising the income and the possibilities of living for the hundreds of thousands of aged people in this country who are compelled to subsist upon the bare pittance payments under title I of the social-security law, and those who are compelled to retire on the pitiful annuities that are provided under the old-age and survivors insurance provisions in the social-security law.

I think we are overlooking one of the great segments of our people in this country that are not articulate. It is high time we began to think of them when we talk of raising wages all along the line.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

DISCRIMINATORY FREIGHT RATES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a copy of H. R. 2040.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I would like the attention of the Members of the House.

About two-thirds of the States of this Union are being punished by the most cruel and unjustified discrimination ever known, and that is the one-way freight rate.

A man in Mississippi was doing business with a firm in New Hampshire. That firm in New Hampshire shipped him a consignment of goods by mistake. He had to ship them back over the same road—just pasted a label over the one that was on the package—and it cost twice as much to ship those goods back over the same road as it did to ship them down there.

Thus, violent discriminations in freight rates are being practiced against the people of every State south of the Ohio River and west of the Mississippi.

It is one of the greatest outrages of all times. The people of Iowa and Nebraska cannot ship cornflakes east without paying exorbitant rates all out of line with what it costs the States in the East to ship corn flakes west.

The same thing applies to every other processed product, whether they be dairy products, meat, flour, furniture, or what not.

This applies to a large portion of the State of Minnesota, to the States of Iowa, Missouri, Kansas, Nebraska, North and South Dakota, Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Idaho, and that portion of the State of Washington east of the Cascade Mountains, and probably to eastern California.

It is true that the extreme Pacific coast is given preference in freight rates. You can ship goods from New York to San Francisco cheaper than you can put them off in Missouri, Kansas, Iowa, Nebraska, Colorado, Nevada, or any other State in the Middle West.

These discriminations also apply to every State south of the Ohio River, including Virginia, Kentucky, West Virginia, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, and Mississippi, and I am not sure that it does not apply to the State of Maryland as well.

It is nothing short of a criminal outrage against the people of these States who have a right to the same freight rates for their finished products that are given to the States behind the iron curtain of discriminatory freight rates for the same commodities shipped from that region into these States of the West and South.

Mr. Speaker, I have filed on the Clerk's desk a petition to bring out my bill, H. R. 2040 to wipe out these unjust, unreasonable, senseless, and I might say criminal, discriminations against the people of a majority of the States of this Union.

It is petition No. 16 on the Clerk's desk, and I call upon the Members from the States affected to sign it at once, and let us bring this bill to the floor of the House and wipe out this blot that has so long punished the people in the area outside of the iron curtain of discriminatory freight rates.

I appeal to you all to sign that petition at once, and let us correct this injustice without delay.

At this point I am inserting a copy of the bill to which I refer.

It reads as follows:

Be it enacted, etc., That section 4 of the Interstate Commerce Act, as amended, is hereby amended by adding at the end thereof a new paragraph as follows:

"(3) It shall be unlawful for any carrier subject to this part to charge or receive, for the transportation of property from any point of origin to any point of destination, compensation which is greater or less than the compensation charged or received by such carrier for the transportation of like kind of property from such point of destination to such point of origin."

SEC. 2. This act shall take effect 90 days after the date of its enactment.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

EXTENSION OF REMARKS

Mr. RIEHLMAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. GRANT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement.

CALL OF THE HOUSE

Mr. COTTON. Mr. Speaker, I renew my 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. 156]

Andresen, August H.	Gregory	Perkins
Barden	Hall, Edwin Arthur	Pfeifer, Joseph L.
Bates, Ky.	Hall, Leonard W.	Pfeiffer, William L.
Bentsen	Harden	Plumley
Blackney	Hébert	Potter
Bolton, Ohio	Hedrick	Powell
Bonner	Heffernan	Quinn
Bosone	Hinshaw	Scott, Hardie
Boykin	Hull	Scott, Hugh D., Jr.
Brown, Ohio	Johnson	Secrest
Buckley, N. Y.	Kelley	Shafer
Bulwinkle	Kennedy	Short
Carnahan	King	Sikes
Cavalcante	Kirwan	Smith, Ohio
Chatham	Larcade	Stanley
Chudoff	Lichtenwalter	Stigler
Clemente	McGrath	Taylor
Clevenger	McGregor	Teague
Coudert	Marcantonio	Thomas, N. J.
Davies, N. Y.	Mason	Towe
Deane	Morrison	Walsh
Dingell	Morton	Welch, Calif.
Eaton	Murphy	Wilson, Ind.
Elston	Nicholson	Withrow
Fogarty	O'Neill	Wolcott
Frazier	Passman	Woodhouse
Gilmer	Patman	
Gore		

The SPEAKER. On this roll call 347 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING THE NATURAL GAS ACT

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 310, providing for the consideration of the bill (H. R. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended, and ask for its immediate consideration.

Mr. HESELTON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HESELTON. Mr. Speaker, I make the point or order that the House is not legally in session.

I recognize that this matter has been raised in a general sense on at least two occasions. I do not wish to burden the Speaker, the membership or the record with repetition. Therefore, I would like to recognize and incorporate by references the parliamentary inquiry of the gentleman from Massachusetts [Mr. MARTIN] on July 27, the further parliamentary inquiries of the gentlemen from Indiana [Mr. HALLECK], from Mississippi [Mr. RANKIN], from Michigan [Mr. MICHENER], and from Ohio [Mr. VORYS], as well as the several rulings of the Speaker; also the points of order of August 1 by the gentleman from Indiana [Mr. HALLECK], and the gentleman from Illinois [Mr. CHURCH], as well as the rulings of the Speaker on those occasions.

My reason for making this point of order at this time is more specific. I have been advised upon what I believe to be reliable authority that if H. R. 1758, the resolution we will now consider, is enacted into law, with or without the proposed amendments, its legality will be challenged. Obviously, this might have a far-reaching effect not only upon the industry concerned but upon the entire problem of developing an effective fuel policy involving our energy resources.

In view of this possibility, it would seem to me that I would be derelict in my obligations as a Member of this body if I did not raise the point of order in terms of the consideration of this specific legislation.

Moreover, another problem is involved by reason of the recent decision of the Supreme Court of the United States in the Christoffel case. It seems to me that it is the primary responsibility of proponents of H. R. 1758, particularly during the reading of the bill for amendment, to establish affirmatively at all times that a quorum is present and voting. However, I do not think that this is of major importance in terms of the point of order which I have raised and wish to submit to the Speaker.

The SPEAKER. The Chair will repeat, as he will repeatedly repeat when questions of this kind are raised, that on July 27, in answer to a parliamentary inquiry by the gentleman from Massachusetts [Mr. MARTIN] the Chair ruled that the House is legally in session, committees may legally meet, and may legally report bills.

The Chair overrules the point of order.

The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended. That after general debate which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the present consideration of the bill, H. R. 1758, a measure to amend or, better stated, a measure to restate the basic philosophy and intent of the Natural Gas Act of 1938. We are met on this measure, sir, because the creature would consume the creator and assume its rightful duties and authority. While this is not unusual in the affairs of men who attempt to govern themselves, it is distasteful to those with legislative integrity.

The bill presents a simple question, one that can be complicated only by misinformation. I repeat, sir, it is a very simple matter: Shall we be governed by law or by men whose whims we cannot anticipate? This bill does one thing and one thing only; it proposes that the independent producer and gatherer of gas, disposing of that gas at arm's length, shall not be subject to the jurisdiction of the Federal Power Commission.

The question would never have arisen had the clear language and intent of the original act been respected by the courts and the administrative body created by Congress to administer it. This Government cannot afford the luxury, Mr. Speaker, of permitting its creatures to devour the creator and to assume its responsibility and its authority. It cannot afford the luxury, sir, of permitting an administrative body to be legislator, administrator, and judge. It cannot afford the luxury of being governed by the whims of irresponsible men. When that occurs, then the very foundations of our Government, the things we cherish most are gone.

It is right, sir, that during the debate Members should raise questions that trouble them so that they may have a full understanding, for it is my considered judgment that if there is understanding about this bill we will have a practically unanimous vote. How unfortunate it is, however, that some man writing on the stationery of the CIO—a man who knows not one thing about the bill, in my judgment; a man who has probably never read it—should circulate a letter full of false and misleading information, calling upon Members of Congress to defeat the legislation. That man, Mr. Speaker, from his air-conditioned office in Washington, probably gave no thought to the fact that his action, if he were successful in defeating the bill, might throw many working members of the CIO out of their jobs. I feel quite sure, however, that no Member of this great body will be unwittingly led by anyone, but will, on the other hand, examine the facts and exercise their own good judgment.

Mr. Speaker, I believe I can be helpful to the House on this question. To do so, it will be necessary that I review briefly the forces and circumstances that resulted in the original act, and to examine briefly its legislative, administrative, and judicial history.

Year by year, natural gas has assumed an increasingly important role as an energy source for heating, for industrial processes, and as a source for synthetic liquid fuels. It is therefore of the utmost public interest that conservation, efficient production, and use of natural gas should be fostered and its waste be eliminated. Most of the States that produce gas have for a number of years produced a much larger quantity than is used, needed, or consumed in those States and are, therefore, in a position to share their great natural resource with those States that do not have it. Transportation of gas by large pipe lines in interstate commerce therefore becomes a matter of national concern. Trunk-line transportation of gas for long distances involves large investments, affects many consumers, and has some monopolistic and public-utility aspects. Competition in this field cannot be depended upon to protect the public because duplication of pipe-line facilities to an area might result in unnecessary investment and unusually high cost. The absence of competing lines, on the other hand, tends to place consumers at a disadvantage with respect to the purchase of gas. One of the principal reasons why legislation was sought to control the interstate transportation of gas for resale to the public was the belief that the disparity between the prices paid to producers and the prices charged by interstate pipe lines resulted in excessive profits. Such circumstances, among others, led to the enactment of the Natural Gas Act of 1938 to regulate charges made by natural-gas companies engaged in trunk-line transportation and sale for resale in interstate commerce. The history and language of the Natural Gas Act indicate that the act was intended to supplement and not to supplant local regulation preceding and following interstate commerce. The proposed amendments do not disturb Federal regulation in its proper sphere of interstate commerce.

The Congress acted wisely, in my judgment, when it decided 11 years ago to enact legislation giving the Federal Government, or its regulatory body, the Federal Power Commission, control over gas in interstate pipe-line shipments. At that time, if you will carefully and closely examine the record, you will be convinced without doubt, that production and gathering and subsequent arm's-length sale of gas was purposely and specifically omitted from the jurisdiction of the Federal Power Commission. Wisely so, Mr. Speaker, because this phase of the gas industry is entirely different. It is not properly subject to the regulation of the Federal Power Commission.

The different character of this phase of natural-gas operation was recognized by Congress when it passed the Natural Gas Act. It was then generally understood that the regulation of the act was designed to apply only to the interstate transportation and sale for resale of natural gas.

The scope which Congress intended that the act should have is set forth in section 1 (b), as follows:

The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

The specific provision is made that the act shall not apply to the production or gathering of natural gas.

Subsequently, in 1940, 2 years after its enactment, the Commission held in the Columbian Fuel Corp. case (33 P. U. R. (NS) 3) that—

It was not the intent of Congress to subject to regulation under the Natural Gas Act all persons whose only sales of natural gas in interstate commerce, as in this case, are made as an incident to and immediately upon completion of such persons' production and gathering of natural gas.

However, this attitude of the Federal Power Commission was shortly to change. Notwithstanding the statements of the proponents of the act before the Congress, debates on the floor, committee reports, and the previous interpretations of the Federal Power Commission itself, within a few years it began to assert its jurisdiction in the field of State regulation that has finally led it to threaten full

control over the production and gathering of natural gas, directly contrary to the express provisions of the Natural Gas Act.

During 1945, the Federal Power Commission conducted a series of hearings under its Docket No. G-580 in the States of Missouri, Oklahoma, Texas, Louisiana, Mississippi, Illinois, and West Virginia, with the final hearing in Washington, in which hearing the committee inquired into: The extent and probable life of natural-gas reserves; present and prospective measures for preventing waste and prolonging the life of such reserves; the present and probable future utilization of natural gas for domestic, commercial, and industrial purposes; the extent, character, and results of the competition of natural gas with other fuels; and such related matters as may be helpful in the administration of the Natural Gas Act or in determining what additional legislation, if any, should be recommended.

Pursuant to such hearings, lengthy and detailed reports were made by the Federal Power Commission in a staff report and the following is quoted from the Commission's staff report:

> No subject relating to the administration of the Natural Gas Act has received greater attention throughout the course of the natural-gas investigation than the meaning and implications of section 1 (b), with reference to the exemption of the production and gathering of natural gas from jurisdiction under that section (p. 1 of their report).
>
> It is evident from the testimony, indicating a widespread atmosphere of anxiety and uncertainty among State officials and the industries concerned, that this matter is in need for further clarification. A continuance of the existing disturbed situation is certain to interfere with the effective performance in the public interest of the duties of both the Federal and State regulatory agencies in their respective spheres, and it will also affect adversely the interests and actions of oil and gas producers, land and royalty owners, and the transmission companies which purchase gas in the field. It may be expected, also, that unless this issue is clarified, the results will be detrimental to those who consume natural gas and to the efforts of conservation authorities to prevent its waste (p. 1).

The most confusing blow came then when the Supreme Court handed down its decision in the case of *Interstate Natural Gas Co.* v. *Federal Power Commission* (67th Sup. Ct. 482). That opinion, together with the grasping attitude of some members of the Commission, threw the entire industry into such confusion that the Commission itself wrote its famous Order 139 which, briefly, Mr. Speaker, was declared to be to relieve any existing uncertainty regarding the Commission's position that it will not seek to assert jurisdiction over the sale of natural gas to interstate pipe lines by independent producers or gatherers.

Since that time, sir, the industry and the public have been operating not under law as passed by this Congress, but by orders written by the Commission. Can anyone question the unsoundness of such a position.

When Congress convened for the Eighty-first session, I felt that I was rendering a service to my Government, to the gas industry, to the consumers, and to sound democratic government to introduce legislation clarifying this situation.

I introduced a bill similar to H. R. 1758 on the opening day of Congress. This bill has had extensive hearings. Too much praise could not be paid Mr. HARRIS and the other members of the subcommittee who so earnestly sought a solution to the untenable position of the Government and the industry. It is a matter of record that there was no dispute that such legislation should be enacted until Leland Olds, a former member of the Commission, changed his mind, changed his position, and undertook to change the minds and positions of many people. The question today, sir, is, shall we, the body charged by the Constitution with this responsibility, write the law or abrogate, turning our job over to an agency? The positions of Chairman Smith and Mr. Wimberley, members of the Commission, deserve the praise and admiration of Congress and the people. They believe that it is the responsibility of the Congress to write the law and their duty to administer it. Their attitude and their acts reflect credit upon the American system.

There will be many who would convince you that favorable action on this bill will increase the cost of gas to the consumer. Mr. Speaker, that is not true. The question of price does not enter into this matter. There are those who would tell you there are only a few large gas companies that are affected and that it would pour millions into their pockets. That, of course, is absurd. There are between 18,000 and 20,000 producers of oil and gas in the United States. Each of them, as well as the public, have a great stake in this legislation.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Michigan.

Mr. DONDERO. I assume that the term "arm's length" means the sale not in interstate commerce?

Mr. LYLE. Not exactly. "Arm's length" means this: that you are selling freely, without any connection with the transporter, you are not connected by directorship or by coercion or by ownership. You are selling in a free market, as you and I would trade horses. If I offered you a horse for $75 and you bought it, that would be an arm's length sale.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Colorado.

Mr. CARROLL. I think the gentleman from Michigan has asked a very pertinent question. Would the gentleman not say that there in an arm's length transaction where the sale of gas is intrastate, but when that sale of gas moves in interstate commerce, under the Supreme Court decision the Supreme Court held that the Federal Power Commission has jurisdiction? Is that not what this whole controversy is about?

Mr. LYLE. No; not at all. Mr. Speaker, the controversy arose as a result of a Supreme Court decision, but I do not construe its meaning as the gentleman does. An arm's length sale has nothing to do with where the gas goes. That is what I am trying to say.

Mr. CARROLL. Did not the Supreme Court hold some years ago that the Federal Power Commission had jurisdiction over the sale of gas when it began to flow in interstate commerce.

Mr. LYLE. In interstate commerce. The statute says so.

Mr. CARROLL. Would not this bill nullify, vitiate, and invalidate that Supreme Court decision?

Mr. LYLE. No. This bill does the same thing as the amendment offered by the gentleman 2 years ago, as I recall, when he made a very good presentation for it and I supported him. It does exactly the same thing as that amendment. It does not vitiate the Court's ruling at all. It simply clears it up. The gentleman has read these letters which stated that the Court has confused the issue and to settle it we are writing Order 139. We have operated under that theory.

Mr. CARROLL. At that time, 2 years ago, we were opposed to everything in the so-called Rizley bill.

Mr. LYLE. But the gentleman was sincere in his presentation.

Mr. CARROLL. We were sincere in our efforts to stop the bill.

Mr. LYLE. I did not know the gentleman was doing it to stop the bill. I thought he was doing it because he believed in it, and I hope he still believes in it.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to our distinguished colleague from Texas.

Mr. RAYBURN. I started with this matter away back in 1934 as chairman on the Committee on Interstate and Foreign Commerce. Boiled down, the issue here and the essence of the whole thing is whether or not the Congress of the United States is going to write the law or whether a commission by regulation is going to do it. All the bill says is that the Congress has not changed its mind, even though one or two members of the Federal Power Commission have changed their minds since 1947. This bill provides that they shall pursue the same course and execute the law in the same way they have been doing it unanimously for 11 years. That is the issue before the House, in my opinion.

As I stated, I started out on this gas business in 1934. I ceased to be the chairman of the Committee on Interstate and Foreign Commerce in 1937. The Natural Gas Act was passed in 1938, and for 11 years the Federal Power Commission held exactly what we are trying to instruct them to hold by this bill.

Mr. CARROLL. Will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Colorado.

Mr. CARROLL. I think all of us have a great respect for our Speaker, but I am reminded that 2 years ago when this matter came up there was considerable confusion over the Rizley bill. Since that time there has been a decision by the Supreme Court which takes the reserves away in the so-called Panhandle

case where there is absolutely no protection to the consumer. I would be derelict in my duty, notwithstanding the great respect that I have for my Speaker and the majority leader and the Democratic Party, if I did not protect the consumers of my district, and under both Supreme Court decisions there will be no protection if this bill is passed by this body.

Mr. LYLE. The gentleman is as wrong as the Speaker is right, and it is unusual for the gentleman from Colorado to be wrong. But the gentleman is as wrong as the Speaker is right. The reserves have nothing to do with this bill. This is as simple as saying whether the Congress shall write the law and the Administrator shall administer it, or whether we shall let them do as they please.

I shall take no further time at this point, Mr. Speaker. I respectfully urge the adoption of the rule, serious consideration of this measure during general debate, and an overwhelming vote of approval and final passage.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Speaker, I take this time to call the attention of the membership to the fact that there are minority views expressed by a number of members of the Committee on Interstate and Foreign Commerce. They are found in the report, but I will try to summarize briefly the situation so far as the committee is concerned.

Six members have filed one set of minority views, four members have filed an additional set, and I have filed an independent statement of my own minority views.

In addition to that, I want to say at the outset of this debate, and I think it will not be challenged by any member of the subcommittee or the full committee, that this bill deals with but one single problem in a very large field. It is a very complex problem. It was difficult for the subcommittee and difficult for the full committee to reach any decision. We held 5 days of public hearings, 2 days of hearings in executive session, and then devoted 8 days of hearings in an effort to write any kind of legislation which would be tenable at all. Then the full committee was forced to spend two further days before the bill could be reported to this body.

I can assure you that you are dealing with one of the most difficult pieces of legislation that has ever been presented to you, even though on the surface it appears to be extremely simple. I hope you will take the time during the 3 hours of general debate to look over the brief statement that I undertook to prepare and place in the RECORD yesterday, giving a summary of what this committee has been undertaking to do over a period of more than a year trying to develop a national fuel policy.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I think that the membership realizes the importance of passing this legislation as well as the gentleman from Texas, our distinguished Speaker. I have been unable to find very much objection to this bill. There are 28 members on the Committee on Interstate and Foreign Commerce and I think there are but 6 who are absolutely opposed to this bill. I think three or four are opposed to maybe one or two amendments.

But, the main thing, as the Speaker has stated is this: We passed the Natural Gas Act in 1938. I think the Commission has done a good job in regard to the administration of it. Then the Supreme Court comes along and gives us a decision which has brought about uncertainty and confusion. This merely puts the power of administration back to the Federal Power Commission in order that they may continue to do a good job following the intent of Congress, as they did until the unfortunate Supreme Court decision.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. YATES. I regret that I must disagree with the distinguished Speaker and I dislike to disagree with the gentleman, but I have before me the report that was issued by the Committee on Interstate and Foreign Commerce which led to the enactment of the National Gas Act of 1938, which is proposed to be amended by the bill under consideration. I think the intention of the Congress as it appears in the report is very clear, and I should like to read it to the gentleman, if I may. It states:

> The bill i substantially identical with H. R. 12680 which, as amended, was reported by the Committee on Interstate and Foreign Commerce of the Seventy-fourth Congress, second session, with a recommendation that it pass. In enacted, the present bill would for the first time provide for the regulation of natural-gas companies transporting and selling natural gas in interstate commerce. It confers jurisdiction upon the Federal Power Commission over the transportation of natural gas in interstate commerce, and the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use. The States have, of course, for many years regulated sales of natural gas to consumers in intrastate transactions. The States also have been able to regulate sales to consumers even though such sales are in interstate commerce, such sales being considered local in character and in the absence of congressional prohibition subject to State regulation.

Then it cites a couple of cases which I will not bother you with.

> There is no intention in enacting the present legislation to disturb the States in their exercise of such jurisdiction. However, in the case of sales for resale—

This is the important part—

> However, in the case of sales for resale, or so-called wholesale sales, in interstate commerce (for example, sales by producing companies to distributing companies)—

The bill now before us, H. R. 1758, proposes to exempt producing companies from jurisdiction. This report specifically points out that producing companies will be subject to the act. Listen to this language—

> (for example, sales by producing companies to distributing companies) the legal situation is different. Such transactions have been considered to be not local in character and, even in the absence of congressional action, not subject to State regulation.

That is the report of the Committee on Interstate and Foreign Commerce leading to the passage of that act. I think the congressional intention is clear that producers of natural gas who sold their gas at wholesale in interstate commerce for public consumption were to be regulated; that this was necessary for the entire rate-making function.

Mr. ALLEN of Illinois. In conclusion, Mr. Speaker, I would say that the Committee on Interstate and Foreign Commerce spent days and days hearing the various witnesses. I cannot see any good reason why this rule should not be adopted and the bill passed as now constituted.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I regret that I must disagree with my good friend the gentleman from Texas [Mr. LYLE]. I believe that this is one of the few instances where we do not view legislation in the same manner, and ordinarily I would not take the floor to disagree with him, but I have such profound convictions about this bill that I feel that I must speak against it.

I believe this is a bad bill. This bill is a sleeper—few of the members know its implications. If I were given to intemperate language I would say that this is one of the worst bills which has come before us this session. It hangs over the heads of the unsuspecting American people like the sword of Damocles and we are being asked here to cut the thread. This bill proposes to destroy realistic regulation of a public utility, the gas business, by depriving the Federal Power Commission of its power to fix reasonable rates for producers of natural gas who serve the public. If this bill goes through it will take millions of dollars from the pockets of American gas-rate payers for the special privilege, in the main, of a few oil and gas corporations.

There are several arguments which have been made by the proponents of this bill, none of which, it seems to me, are valid. In the first place, they say it was never the intention of Congress in passing the bill to include independent producers of natural gas within the purview of the jurisdiction of the Federal Power Commission. I have checked the original hearings and the original report of the Interstate and Foreign Commerce Committee issued when the Natural Gas Act was passed, and I think the report clearly shows it was the intention of Congress to regulate all sales of natural gas at wholesale in interstate commerce for public consumption. The producers of natural gas have several markets, they may sell directly to industrial concerns such as carbon black plants and chemical

companies; they may sell intrastate as they please, and in neither of these cases are they subject to the regulation of the Federal Power Commission. But when they enter the market of selling gas interstate at wholesale for public consumption, to that extent by congressional declaration as expressed in the Natural Gas Act, they are public utilities and the prices they charge are subject to regulation. This is the regulation that the bill we now have before us proposes to eliminate, even though the same need for such regulation exists today as it did 10 years ago when the Natural Gas Act was passed.

Secondly, the argument will be made that the independent producer is suffering, and right here I think we should set straight the impression that the proponents of the bill will attempt to give, that an independent producer is a little man. When you think of the term "independent producer," you think of small business, but nothing is further from the truth in this respect because the independent producers whom this bill is designed to help are among the largest, most profitable industries in this country. There are Standard Oil, Phillips Petroleum, Humble Oil, Shell Oil, and Sinclair Oil, and a number of others whose operations in the natural-gas field would be exempted from regulation if this bill goes through. These, in the main, are your independent producers because only 24 of these companies produce 62 percent of all natural gas produced in the Southwest gas fields.

I know the effect the passage of this bill will have on the consumer. Ten years ago I was one of the attorneys for the Illinois Commerce Commission, which is our State's public utility regulatory agency, when it was fighting for a reduction of the rates charged by the People's Gas Light & Coke Co. in Chicago. The gas which is in the stoves of the people of Chicago comes from the Panhandle of Texas, through the pipe lines all the way into the city. Ten years ago the price of that natural gas was not subject to regulation, and there was nothing that the Illinois Commerce Commission could do to reduce the rates of its local utility because of the prices it had to pay for the natural gas it bought from the natural-gas producers. Since the passage of the Natural Gas Act our rates have been reasonable because of the regulation of the Federal Power Commission, but if you take away that regulation at any point along the line of the interstate flow of gas, you will be destroying the rate-making process.

The proponents of this bill say that this bill will not affect the consumer. That statement is entirely untrue. Last year the price for the natural gas supplied to the people of Chicago cost $2.13 at the well mouth. We used 132,901,086 thousand cubic feet. If the price of gas had been increased by 5 cents, it would have cost us an additional $6,645,054. Had it been increased by 10 cents, it would have cost us an additional $13,290,108. These are facts that cannot be denied. Someone has to pay for the increase in prices and under the law, the gas company is entitled to pass that increase in cost on to the consumers.

And Chicago is not unique in this respect. Every consumer in every city which uses natural gas will be hit for an increase.

I do not say that the producer of natural gas is a public utility. Congress has not said this in the Natural Gas Act and this is a distinction that must be kept in mind—that the act does not regulate persons unless they perform a certain function; it is the function which is regulated—not any particular individual or group of individuals. That function is the sale in interstate commerce at wholesale for public consumption, of natural gas. The producer of natural gas need not participate in this function if he does not desire, and if he does not so participate, he cannot then be designated as a public utility and the price he charges for his gas will not be regulated. But if he chooses to enter that field and perform that function; if he chooses to fit himself within the definition of the act, he is performing a public utility service. He should then be considered a public utility and the rates he charges should be subject to regulation.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. CARROLL. Is it not true that the Supreme Court interpreted the very report which the gentleman just read and has ruled in a decision sustaining the gentleman's viewpoint?

Mr. YATES. That is correct. That was in the Interstate case.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Arkansas, chairman of the subcommittee.

Mr. HARRIS. I would like to call the gentleman's attention to the fact that the direct issue involved here was not the issue involved in the Interstate case. The Court, by its broad language, and by the broad scope of its language, immediately raised these diverse interpretations as to just what the Court did mean. The issue in the Interstate case was a matter affecting a natural-gas company. The Interstate Natural Gas Co. and the issue with reference to independent producers was not an issue in that case.

Mr. YATES. I do not agree with the gentleman.

Mr. FURCOLO. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. FURCOLO. Is it not true that the test of this entire matter is not so much what the Supreme Court might have felt and not so much what the Commission itself might have felt at any time, but the fact that the States have shown very clearly that they have not been able to, or will not protect the ultimate consumer who uses this gas throughout the country.

Now the time has come for this body to go on record as showing we feel there should be some regulation to protect the ultimate consumer. If this bill goes through, it will probably cost the consumer anywhere from $150,000,000 to $500,000,000 a year in increased consumer rates. The States have shown that they will not do it, and I think the House of Representatives should show that it feels the Federal Power Commission should have the power to do it.

Mr. YATES. The gentleman is correct.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. KEOGH. I read with interest the statement that the gentleman inserted in the Appendix of Monday's RECORD, in which was included his opinion that if this legislation should be passed, the rates to consumers in the city of Chicago would double or treble. We have sat through many hearings on this legislation. I would like to say to the gentleman that it is my opinion, if that were to be the effect, then this fuel would so far price itself out of the market that there would be no interstate sales and neither the producers nor the transporters, nor the distributors would want that.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. LYLE. Mr. Speaker, I yield one additional minute to the gentleman.

Mr. YATES. With reference to the statement which has just been made by the gentleman from New York, I am sorry that I must disagree with that statement. I have checked the prices of gas for the city of Chicago. Last year the price of natural gas supplied to the people of Chicago cost 2.13 cents at the well mouth. We used 132,901,086 cubic feet, and if the price of gas had been increased by 5 cents as is proposed by the proponents of this bill—oh, yes, I have heard intimations and talks by the gentleman saying that the price of gas will not affect the consumer if it is increased by 5 cents—as I was saying, if the price of gas had been increased by 5 cents, the additional cost to the consumers in the city of Chicago would have been in excess of $6,500,000. I have read the hearings and the statement of those who favor the passage of the act look to the eventual leveling of the price of natural gas close to the levels of coal and fuel oil.

This is a vital matter that requires the keen attention of every Member in this House. This is a real fight. The best example of that is the fact that the Interstate and Foreign Commerce Committee that brought in this bill was split wide open. I hope you will inform yourselves of the tremendous issue involved in this bill by carefully reading the report of the committee, and I am sure that if you do, you will vote against the bill.

The SPEAKER. The time of the gentleman has again expired.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Speaker, 2 years ago in the Eightieth Congress I spoke against the passage of similar legislation, the so-called Rizley bill. I was a new Member of Congress at that time and although I had been here but a few months I was familiar with litigation instituted by the city of Denver in cooperation with the Federal Power Commission to reduce our gas rates. In that

case, after years of litigation, the gas rates were reduced approximately 50 percent, and a certain gas utility was required by court order to refund about $4,000,000 to the people of Colorado.

With this background of information I began to oppose the so-called Rizley bill. During the discussion under the rule, it was clear to me that not many Members knew much about that bill. As a matter of fact, no great opportunity was given to the Members to find out about the Rizley bill. As I recall, it was programed on about a 24-hour notice in the closing days of the week, and was brought out on the floor of the House when a large number of Members had gone home for the week end in the belief no important legislation would be brought up.

It developed during debate that there was not a single dissent from any member of the committee which had considered the bill, and if you will examine the record you will note that only a very few Members spoke out in opposition to that bill. It was a technical bill. It was a bill that brought a storm of public protest upon those who sponsored and supported it after the public discovered its content. We pointed out during debate that witnesses had stated before the committee that the passage of this bill had been labeled a $75,000,000 steal—later, in the Senate, the figure changed. It was more—it was said to be a $200,000,000 steal. Those of us who opposed the measure continually stressed the objective of the bill. We contended that this objective was to deprive the Federal Power Commission of its jurisdiction to protect the consumer and to protect the public interest. By way of answer, those who were in favor of the measure stated repeatedly there would be no increase in rates to the consumer. As I review the record after 2 years, I am convinced we were right then in opposing that measure, as I am convinced we are right today in opposing H. R. 1758, which now is before this body.

It is true that in our spirited fight against the so-called Rizley bill, as a desperate rear-guard measure a motion to recommit was offered, but I assure you the sole purpose of that motion was to focus attention upon the most objectionable features of the Rizley bill. I personally had no desire to interfere with the jurisdiction of the Federal Power Commission with reference to the Natural Gas Act.

We suffered an overwhelming defeat in that fight. The vote was 253 to 64 against the motion to recommit. Nevertheless, we followed that bill to the other body and we were instrumental in preventing that bill from ever reaching the floor of the Senate.

Today we are confronted with a modified version of the Rizley bill in the form of H. R. 1758, and we must now fight this measure with all of our energy. This is another battle front.

I should like it to be understood in the very beginning that I do not impugn the motive or challenge the sincere intentions of those who favor H. R. 1758. I have great respect for those colleagues, many of whom are warm personal friends. It must be noted, however, that mostly they come from what may be termed "producing and gathering areas." Conversely I come from an area where the consumer must be given a full measure of protection and consideration. Additionally, we are legislating in the national interest and not in the interest of special groups.

Now what is the issue before us? As I see it, the question is, "Shall be take away from the Federal Power Commission the jurisdiction to regulate sales of natural gas which are intended to flow into the stream of interstate commerce?" The argument has been presented here that the Congress never intended that the Federal Power Commission have such jurisdiction. I submit to you that that question has been settled by a decision of the Supreme Court. So then, the effect of this bill is to nullify that Supreme Court decision which clearly gives the Federal Power Commission jurisdiction over that subject matter.

It has been said that, assuming that the Power Commission has such jurisdiction, the Commission never has exercised it. Furthermore that it was never the intent of Congress that the Commission should have such jurisdiction. It seems to me that not only does the Federal Power Commission have such jurisdiction, but that even though they never have used this power, it is of vital necessity that they continue to have a right to exercise such power. In short, the existence of that power operates as a restraining influence. This is clearly brought out in a recent report issued by the Federal Power Commission. In the last 10 years the demand for natural gas has grown by leaps and bounds. Although the Commission reports that present field prices are reasonable, they are becoming increasingly concerned over price increases as a result of this abnormal demand.

We must remember that natural gas is a special commodity. It is not like other fuels. It can be transported only by pipe lines and when a sale is made to go into a pipe line which brings the flow of gas into interstate commerce, it would be absurd to assume that the sale price should not be considered in relation to the interstate commerce. Again, the Supreme Court has so ruled.

Actually, as a result of these Supreme Court decisions, there is no doubt in the minds of those in the natural-gas industry that the Federal Power Commission does have such jurisdiction and will use that jurisdiction if it is necessary to protect the public interest. In my opinion that is the reason that this measure is before this body now.

Let us examine for a moment the growth of the industry under existing law. In the past 10 years gas reserves have more than doubled. Consumer demand has grown as I have said before by leaps and bounds. The profits of both pipe lines and independent producers are staggering. In every way—industrially, economically, financially—the natural-gas industry perhaps is in better shape than any other industry in the Nation. I am constrained to believe that, notwithstanding the tremendous profits, this measure if passed will open the floodgate for greater returns to the producers at greater cost to the consumers.

I am seriously concerned about the provisions of this bill and its effect upon the consumers of the Nation.

Mr. LYLE. Mr. Speaker, I yield the gentleman one additional minute.

Mr. CARROLL. In this one minute I will say that I see the problem that is presented from these producing areas, but I say there must be some protection given to the consumer. I say that the Democratic Party has a responsibility to protect the public interest and to protect the consumer. Nowhere in the whole record is there any evidence that anybody is suffering from lack of profit or lack of business.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. YATES. Is this not what the gentleman has in mind, that the purpose of the Natural Gas Act is not to regulate persons but to regulate a certain function, and it is the function that is regulated, and that function is selling in interstate commerce, at wholesale for public consumption, natural gas. If the producer of natural gas does not participate in this function, if he sells his gas intrastate, or if he sells the gas at retail, or if he sells the gas not for public consumption in interstate commerce he is not subject to regulation.

Mr. CARROLL. I thank the gentleman from Illinois. I will discuss that matter further in debate on the bill.

The SPEAKER. The time of the gentleman from Colorado has again expired.

Mr. LYLE. Mr. Speaker, I move the previous question on the resolution to its adoption or rejection.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

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 a quorum is not present.

Mr. HARRIS. 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. 157]

Andresen, August H.	Celler	Gregory
Bailey	Chatham	Hall, Edwin Arthur
Barden	Chudoff	Hall, Leonard W.
Bates, Ky.	Clemente	Harden
Bates, Mass.	Clevenger	Hare
Bentsen	Cotton	Hébert
Blackney	Coudert	Hedrick
Bolton, Ohio	Davies, N. Y.	Heffernan
Bonner	Deane	Heller
Boykin	Dingell	Hinshaw
Brown, Ohio	Eaton	Hobbs
Buckley, N. Y.	Elston	Hull
Bulwinkle	Fellows	Jenkins
Byrne, N. Y.	Fogarty	Jennings
Carnahan	Frazier	Johnson
Case, S. Dak.	Gilmer	Kelley
Cavalcante	Gore	
	Gossett	

Kennedy
Kirwan
Larcade
Lichtenwalter
McGrath
McGregor
Mansfield
Marcantonio
Mason
Merrow
Miller, Calif.
Morgan
Morrison
Morton
Murdock
Murphy
Nicholson
Norton
Passman
Patman
Perkins
Pfeifer, Joseph L.
Pfeiffer, William L.
Plumley
Potter
Powell
Quinn
Scott, Hardie
Scott, Hugh D. Jr.
Secrest
Short
Sikes
Smathers
Smith, Ohio
Stanley
Stigler
Sutton
Taylor
Thomas, N. J.
Towe
Velde
Vursell
Wadsworth
Walsh
Welch, Calif.
Whitaker
White, Idaho
Whitten
Wilson, Ind.
Withrow
Woodhouse

The SPEAKER. On this roll call 329 Members answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING THE NATURAL GAS ACT

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BIEMILLER) there were—ayes 81, noes 45.

Mr. BIEMILLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-two Members are present; not a quorum.

The roll call is automatic.

The Doorkeeper will close the doors. The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 231, nays 112, not voting 89, as follows:

[Roll No. 158]

YEAS—231

Abbitt
Abernethy
Albert
Allen, Calif.
Allen, Ill.
Allen, La.
Anderson, Calif.
Andrews
Aspinall
Barrett, Wyo.
Bates, Mass.
Battle
Beall
Beckworth
Bennett, Fla.
Bennett, Mich.
Bishop
Bland
Blatnik
Boggs, Del.
Boggs, La.
Bolton, Md.
Bosone
Bramblett
Breen
Brehm
Brooks
Brown, Ga.
Bryson
Buchanan
Burdick
Burleson
Burnside
Burton
Byrnes, Wis.
Camp
Carlyle
Chelf
Chiperfield
Church
Cole, Kans.
Cole, N. Y.
Colmer
Combs
Cooley
Cooper
Cotton
Cox
Crawford
Cunningham
Curtis
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson
DeGraffenried
D'Ewart
Dolliver
Dondero
Doughton
Doyle
Durham
Elliott
Ellsworth
Engle, Calif.
Evins
Fellows
Fisher
Ford
Fugate
Gamble
Gary
Gathings
Gavin
Gillette
Goodwin
Gossett
Graham
Grant
Gwinn
Hagen
Hale
Halleck
Hardy
Hare
Harris
Harrison
Harvey
Hays, Ark.
Hébert
Herter
Heselton
Hill
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Hope
Horan
Jackson, Calif.
James
Jenison
Jenkins
Jensen
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Kearney
Kearns
Keating
Kee
Keogh
Kerr
Kilburn
Kilday
Kruse
Krunkel
Latham
LeCompte
LeFevre
Lemke
Lodge
Lucas
Lyle
McConnell
McCormack
McCulloch
McKinnon
McMillan, S. C.
McMillen, Ill.
McSweeney
Mack, Ill.
Mack, Wash.
Macy
Mahon
Marsalis
Martin, Iowa
Martin, Mass.
Merrow
Meyer
Michener
Miles
Miller, Md.
Miller, Nebr.
Mills
Monroney
Morris
Moulder
Multer
Murdock
Murray, Tenn.
Nelson
Nixon
Noland
Norblad
Norrell
O'Hara, Minn.
Pace
Patten
Patterson
Peterson
Phillips, Calif.
Phillips, Tenn.
Pickett
Poage
Poulsen
Preston
Priest
Rains
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Regan
Rich
Richards
Riehlman
Rivers
Rogers, Fla.
Rogers, Mass.
Sadlak
St. George
Sanborn
Scrivner
Scudder
Shafer
Sheppard
Simpson, Ill.
Simpson, Pa.
Smathers
Smith, Kans.
Smith, Va.
Smith, Wis.
Spence
Steed
Stockman
Tackett
Talle
Thomas, Tex.
Thompson
Thornberry
Tollefson
Trimble
Underwood
Van Zandt
Velde
Vorys
Vursell
Wadsworth
Weichel
Werdel
Wheeler
White, Calif.
Whitten
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Okla.
Wilson, Tex.
Winstead
Wolcott
Wolverton
Wood
Woodruff
Worley

NAYS—112

Addonizio
Andersen, H. Carl
Angell
Auchincloss
Bailey
Baring
Barrett, Pa.
Biemiller
Bolling
Buckley, Ill.
Burke
Canfield
Cannon
Carroll
Case, N. J.
Celler
Chesney
Christopher
Corbett
Crook
Crosser
Davenport
Davies, N. Y.
Delaney
Denton
Dollinger
Donohue
Douglas
Eberharter
Engel, Mich.
Fallon
Feighan
Fenton
Flood
Forand
Fulton
Furcolo
Garmatz
Golden
Gordon
Gorski, Ill.
Gorski, N. Y.
Granahan
Granger
Green
Gross
Hand
Hart
Havenner
Hays, Ohio
Hobbs
Holifield
Howell
Huber
Irving
Jackson, Wash.
Jacobs
Javits
Karst
Karsten
Kean
Keefe
King
Klein
Lane
Lanham
Lesinski
Lind
Lineham
Lynch
McCarthy
McDonough
McGuire
Madden
Magee
Marshall
Miller, Calif.
Mitchell
Murray, Wis.
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Konski
O'Neill
O'Sullivan
O'Toole
Philbin
Polk
Price
Rabaut
Ramsay
Rhodes
Ribicoff
Rodino
Rooney
Roosevelt
Sadowski
Sasscer
Sims
Staggers
Stefan
Sullivan
Taber
Tauriello
Wagner
Walter
Welch, Mo.
Wier
Withrow
Yates
Young
Zablocki

NOT VOTING—89

Andresen, August H.
Arends
Barden
Bates, Ky.
Bentsen
Blackney
Bolton, Ohio
Bonner
Boykin
Brown, Ohio
Buckley, N. Y.
Bulwinkle
Byrne, N. Y.
Carnahan
Case, S. Dak.
Cavalcante
Chatham
Chudoff
Clemente
Clevenger
Coudert
Deane
Dingell
Eaton
Elston
Fernandez
Fogarty
Frazier
Gilmer
Gore
Gregory
Hall, Edwin Arthur
Hall, Leonard W.
Harden
Hedrick
Heffernan
Heller
Herlong
Hinshaw
Hull
Jennings
Johnson
Kelley
Kennedy
Kirwan
Larcade
Lichtenwalter
Lovre
McGrath
McGregor
Mansfield
Marcantonio
Mason
Morgan
Morrison
Morton
Murphy
Nicholson
Norton
Passman
Patman
Perkins
Pfeifer, Joseph L.
Pfeiffer, William L.
Plumley
Potter
Powell
Quinn
Sabath
Scott, Hardie
Scott, Hugh D., Jr.
Secrest
Short
Sikes
Smith, Ohio
Stanley
Stigler
Sutton
Taylor
Teague
Thomas, N. J.
Towe
Vinson
Walsh
Welch, Calif.
Whitaker
White, Idaho
Wilson, Ind.
Woodhouse

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gilmer for, with Mr. Murphy against.
Mr. Sikes for, with Mr. Kirwan against.
Mr. Teague for, with Mrs. Norton against.
Mr. Sutton for, with Mr. Dingell against.
Mr. Eaton for, with Mr. William L. Pfeiffer against.
Mr. Patman for, with Mr. Mansfield against.
Mr. Arends for, with Mr. Heffernan against.
Mr. Passman for, with Mr. Quinn against.
Mr. Morrison for, with Mr. Morgan against.
Mr. Leonard W. Hall for, with Mr. Clemente against.
Mr. Deane for, with Mr. Kelley against.
Mr. Gregory for, with Mr. Chudoff against.
Mr. Stanley for, with Mr. Kennedy against.
Mr. Whitaker for, with Mrs. Woodhouse against.
Mr. Stigler for, with Mr. Byrne of New York against.
Mr. Bentsen for, with Mr. Joseph L. Pfeifer against.
Mr. Larcade for, with Mr. Marcantonio against.
Mr. Cavalcante for, with Mr. Fogarty against.

General pairs until further notice:

Mr. McGrath with Mr. Towe.
Mr. Secrest with Mr. Short.
Mr. Perkins with Mr. Coudert.
Mr. Gore with Mr. Smith of Ohio.
Mr. Boykin with Mr. Wilson of Indiana.
Mr. Buckley of New York with Mr. Taylor.
Mr. Carnahan with Mr. Elston.
Mr. Fernandez with Mr. McGregor.
Mr. Chatham with Mr. Lichtenwalter.
Mr. Walsh with Mr. Brown of Ohio.
Mr. Vinson with Mr. Hinshaw.
Mr. Bonner with Mr. Hull.
Mr. Herlong with Mr. Johnson.
Mr. Barden with Mr. Hardie Scott.
Mr. Powell with Mr. Blackney.
Mr. Bulwinkle with Mr. Mason.
Mr. Hedrick with Mr. Welch of California.
Mr. Bates of Kentucky with Mr. Hugh D. Scott, Jr.

Mr. HOBBS changed his vote from "yea" to "nay."

Mr. DELANEY changed his vote from "yea" to "nay."

Mr. DAVIS of Tennessee changed his vote from "nay" to "yea."

Mr. POULSON changed his vote from "nay" to "yea."

Mr. AUCHINCLOSS changed his vote from "yea" to "nay."

Mr. HOFFMAN of Michigan changed his vote from "nay" to "yea."

Mr. DAVIES of New York changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

INSTITUTE OF INTER-AMERICAN AFFAIRS

Mr. KEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, with House amendments thereto, insist on the amendments of the House, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. KEE]. [After a pause.] The Chair hears none, and appoints the following conferees: Mr. KEE, Mr. RICHARDS, Mr. MANSFIELD, Mr. CHIPERFIELD, and Mr. JACKSON of California.

AMENDING THE NATURAL GAS ACT

Mr. CROSSER. 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. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended.

CALL OF THE HOUSE

Mr. GREEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-three Members are present; not a quorum.

Mr. PRIEST. 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. 159]

Anderson, Calif.	Gregory	Pfeifer, Joseph L.
Andresen, August H.	Hall, Edwin Arthur	Pfeiffer, William L.
Barden	Hall, Leonard W.	Plumley
Bates, Ky.	Harden	Potter
Bentsen	Hart	Powell
Blackney	Harvey	Quinn
Bolton, Ohio	Hébert	Sabath
Bonner	Hedrick	Scott, Hardie
Brown, Ohio	Heffernan	Scott, Hugh D., Jr.
Buckley, N. Y.	Herlong	Secrest
Bulwinkle	Herter	Shafer
Burke	Hinshaw	Sheppard
Byrne, N. Y.	Hull	Short
Carnahan	Jacobs	Sikes
Case, S. Dak.	Johnson	Smathers
Cavalcante	Kelley	Smith, Ohio
Chelf	Kennedy	Spence
Chiperfield	Kirwan	Stanley
Chudoff	Larcade	Stigler
Clemente	Lovre	Stockman
Clevenger	McGrath	Sutton
Cole, Kans.	McGregor	Taylor
Combs	Marcantonio	Thomas, N. J.
Coudert	Marshall	Towe
Davis, Wis.	Mason	Velde
Dawson	Morgan	Vinson
Deane	Morrison	Vursell
Dingell	Morton	Walsh
Eaton	Murdock	Welch, Calif.
Elston	Murphy	Whitaker
Fenton	Nicholson	Woodhouse
Fernandez	O'Brien, Mich.	
Fogarty	O'Hara, Ill.	
Frazier	Passman	
Gilmer	Patman	
Gore		

The SPEAKER. On this roll call 329 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING NATURAL GAS ACT

The SPEAKER. The question is on the motion of the gentleman from Ohio [Mr. CROSSER].

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. 1758, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CROSSER. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I recognize that there has been some intense interest manifested which has been growing in the last few days for obvious reasons. I recognize we are here considering what I think is a very fundamental question. I say in all seriousness to my colleagues, this issue reaches further than mere personalities. I believe we have an issue here which we should discuss in debate and know thoroughly, and not be persuaded by some influences which, in my opinion, know nothing about it whatsoever.

I realize, however, there are people who do know quite a bit about this industry and about this issue. I know they are sincere. I am sure every one of us who has been studying and working and trying to resolve this issue are sincere in our convictions.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I will be glad to yield to the gentleman.

Mr. BAILEY. Is it not true that this bill is almost the exact counterpart of the Moore-Rizley bill of the Eightieth Congress? I wish the gentleman would explain that.

Mr. HARRIS. It is not and I will be delighted to explain that to the gentleman, and to endeavor to answer any questions the gentleman, or any other Member, may have.

But let me proceed first to bring this whole matter to you so that you can more clearly understand it, in order that you may have some continuity of this subject from the very inception, with the enactment of the Natural Gas Act of 1938.

This bill, H. R. 1758, to amend the Natural Gas Act, approved June 21, 1938, was reported by our Committee on Interstate and Foreign Commerce after extensive hearings and a great many executive sessions.

PURPOSE OF LEGISLATION

The purpose of this legislation is to clarify the confusion and existing uncertainty as to the extent of the jurisdiction of the Federal Power Commission over production and gathering of natural gas. It is to make clear the original intent of Congress when the Natural Gas Act was passed, which specifically exempted production and gathering of natural gas by independent producers and gatherers and arm's-length sale made to natural-gas companies for interstate transportation and resale.

Therefore, the objective is as stated by the majority report, "very simple and limited." We only seek to carry out the provisions of the act as passed originally and the intention of Congress that the production and gathering of natural gas by independent companies and sold at arm's length is not a prerogative of or under the jurisdiction of the Federal Power Commission.

This legislation would not in any way change the law as was clearly intended by Congress in passing the Natural Gas Act. It would not change the law or policy in any manner from that which it has been administered during the entire 11 years of its existence.

NECESSITY FOR LEGISLATION

Mr. Chairman, this is a rather technical subject. If followed closely, however, it is easily understood and becomes quite simple.

On June 16, 1947, the Supreme Court rendered a decision in the Interstate Natural Gas case which involved regulation of a natural-gas company. It did not present the issue of the authority of the Commission to regulate arms'-length sales of natural gas by independent producers and gatherers, but the Court couched its opinion in such broad terms that it immediately became the basis for diverse interpretations and uncertainty as to the jurisdictional status of independent producers and gatherers. The views expressed by the Court gave rise to the fear that if the Commission should depart from its previous consistent policies and attempt to regulate such arms'-length sale of independent producers and gatherers, the Court might uphold such action.

The latest majority of the Commission has announced its intention of such departure if the Congress does not assume its responsibility and clarify the situation.

Because of the obvious need, the gentleman from Texas [Mr. LYLE] introduced H. R. 79, at the outset of this Congress, and I introduced H. R. 1758, having for their purpose the same objective. I should like here, Mr. Chairman, to highly compliment our esteemed colleague the gentleman from Texas [Mr. LYLE] for the invaluable service he has rendered in the consideration of this legislation.

When we introduced this legislation it was thought, and we had a right to assume, there would be no objection, as it has heretofore been considered by all concerned as noncontroversial. For 2 years until recently it has been recommended and urged by the Commission, the administration, the industry, and Members of Congress.

But for some reason, Mr. Chairman, there has been a sudden change in the thinking of some who are now opposing this legislation. I regret exceedingly that I find myself in disagreement with the chairman and a few other members of our committee. I have the greatest esteem and affection for our beloved chairman, and the outstanding service he has rendered in Congress. I know he is sincere in his convictions. I believe if he understood, however, the practical problem involved here instead of being persuaded by theoretical views, we would not be in such disagreement.

The committee reported this amended bill by a vote of 14 to 7. It was carefully worked out to make certain that we only clarify this problem and nothing else. Seven members of the committee were not present. I am advised by four of those who were absent that they would have voted for it had they been present and that they support this bill, making 18 members of our committee of 27 active

members, in support of this particular legislation.

NATURAL GAS ACT, 1938, DESIGNED TO REGULATE NATURAL-GAS COMPANIES

In the Seventy-fourth Congress, at which time our beloved Speaker the gentleman from Texas [Mr. RAYBURN] was chairman of the Committee on Interstate and Foreign Commerce, consideration was given to the adoption of a policy and the passage of a natural gas act. Extensive hearings were held. The Congress had already adopted the policy of regulating and controlling utilities, as a monopoly serving the public.

After some 3 years of consideration the Seventy-fifth Congress in 1938 passed the Natural Gas Act for the purpose of regulating natural-gas companies, and the transportation and sale of natural gas in interstate commerce for resale.

No one can read the Natural Gas Act of 1938 and review its history without concluding that it was designed to regulate natural-gas companies in the transportation and sale of natural gas in interstate commerce at wholesale.

Let us look at the act briefly and then see how the present Commission is tryinig to arbitrarily extend its jurisdiction.

Section 1 (a) provides a declaration of policy. It was declared the "business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest."

It seems to me, Mr. Chairman, there could be no clearer statement of facts as to the purpose and intention of such a policy.

Section 1 (b) of the act provides jurisdiction. It says:

> The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

The jurisdiction, therefore, applies to whom?

Natural-gas companies engaged in transportation or sale of natural gas in interstate commerce. No one else but a natural-gas company can engage in such business. Therefore the act so applies.

But the specific exclusion to which the act shall not apply is the issue here. This bill applies only to the last exclusion, production and gathering of natural gas.

And as we read throughout the act we find its references to regulation and control of natural-gas companies. A natural-gas company is a utility. It is, therefore, a regulated monopoly which should be controlled in the public interest.

Production and gathering of gas in the fields by the thousands of independent producers and gatherers and the sales at arm's length is a competitive business just as any other business under our competitive system. Congress did not intend to destroy this system and thus the reasons for the exclusion which becomes necessary to clear up by this legislation.

If there is any control by the natural-gas company, the interstate pipe line or its affiliates and connection in the production, gathering, and sale of the gas, through affiliates or otherwise, this exception would not apply and the Commission would have jurisdiction. There would not be the competitive transactions.

Arm's length sales are those where the producer and gatherer has no connection or affiliation with the interstate natural-gas company. I want to make this explanation as a number have inquired about it.

Mr. BAILEY. Mr. Chairman, will the gentleman yield at that point?

Mr. HARRIS. I prefer not to yield at this point, if the gentleman will permit me to continue.

Mr. BAILEY. But my question has a direct bearing on the statement the gentleman just made.

Mr. HARRIS. Very well.

Mr. BAILEY. The natural-gas producers of my State, West Virginia, say that out of 2,300 producing concerns the benefit of this law will accrue to 70—70 out cf 2,300 producers. Will the gentleman explain to the Committee whether this is true or not?

Mr. HARRIS. I shall be glad to; in my statement I will come to it. Let me proceed, if you will.

Mr. YATES. Just a question, while the gentleman is interrupted, not on that question, but on a point raised by the gentleman.

Mr. HARRIS. My time is soon going to run out if I keep yielding.

Mr. YATES. I shall not ask the gentleman to yield further.

Mr. HARRIS. I yield briefly.

Mr. YATES. The gentleman has made the point that the act was intended to apply only to public utility companies. I believe the gentleman should apprise the House further as to the definition of a natural-gas company as contained in the Natural Gas Act—I believe it is section 5, which states that it shall apply not only to natural-gas companies which are engaged in the transportation of gas, but also to those who are engaged in the sale of gas as well.

Mr. HARRIS. For what?

Mr. YATES. At wholesale in interstate commerce for public consumption.

Mr. HARRIS. That is the point I wish to make: For resale at wholesale.

Independent producers and gatherers do not wholesale gas for resale; natural-gas companies wholesale, resell to you boys who distribute it to the consumers in your area; and that is exactly the definition of a natural-gas company under the act. Now, may I proceed.

To show further the original intent of the Congress in this regard, the record shows that the Federal Power Commission was actively interested in the passage of the Natural Gas Act. The Solicitor, Mr. Dozier A. DeVane, presented the bill for the Commission before the committee. This was in 1937. Mr. Lea was then chairman of the committee; the gentleman from Texas [Mr. RAYBURN] having been elected the majority leader. Mr. Lea asked Mr. DeVane, with reference to the jurisdiction of the Commission over field prices. Mr. DeVane said there would be no control, the Commission would not have jurisdiction. In his own words, he said: "That price is fixed by competitive conditions in the field" and there would be no control of the gathering rate.

Then Mr. Lea asked Mr. DeVane, who is the Solicitor for the Federal Power Commission, and explaining this bill, if the Commission would have any power to regulate the rate of what the company may pay in the field, and Mr. DeVane said:

> No; not the prices which are paid to the gatherer; that is binding if the transaction is at arm's length. If the transaction is not at arm's length, of course, its reasonableness may be inquired into under decisions of the Supreme Court.

It is highly important to recall that at that time consideration was given to language which would have provided that Federal jurisdiction "shall apply to the procurement of natural gas for the purpose of its transmission through pipe lines and its sale, exchange, transmission, or distribution in interstate commerce."

Certainly had that language been adopted, the Commission's jurisdiction would have extended into the field of independent producers but Congress did not accept that language, and in lieu thereof, specifically excluded production and gathering of natural gas.

Furthermore, it was stated in the report when the bill was submitted to the House in 1937, that "if enacted; the present bill would for the first time provide for the regulation of natural-gas companies, transporting and selling natural gas in interstate commerce." It further explains the purpose is to close the gap between Federal and State regulations and sales in interstate commerce for resale or so-called wholesale sales.

Sure this was the purpose. Just as the minority views state but nowhere did it give authority to the fixing of prices in the field of the independent producers and gatherers. These are the type of sales that have consistently been construed as to not be in interstate commerce until the broad scope of the language in the recent interstate case. There is a distinction, Mr. Chairman, between this type of competitive sales and the sales for resale to the local distributing company for ultimate public consumption.

Then during the debate in the Senate, Mr. Wheeler, chairman of the committee, in answer to questions from his colleagues, said the bill "does not attempt to regulate the producers of natural gas or the distributors of natural gas; only those who sell it wholesale in interstate commerce."

In other words, he explained that the bill did not attempt to regulate the field activities including the sales, and neither did it attempt to regulate the distribution in the various localities to the consumers.

Mr. Austin asked:

> Is the bill limited in its scope to the regulation of transportation?

Mr. Wheeler, the chairman, answered:

Yes; it is limited to transportation in interstate commerce, and it affects only those who sell gas wholesale.

Therefore, I think, Mr. Chairman, it is conclusive the Natural Gas Act was passed to provide for the regulation and control of natural-gas companies. It was not designed to destroy the competitive field system. It specifically maintained and preserved this well-established principle in our business and economic life.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CROSSER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WOLVERTON. Mr. Chairman, if five additional minutes would be helpful to the gentleman, I will yield it to him.

Mr. HARRIS. I thank the gentleman.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. SADOWSKI. As to arm's length sales, that does not mean that it would apply to only one sale, but resales could be made between various other companies before that gas actually gets into interstate commerce, and it is subject then to regulation. It is the danger of these resales and this pyramiding.

Mr. HARRIS. The gentleman cannot cite any sale where such arbitrary action occurred. These people are competitors and drive hard bargains which is the competitive way. There is no business that drives harder competitive bargains than the oil and gas business between themselves.

Mr. SADOWSKI. Well, there is a shortage of gas at this time.

Mr. HARRIS. Yes, and the gentleman is making it worse if he does not sustain this free competitive system. If you do not, you will cause additional shortage of gas.

ADMINISTRATION OF ACT

This is not all, Mr. Chairman. In the administration of the Natural Gas Act by the Federal Power Commission this policy has been followed. At no time during the entire life of the Natural Gas Act until recently has there been any different interpretation. The Federal Power Commission and the industry have been of the opinion, and rightly so, that the Congress did not give the Commission any direct or indirect power of production and gathering.

The oil and gas producers perform a service to this country and to the consumers. They, too, have a tremendous responsibility. They, too, have considered that production and gathering and sales incident thereto were exempted from the act as a part of a well-designed national policy to not interfere with local jurisdiction and activities.

I say to you here and now that if the threat of such control that exists today is maintained, State authorities will have no jurisdiction as was reserved to them when the act was passed. If the Federal jurisdiction can be extended in this manner to the production and gathering of ga , it can likewise be extended under the same authority to local distribution which as a matter of policy was also reserved to State jurisdiction.

The first test of the jurisdictional scope by the Federal Power Commission was made a short time after it was passed in the Columbian Fuel Corp. case in 1940: the Commission in its initial interpretation held in that case and said:

That it was not the intention of Congress to subject to regimentation under the Natural Gas Act all persons whose only sales of natural gas in interstate commerce as in this case are made as an incident to and immediately upon completion of such person's production and gathering (2 F. P. C. 200–194).

No act or determination by the Commission has overturned this initial finding until the recently announced policy of the present majority of the Commission of such intention. The Commission has made no recommendation to the Congress during the 11 years of the act that the jurisdictional authority in question be extended, and I might say here and now, Mr. Chairman, that no instance has been cited where the Commission has been thwarted by reason of prevailing jurisdictional limitations in its efforts to protect consumers or regulate industry operations.

SUPREME COURT DECISIONS

Not only has this principle as intended by Congress been upheld in the administration of the act but by a long line of interpretations of the Supreme Court of the United States, until the unusual Interstate Natural Gas Company case in June 1947.

The first case, I believe, interpreted by the Supreme Court, on the constitutionality of the Natural Gas Act was in the case of the *Natural Gas Pipeline Co.* (315 U. S. P. 582), affecting the Chicago area. There it referred to and sustained the jurisdiction of the Federal Power Commission over natural gas companies as authorized by Congress.

Then in a later decision, the *Hope Natural Gas Company case* (320 U. S. 589), the jurisdiction of the Commission over the producing properties and gathering facilities of a natural gas company was sustained as carrying out the purposes and intent of the act. Likewise, the Court held in the *Colorado Interstate case* (324 U. S. 481) the jurisdiction of the Federal Power Commission extended to properties of affiliates of natural gas companies. In other words, I should emphasize that unless the transactions of production and gathering were at arm's length, the Commission had jurisdiction under the act.

Then in 1947 the Supreme Court decided the famous Interstate Natural Gas case, which has been so widely interpreted, resulting in confusion, uncertainty, and fear as to the range of its interpretation.

Though this case was not directed to the particular issue involved, the dictum of the Supreme Court held beyond the issue involved according to the interpretation of some and raised serious doubt as to what was intended.

This confusion and doubt not only reflected in the industry but in legal circles and in the Commission itself.

This is the real need and necessity for this legislation.

It is the duty and responsibility of Congress to establish policies to be administered by agencies of the Government.

It is the duty of the agencies of Government to administer those policies and to recommend such changes as might be desirable in the public interest.

We might as well be frank about this situation. We know who is behind this effort to bypass the intention of Congress and to extend the governmental arm into the field never intended. He has been active, he has been insistent, he has been urging, Mr. Chairman, that the majority of the present Commission as has been directed by him for the past several months be permitted to extend their powerful hands toward a controlled economy. I refer to none other than Commissioner Olds, who is so obviously throughout these hearings for the majority and who has provided and prepared most of the material in opposition to this legislation.

COMMISSION RECOGNIZES NEED FOR AND URGES LEGISLATION

I confess, Mr. Chairman, that it is very difficult for me to understand the actions and attitude of some people. Let us review what has happened.

In the Eightieth Congress consideration was given to amending the basic law. Many of you remember it as the Rizley bill. The Federal Power Commission opposed it then as did others because of the fundamental changes it would have made in the basic act, as has been interpreted by the Supreme Court, affecting and regulating natural-gas companies.

We had quite a fight on that bill. Who were the members of the Federal Power Commission then? Mr. Nelson Lee Smith, as Chairman, Mr. Leland Olds, Mr. Draper, and Mr. Wimberly. There was one vacancy.

As a substitute for that over-all basic change, the Commission recommended and urged the Congress to clarify the law in view of the Interstate Natural Gas case, to make certain that independent producers and gatherers are not included as the original intent of Congress.

The Commission prepared and submitted a bill which was introduced by our colleague on the committee the gentleman from Tennessee [Mr. PRIEST] and became known as the Priest bill, H. R. 4099 of the Eightieth Congress. The Commission, including Mr. Olds, urged that bill on the Congress as being needed.

It had for its purpose the very same simple objectives as this legislation under consideration now.

Remember we were then considering the more drastic Moore-Rizley bill, H. R. 4051, which passed this House. In urging their bill, the Commission on July 10, 1947, submitted a letter to the then

chairman of the committee, our colleague, the Honorable CHARLES A. WOLVERTON, which I should like to read to this House as follows:

MY DEAR MR. CHAIRMAN: This is in response to your request of July 9 for an early comment by the Commission regarding H. R. 4099, a bill introduced by Congressman PRIEST of Tennessee.

The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission.

The enactment of this bill would dispel the uncertainty regarding the status of such independent producers and gatherers which has been created following the recent decision of the Supreme Court in the Interstate case. Such action by the Congress now should dispose of this important and controversial matter.

This procedure would enable the Congress to defer action on the many other aspects of natural gas regulation involved in the complexities, uncertainties, and ambiguities of H. R. 4051 (the Rizley bill), to which we referred in detail in our statement of July 1 to you and the members of your committee. As you know, all these problems are being carefully analyzed by the commission, in cooperation with all interested parties, in the natural gas investigation (Docket No. G-580). A full report on this investigation will be submitted to the Congress for its consideration within the next few months.

I am authorized to state that the position of the Commission in this matter is fully in accord with the legislative program of the President.

Respectfully yours,
FEDERAL POWER COMMISSION,
By NELSON LEE SMITH,
Chairman.

Let me repeat, Mr. Chairman, the crux of that letter as it applies to this legislation is that the Federal Power Commission urged the enactment of the bill at that time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of the Federal Power Commission. Nothing could be plainer. This was July 10, 1947. Remember, the Commission at that time was composed of Mr. Smith, as Chairman, Mr. Leland Olds, Mr. Draper, and Mr. Wimberly. The request was made unanimously. I repeat the last sentence, which says "that the position of the Commission in this matter is fully in accord with the legislative program of the President."

That Commission bill, H. R. 4099, was not only introduced but offered as a substitute by our colleague, Mr. PRIEST. The committee did not adopt it.

When the bill was before the House, the gentleman from Tennessee [Mr. PRIEST] again offered it as a substitute on behalf of the Commission. It was not adopted.

Then, Mr. Chairman, on a motion to recommit, the distinguished gentleman, our colleague from Colorado [Mr. CARROLL], offered this Commission bill, the very same proposal we have here today.

That is not all. The legislation though passed by the House failed to pass the other body in the first session of the Eightieth Congress.

Carrying out this same principle that we are bringing to you today, the Commission on August 7, 1947, issued its own order No. 139, "designed to relieve any existing uncertainty regarding the Commission's position that it will not seek to assert jurisdiction over the sale of natural gas to interstate pipe lines by independent producers or gatherers."

In that order, Mr. Chairman, the Commission further said: "Since there were prevalent many expressions of uncertainty as to the Commission's interpretation of section 1 (b) of the act with reference to the status of independent producers and gatherers of natural gas, and as to its intentions with respect thereto, it seemed evident that a formal administrative rule was necessary to affirm our belief that it was the intent of Congress to exempt such independent producers and gatherers when it enacted the Natural Gas Act in 1938." This is the same policy enunciated by the Commission shortly after the act was passed in the Columbian Fuel case as already explained, which shows the consistent attitude in the administration of the act on this particular issue.

Further in issuing the order, Mr. Chairman, the Commission said, and this was August 7, 1947:

During the first session of the Eightieth Congress which adjourned on July 27, 1947, various bills regarding this matter, as well as other important proposals for amending the Natural Gas Act, were introduced and considered by the Congress. At the hearings on these bills before the Senate and House Committees on Interstate and Foreign Commerce, the Commission likewise stated its view that independent operators who produce or gather natural gas and sell it at arm's length to natural-gas companies subsequently transporting such natural gas in interstate commerce are exempt from the provisions of the Natural Gas Act.

It referred to the Interstate Natural Gas Co. case decided by the Supreme Court, June 16, 1947, regarding the jurisdictional status of independent producers and gatherers and said further in the order:

In view of these circumstances, the Commission urged the immediate adoption of H. R. 4099, the specific and sole purpose of which was to make entirely clear the exemption of the independent production and gathering of natural gas from the provisions of the Natural Gas Act.

And it also said:

This brief review of developments in this matter has been presented so that there may be no basis for misunderstanding or continuing expressions of fear and uncertainty regarding this matter, which is noncontroversial. The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipelines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.

That was the purpose of the rule issued by the Commission which said that finding that such action is "necessary and appropriate" to clarify the meaning of section 1 (b) of the Natural Gas Act, which is only what we propose to do here.

Who was it, Mr. Chairman, who said such action was necessary and appropriate? The Federal Power Commission, including Mr. Leland Olds.

Mr. Claude L. Draper, one member of the Commission dissented because he said the Supreme Court in the Interstate case had passed upon the question and Congress had failed to clarify the law and the Commission should carry it out.

But the other three Commissioners, Mr. Smith, as Chairman, Mr. Olds and Mr. Wimberly, approved the order and said this was the original intent of Congress, it was the law, and it was the policy of the Commission to continue to administer the law, carrying out this intent of Congress when the Natural Gas Act was passed.

It is for this reason, Mr. Chairman, that I said we had a right to expect this would be a noncontroversial matter when we introduced it in the early part of the session.

COMMISSION CHANGES MIND

Unfortunately, this was not the case. During these two years, we have seen some fantastic changes. The personnel of the Commission has changed. Mr. Smith and Mr. Wimberly still maintain the same positions. They are consistent and I for one want to commend them for their stand and consistency in this fight. Mr. Olds has changed his mind and completely reversed himself. The other two members of the present Commission have adopted his viewpoint. Thus a majority of the Commission now has said to our committee in hearings that if the Congress fails to act that it will be their position to rescind this order and change the policy altogether.

Now, another most unusual situation has just developed. I was completely amazed. When we were before the Rules Committee yesterday, our esteemed chairman [Mr. CROSSER], whose views I respect and who I admire and love, really pulled one out of the bag. He presented a letter from the Bureau of the Budget, which by some strange coincidence he had just received which says this bill is not in accordance with the legislative program of the President. This is most unusual procedure because at no time during the hearings and long consideration was such position presented or explained.

Here we have the unusual spectacle that in July 1947 this is the policy and in accord with the program of the President and now by this mysterious revelation, we have the President on both sides.

I submit to you, Mr. Chairman, these incidents are compelling reasons for the Congress to write into law this clarifying amendment.

DIVIDED COMMISSION

The Commission itself is hopelessly divided on what is the jurisdictional status. This creates a most unusual situation which no one can determine what course they may pursue. Two Members of the Commission are of one viewpoint and two members of another viewpoint. The industry could not possibly know where it stands. The other member has not yet been confirmed as his term expired in June. If he is confirmed, it will be three members one way and two the other way and therefore, the policy or the law would be changing with changing personnel. This is an intolerable situation that should be corrected.

REAL ISSUES INVOLVED

There are two issues involved here, Mr. Chairman:

First. Will the Congress write the policies, which is our duty and responsibility, or will we permit bureaus and commissions by legislative fiat to write them; and

Second. Are we going to adopt a policy of planned or controlled economy where heretofore the free competitive system has prevailed in the fuel industry?

We cannot dodge the issue. If we destroy the competitive element which has heretofore existed in the fields of natural gas, then will not the next step be governmental control in the petroleum industry or the coal mines?

Whatever the answer may be, I say, again, it is the duty and the responsibility of the Congress to determine the policies of this Government, instead of by the capricious and whimsical action of some bureau or commission.

Yes; this simple and apparently noncontroversial matter has become highly controversial. Why? Because a commissioner changes his mind. It should, therefore, be clarified because you can never tell when an unstable mind of a commissioner might change. The people in the industry have a right to know the plain language of the law. This bill should pass.

FEDERAL POWER COMMISSION,
Washington, July 18, 1949.

Hon. JOHN W. HESELTON,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN HESELTON: In your letter of July 15 you asked certain questions regarding the status of Federal Power Commission Order No. 139. We think a brief recital of the circumstances under which order No. 139 was adopted would be helpful before giving a direct answer to your questions.

As you know, immediately following the Supreme Court's opinion in the Interstate case, the Commission unanimously urged the Congress to amend the National Gas Act to make clear the exemption from Commission jurisdiction of arms-length sales of natural gas by independent producers and gatherers. In our view, the Supreme Court did not rule directly and explicitly on the meaning of the exemptions of production and gathering contained in section 1 (b) of the Natural Gas Act; however, there admittedly is uncertainty and a divergence of opinion as to the extent of authority of the Federal Power Commission to regulate, as "natural-gas companies," independent producers and gatherers.

When Congress recessed on July 27, 1947, without taking action on H. R. 4099 (by Congressman PRIEST) as urged by the Commission, there were indications that fuel shortages would be acute in many areas. The Federal Power Commission considered that the public interest required that persons who owned gas reserves and who were not affiliated in any manner with interstate pipeline companies should be encouraged to enter into arm's-length sales contracts with such companies without apprehension of Federal regulation.

In voting for Order No. 139, which is in terms a declaration of policy to the effect that the Commission would not assert jurisdiction over arm's-length sales of natural gas to interstate pipe lines by independent producers and gatherers, the undersigned believed this to be both a valid exercise of administrative discretion, pending clarification of a confused and uncertain situation by the Congress, and a desirable policy to encourage the interstate transportation of natural gas into the great consuming areas of the country where it was much desired and badly needed. We are still of this opinion.

Accordingly, we would not think it proper to rescind Order No. 139 so long as it might continue to be an accurate statement of the policy of the Commission, but we would deem it improper to continue the rule beyond such time as it is a reliable guide to the policy of the Commission. In any event we think it would be improper to seek to give retroactive effect to any such rescission of the rule where contracts have been entered into in good faith in reliance upon it.

On the other hand, however, at the time of the testimony before your committee which is referred to in your letter, it was evidently the view of the majority of the Commission that the Order was in error, and that determinations which had been issued under it would become of no legal force and effect whenever there was, in fact, a sale of natural gas in interstate commerce for resale. The Commission is at present evenly divided on the question, and we find it impossible to answer with any assurance whatever your question as to how long Order No. 139 will remain on the Commission's records or when it might be rescinded.

It seems to us that, in view of this situation and the confusion and uncertainty which continues regarding this entire matter, it is highly desirable that the Congress settle this matter one way or the other by an affirmative declaration of policy at the earliest possible time.

Very truly yours,

HARRINGTON WIMBERLY,
Commissioner.

NELSON LEE SMITH,
Chairman.

JULY 18, 1949.

Hon. JOHN W. HESELTON,
Member of Congress,
Washington, D. C.

DEAR MR. HESELTON: In your letter of July 15, 1949, addressed to the Federal Power Commission, you asked the following questions:

1. Is it the intention of the Commission, if this Congress takes no action on any of these proposals, to rescind Order No. 139?

2. If it is the intention of the Commission to rescind Order No. 139, if this Congress takes no action on any of these proposals, when, in terms of the life of the Eighty-first Congress, is it the Commission's intention to do that?

The undersigned, in general, agree with the answers given by Commissioner Olds to your subcommittee. Specifically, we answer them as follows:

1. It would be the intention of the undersigned to so rescind Order No. 139.

2. In terms of the life of the Eighty-first Congress the intention of the undersigned to rescind Order No. 139 would be effective at the end of the second session thereof, provided however, if the protection of the public against exploitation through unreasonable rates and charges, should require the exercise of statutory jurisdiction, it is our opinion that the necessary administrative action should be taken immediately to enforce such jurisdiction which would, of course, include a repeal of Order No. 139 as a procedural matter, not as a legal requirement for the exercise of that jurisdiction.

We wish to reiterate that Order No. 139 has no legal force or effect, *Interstate Natural Gas Co., Inc.* v. *Federal Power Commission* (331 U. S. 682), and therefore could not confer any rights upon a natural gas company.

Respectfully submitted.

CLAUDE L. DRAPER,
Vice Chairman.

THOMAS C. BUCHANAN,
Commissioner.

Mr. WOLVERTON. Mr. Chairman, I yield 15 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, the rule on this bill was issued only yesterday afternoon, and I regret very much that I have not had time to make the very carefully prepared statement that I should have liked. I will claim for myself, however, one particular merit in discussing the legislation: I think I am at least as disinterested as anybody can possibly be; because there is not a single producer or gatherer of natural gas, nor, I regret to say, is there a single consumer of natural gas in the State of Maine. So I think I can look at the whole problem fairly objectively. But I will say this, and I say it very selfishly: We would like to get this valuable fuel, we would like to get natural gas up into Maine, we would like to get it up into New England, we would like to get it all over the northeastern section of the country. Let me say, however, that it will not, of course, be of any use to us unless it can be gotten up there at a price that is competitive with other fuels. As the gentleman from New York [Mr. KEOGH] remarked in the debate on the rule, the natural-gas companies certainly have every incentive to expand their operations, and in such manner and at such prices that natural gas will be competitive with other fuels.

As I had never had any contact whatever with the natural-gas business, I found some difficulty in understanding this legislation when first hearings were held before our committee. But let me say that the producing and gathering of natural gas is an operation very much akin to the producing and gathering of oil from oil wells. It is not a public utility business, and it is not a business that is at all analogous to an ordinary public-utility business; it is a very hazardous, adventurous, and uncertain business, and it is unsuited to the kind of regulation and the kind of control that is correctly applied to a public utility. The producing and gathering is not monopolistic; on the contrary, it is a very competitive business. Anybody who can locate a little natural gas on his farm and find a well here or there will if he has the incentive produce the gas and send it to the market; and, of course, the only market is the interstate pipe line.

Mr. TAURIELLO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 160]

Andresen, August H.	Brown, Ohio	Chudoff
Auchincloss	Buckley, N. Y.	Clemente
Barden	Bulwinkle	Clevenger
Bates, Ky.	Burke	Cole, Kans.
Bentsen	Carnahan	Coudert
Blackney	Case, S. Dak.	Davies, N. Y.
Bland	Cavalcante	Dawson
Bolton, Ohio	Celler	Deane
Bonner	Chatham	Dingell
Brooks	Chelf	Douglas
	Chiperfield	Eaton

Elston	Larcade	Sabath
Engle, Calif.	Lichtenwalter	Scott, Hardie
Fogarty	Lovre	Scott,
Frazier	McGrath	Hugh D., Jr.
Gilmer	McGregor	Secrest
Gore	McKinnon	Short
Granger	Marcantonio	Sikes
Gregory	Mason	Smith, Ohio
Hall,	Morgan	Spence
Edwin Arthur	Morrison	Stanley
Hall,	Morton	Stigler
Leonard W.	Murdock	Sutton
Harden	Murphy	Taber
Hart	Nicholson	Taylor
Hedrick	Passman	Thomas, N. J.
Heffernan	Patman	Towe
Heller	Perkins	Vinson
Herter	Pfeifer,	Vorys
Hinshaw	Joseph L.	Walsh
Hull	Pfeiffer,	Welch, Calif.
Jennings	William L.	Whitaker
Johnson	Plumley	White, Idaho
Kee	Potter	Wigglesworth
Kelley	Powell	Wilson, Ind.
Kennedy	Quinn	Withrow
Kirwan	Rivers	Woodhouse

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, 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. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended, and finding itself without a quorum, he had directed the roll to be called, when 330 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Maine [Mr. HALE] has 11 minutes remaining.

The gentleman from Maine will continue.

Mr. HALE. Mr. Chairman, I am grateful to the gentleman for enlarging my audience, but I rather regret a tendency which seems to exist in some quarters to hamper and prolong the consideration of this bill. This bill is an important piece of legislation; it deserves the earnest study and consideration of the Members of the House without any unnecessary or frivolous interruptions.

Before the point of order was made I had called attention to the fact that the production and gathering of natural gas is an intrastate business. It is not a monopolistic business; on the contrary, it is a highly competitive and a very risky business, and it lends itself as badly as possible to the type of regulation accorded to public utilities which are essentially and almost inevitably monopolies. On the contrary, the interstate pipe line is a monopolistic and almost necessarily a monopolistic enterprise. It is not, however, a common carrier, because the pipe line carries only the gas to which it acquires title at the point of origin.

I do not doubt but that there are people in this country who wish to socialize a great many different kinds of business. If you are desirous of socializing business, there is none that would be more desirable to socialize than the fuel business; and if you are going to start out socializing, you had better socialize the production of all types of fuel whether it be oil, coal, or natural gas. If you are going to extend the jurisdiction of the Federal Power Commission into the several States and regulate the production and gathering of natural gas, you are going to take a very important step in the direction of socialization. Some of the opposition to this measure would seem to come from people who are interested in procuring the greatest possible socialization of the fuel business.

Mr. Chairman, there is a great deal of honest misunderstanding about this legislation. Yesterday afternoon just after I got back from discussing the legislation in the Committee on Rules I received a telegram from the CIO in Boston asking me to oppose this bill. I am perfectly confident that the senders of that telegram had very little comprehension of the issues involved. They had been sold the idea that somehow or other this was an attempt on the part of the big interstate pipe-line companies to enable themselves to make larger profits. It is true that Commissioner Olds of the Federal Power Commission is very bitterly opposed to this legislation; and various columnists disseminate or seek to disseminate a very distorted view of it which emanates from sources unknown to me but apparently rather close to the Federal Power Commission or to a certain faction of the Federal Power Commission. I am sure that one faction of the Commission is very anxious to regulate the producers and gatherers of natural gas. But I do submit very respectfully and very earnestly that the policy of this Nation with respect to the production and gathering of natural gas should be determined in this body and not in an administrative agency. I am frank to say that I very much resent any attempt at dictation or pressure from any such agency.

At the present time there is great doubt and misgiving due to the decision in the Interstate Power case in June 1947, but I wish to call the attention of the committee to the decision of the United States Supreme Court in Federal Power Commission against Panhandle Eastern Pipeline Co., decided on June 20 of this year. Speaking of the Natural Gas Act which Congress passed in 1938 the Court says:

> Congress knew this necessary relationship between production and distribution but excluded the Commission—

That is the Federal Power Commission—

> from exercising any direct control or regulation over the actual production and gathering of natural gas.

I may say that while the Supreme Court in the Panhandle case did not reverse its opinion in the Interstate Power case decided almost exactly 2 years earlier, it did use language which seems to me very much to cut down the dicta in the Interstate Power case; in fact, the decision in the Panhandle Eastern Pipeline case seems to me to be what I might term a spiritual retreat from that in the Interstate case.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Illinois.

Mr. YATES. Is the gentleman in favor of the general purposes of the Natural Gas Act of 1938 to regulate the rates of those who sell gas in interstate commerce at wholesale?

Mr. HALE. Yes; I am in favor of the general purposes of that act; but if the gentleman wants to press purely argumentative questions I should prefer that he do so in his own time.

Mr. YATES. I do not propose to put argumentative questions to the gentleman. I ask that as a preliminary to another question.

Mr. HALE. I refuse to yield further. I want to conclude my statement. The gentleman can make his statement in his own time.

Mr. Chairman, the necessity for this legislation, and the very great necessity, as I see it, is occasioned by the doubt and hesitation in the industry; because the people who either produce or gather natural gas, and the people who would produce and gather natural gas if they were not frightened, are now afraid of the noose of Federal regulation held very close to their necks, held so close to their necks they do not know what to do about it. If you want to read a very eloquent and a very fair statement of the conditions in the industry I would suggest that you read the testimony of Mr. Head, an attorney for a corporation called the Southern Minerals Corp. at pages 77 to 122 of the hearings. The doubt and hesitation which prevails in the industry is equaled and exceeded by, perhaps not so much doubt and hesitation in the Federal Power Commission, as by the divergence of opinion in that body; and while the respective members of that body are still, so far as I know, on speaking terms, they are so much at loggerheads on this particular question of jurisdiction and policy that it must very seriously hamper the usefulness of the Federal Power Commission. Of course, the usefulness of any administrative body is very much hampered if it is seriously divided on questions of policy with which it is not legitimately concerned.

I was very much impressed by the statement of Commissioner Draper of the Federal Power Commission who said he did not think that as long as the United States Supreme Court has said it did have jurisdiction of the producers and gatherers the Federal Power Commission had any right to waive any segment of its jurisdiction or to make an announcement that it was not going to exercise any such segment of its jurisdiction. If I am right about that, and if Mr. Draper is right about that, Order No. 139 never had any legality anyway, and it is going to be repealed or withdrawn—withdrawn I suppose is a better word—unless the Congress legislates at the present session. That is not an inference of mine. That is a statement made directly by members of the Commission in a letter or letters to the gentleman from Massachusetts [Mr. HESELTON]. So that it is vital, in my opinion, that we legislate and legislate promptly and remove from all doubt this question as to what the policy should be.

It is said by Mr. Olds and others of his school that the passage of this legislation will increase the cost of natural gas

to the consumer. I do not see how anybody can possibly tell that. If the Commission has never exercised this jurisdiction, how can they say that the further nonexercise of the jurisdiction is going to increase the cost to the consumer. I just want to point out that the cost of natural gas to the consumer, like the cost of anything else to the consumer, depends very largely upon the supply available, and the passage of this legislation is going to tend to increase the supply because it is going to give an incentive to producers and gatherers of natural gas to produce and gather, since they are going to be removed from the apprehension which they now reasonably feel.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The gas rates are, in any event, fixed by the public utilities commissions of the various States anyway.

Mr. HALE. Of course.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. CROSSER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, this is a bad bill; it is a bad piece of legislation. It should be referred back to our Committee on Interstate and Foreign Commerce. I do not remember how many years it has been that a bill so controversial has come before the committee and where our committee has had so many disagreements as it has had over this bill. You will see in the report here that there are three different minority views expressed in connection with this bill. You will find that 11 members of our committee have signed minority reports. I think that ought to be sufficient to put the House on guard.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SADOWSKI. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact that the committee reported this bill by a vote of 14 to 7?

Mr. SADOWSKI. Yes; that is true. The gas boys were all on the job. Those members who were absent at the time of the vote all signed the minority reports.

Now, it has been stated here by two or three of the previous speakers that the CIO was against this bill and therefore it ought to be a good bill or should be a good bill. Well, let us say the truth about that now; let us forget about the CIO. The officials of the city of Detroit, the mayor and the city council, are against this bill. The officials of the State of Michigan are against this bill. The people who supported the Gas Act originally in 1938 are against this bill. You do not find any city officials who came before our committee in 1938, and who were in favor of it then, supporting this bill and the amendments proposed in it.

Why was the Gas Act passed? It was passed to protect the consumer. This bill does not protect the consumer. This bill increases prices to the consumers. This is a big swindle upon the consumers. When we passed the original bill in 1938 for the protection of the consumers we meant to protect the consumers all the way down the line; there is no question about it. It was fully discussed in the committee and it was discussed on the floor of the House. There is no use of these boys coming in here now and by indirection trying to overcome the real purpose of the Gas Act. You cannot give honest regulations and honest prices to consumers if you are only regulating the pipe lines that carry the gas. You have to be able to say something about how much that gas costs when it enters the pipe line. If you say, "We will regulate gas, but the Commission has no authority to say how much this gas is going to cost when it gets in the pipe line," what sort of regulation have you, and what kind of protection are you giving the consumers? This is the crux of this whole argument here. They want to take the production of gas out, and there will be no price set as to the cost of that gas when it enters the pipe line.

They talk about this being a bill to protect the independent producer. When the word "independent" is mentioned on this floor I know ordinarily it would have the same effect upon you as it has upon me. You think they are talking about the corner grocer, the independent, and his struggle against the chain store. But when you speak about the independent gas producer, as these boys from Texas are talking about him, just remember they are talking about the independent millionaire gas owners and the big gas companies. These big millionaire companies have control of the big gas fields, and they are called independent producers.

The definition of an independent producer is given by the committee in the majority report. This is the gentleman from Arkansas [Mr. HARRIS], of our committee, giving you the definition of an independent producer. I quote from the report:

> As the term is here used, an independent producer or gatherer is one who is neither a natural-gas company by reason of other operations nor affiliated with a natural-gas company.

Who are these independent producers? Let us see. I quote from the minority report, page 13:

> More than three-quarters of the acreage in the great Panhandle and Hugoton fields of Texas, Oklahoma, and Kansas, representing one-quarter of the country's entire reserves of natural gas, is controlled by 25 companies, while 10 of these companies control three-fifths of the acreage. Taking the country as a whole, 33 oil companies held in lease or fee five-eighths of the total oil and gas acreage, with more than half the acreage in the hands of 20 companies.

Those are the independent producers. You see what is involved here.

I want to refer you to page 12 of the committee report. Let us see what the purpose of the Gas Act is and what is the issue here:

> The real issue for Congress to decide is whether or not regulation of the sales of natural gas by producers to purchasers for transportation and sale in interstate commerce for ultimate public consumption is in the public interest. The issue is of vast importance as a matter of principle.
>
> The plain intent of the Natural Gas Act is to protect consumers of natural gas from exploitation at the hands of the natural-gas companies. This was the conclusion of the United States Supreme Court in passing upon a case in which the legislative history of the act had been fully presented by the Hope Natural Gas Co. and the Federal Power Commission.
>
> Congress itself had made its position clear when it declared in unambiguous language in section 1 (a) of the act that the business of transporting and selling natural gas—

"Selling," that means selling gas, whether it is sold by a pipe-line company or sold by a producer to the pipe line—

> for ultimate distribution to the public is affected with the public interest and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

The gentleman from Arkansas [Mr. HARRIS] was speaking about these sales at arm's length. That would be fine if the producer of gas was to sell directly to the pipe-line company, and then that pipe-line company would put that gas in the line and ship it out to Detroit or some other city that is going to use it.

There would be no in-between agreements and no in-between leases or in-between contracts. That is not the case however. The truth is that there is a shortage of this gas. The bidding is not on the part of the producers of gas. The bidding and the competition now is amongst the pipe-line companies to get this gas. So the price of gas has no limit. The sky is the limit. There is no way of limiting the price of this gas. The shortage makes the increase in price inevitable if there is not some way to control the price of gas as it enters the pipe line. For instance, the sharpshooters in this business will make one agreement with one company and then resell to another and still another. The producing company will sell to another company and that company sells to still another company. Before it finally gets into the pipe line there will have been four or five or six different transactions, and four or five gamblers or speculators will have made a profit—at whose expense? At the expense of the consumers in the city of Detroit, and at the expense of the consumers in the city of Chicago, St. Louis, Milwaukee, and so forth.

Now, there are State commissions that regulate the sale of gas in intrastate commerce; that applies to the gas that is sold within the State where it is produced. These State commissions can only protect the consumers within their own State. So these speculators and gamblers in gas tell the State commissions that they are engaged in interstate commerce, that they are selling their gas to the pipe lines and therefore are not subject to State regulations. Now they come here with this bill and say that the Federal Power Commission cannot regulate the price, either. So if this bill passes they would be subject to no price regulations or controls whatsoever. So the sky is the limit. The poor independent millionaires will become billionaires. What a swindle this would be upon the consumers of gas in the Middle West.

Is that right? I want to protect the producers. I want to protect the real

producers of gas, but I am not going to vote to protect swindlers and gamblers in gas. This is a public utility. This gas is just as important and is just as much a utility as electric power. Congress has said so when it passed the Natural Gas Act.

If the gentleman from Mississippi [Mr. RANKIN] is here, I hope that he will stand up and protect the people of the country on this natural gas question the same as he is trying to protect and has been protecting the people on electric power. There is no difference.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SADOWSKI. I yield.

Mr. HARRIS. Is it not a fact that the record shows, since the enactment of the Natural Gas Act, the average price to the consumer has been constantly decreasing over the last 11 years?

Mr. SADOWSKI. The plain truth is that the price of gas at its source has been going up for the last few years.

Mr. HARRIS. I am talking about what the consumer pays. Is it not a fact that the average price to the consumer has gone from 68 cents down to about 60 cents per thousand cubic feet?

Mr. SADOWSKI. I cannot say that it has gone down uniformly. That depends on the costs of the various pipe lines and on what basis the bonded debt is being amortized. That and operational costs have to be taken into consideration by the Federal Power Commission when they set the rates. The Federal Power Commission is trying to bring natural gas to the consumers at a reasonable and fair rate.

However, I will say to the gentleman that his bill will only fatten the independent millionaire gas producers and will raise the rates to the consumers. The gas producers should be satisfied with a fair price and they should not be permitted to gouge the public. Gas is a public utility.

Also, we should remember that the big producers of gas would control not only the supply of gas, but also the price of gas at which it would be sold to the pipe lines. Herein lies the opportunity to play favorites with the pipe lines.

The big oil and gas interests could buy into a pipe-line company, compel mergers, or force into bankruptcy those pipe lines that would not play ball with the big oil and gas interests. Eventually the pipe lines, gas producers, and the oil interests would become one huge monopoly.

If a pipe-line company finds that it is being held up for too high a price it cannot pick up its pipe and move into another State. They cannot go shopping around for cheaper gas as you or I would do if we went out to buy some merchandise. They are hooked. These dice are being rolled for much bigger stakes than we think. We must make certain that the dominant producing interests, primarily the major oil companies of the Nation, will not be able to assert their monopolistic position in the control of gas reserves to the detriment of the public interests. At this point I shall submit the conclusion that was reached by those members of the committee who signed the first minority report.

CONCLUSION

The bill recommended by the majority would nullify the Federal Power Commission's authority with respect to field sales of natural gas in interstate commerce by producers and gatherers, thus eliminating regulation which the Congress and the courts have recognized as essential for the protection of consumers from exploitation. The bill is one segment of the over-all plan of the oil and gas industry, embodied in the Moore-Rizley bill of the Eightieth Congress, designed to destroy effective Federal regulations of interstate commerce in natural gas.

The bill, by freeing a large segment of the industry from regulation, would benefit primarily a few large corporations which, because of their monopolistic control of gas reserves in the Southwestern States, would have almost unfettered power to fix the price of gas entering interstate transmission lines.

As the price of gas entering the pipe lines is a determinative factor in the price at the market end of the line, the bill, if enacted, would destroy protection which the act affords the consumer.

The rapid increase in field prices of natural gas, which can be expected to continue and which competition is unable to control, requires the continuation of the power to regulate interstate sales of natural gas by independent producers and gatherers.

There is no doubt that, over the years, enactment of the bill would increase the cost of gas to the ultimate consumer by many millions of dollars. It is likewise indisputable that the objective of the proponents is higher prices. It is unquestionably for this reason that the cities which originally were numbered among the most vigorous supporters of the bill which became the Natural Gas Act are now, through the National Institute of Municipal Law Officers, opposed to this bill.

Natural gas is a wonderful resource of nature which has come into great demand since World War II. It was given to us by our Creator for the benefit of all of our citizens. We must not permit its great value, created in large measure by the demand of the people themselves, to be appropriated by monopolies through inflated profits. Reason and justice require that the sales of natural gas to interstate pipe lines for ultimate public consumption be subject to Federal regulation in order to assure that independent producers and gatherers ask no more than reasonable prices to meet their legitimate costs, including the market rate of interest upon the capital prudently invested in plant and equipment. In the supplying of natural gas to a utility market these producers and gatherers are not entitled to exact "what the traffic will bear," for the consuming public is itself entitled to the benefits which this great natural resource offers after paying the reasonable costs of labor and capital required to make it available for use.

For all of the reasons herein set forth we recommend that H. R. 1758 be rejected by the vote of the House and be not enacted into law, and further recommend that any amendment relating to the authority of the Federal Power Commission over sales in interstate commerce by producers and gatherers of natural gas shall be in accordance with the amendment proposed in the draft attached hereto as exhibit A.

By such action the Congress can dispose of the differences that now exist and at the same time assure the consumers of natural gas protection against unreasonable rates.

ROBERT CROSSER.
GEORGE G. SADOWSKI.
JOHN B. SULLIVAN.
ANDREW J. BIEMILLER.
ARTHUR G. KLEIN.
NEIL J. LINEHAN.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, as has already been revealed in the discussion on this subject, and as those of us who are members of the committee well know, this is a highly controversial issue—and one that is surrounded by a good many collateral issues. But what I have to say perhaps will be directed toward the situation in which I find myself with respect to my particular part of the country.

I also shall try to direct my remarks to the fundamental issue in this whole controversy.

That fundamental issue, as I see it, is this question: as to whether the Congress proposes that this great natural industry, the production of natural gas, should be completely subjected to the control of the Federal Power Commission, or whether there shall be an area of activities in which the natural-gas industry shall have the right to determine some of its own policies.

As has already been said in the discussion here, in the Natural Gas Act of 1938 it was provided in substance that the Federal Power Commission should have no control over the production and gathering of natural gas; that is, before the gas came to the end of the pipe line where it entered interstate transmission.

But now the Congress and the country and the industry find themselves in a situation where, by some forced interpretation of the 1938 law, the Federal Power Commission has intruded itself until it now says in effect: "Unless the Congress acts, we will control the price of gas as it is produced and as it is gathered in the field."

It seems to me that situation presents to the Congress the very fundamental issue as to whether this arm of the Government, the Federal Power Commission, shall, by means of its steady encroachment upon this field of free American economy, be permitted by the Congress to do this very thing which, if they have not already done it, they threaten to do; namely, control the production and gathering of natural gas.

In American economy power production is fundamental. American industry and agriculture need power—plenty of it. We are constantly confronted with the interaction of various sources of power. Every now and then the Congress is confronted with some very controversial issues with respect to the power produced by falling water. Once in a while we have some legislation about coal. Petroleum is also an important source of power and has frequently been the subject of legislative action.

This issue today is another fundamental issue about a great source of power in this country, natural gas. It is obvious to anybody that those four great sources of power react to each other. Certainly under the theory of a free economy there should be, and doubtless is, to a considerable degree, competition in the market place as between

power produced by falling water—electricity—power produced by coal, petroleum-produced power, and power produced by natural gas.

Natural gas, as a source of power, has some distinctive features about it which do not exist in other forms of fuel. For example, natural gas is a resource which is expendable. To be sure the end of that resource is not quite in sight. But certainly anybody who knows anything about the subject realizes that ultimately we are going to use up all the natural gas there is in this country. Furthermore, natural gas has certain characteristics which make it an extremely desirable fuel. For example, in certain heat treatments of metal, gas is essential because it can be so accurately controlled.

Accordingly it becomes the duty of the Congress to consider and to evaluate this situation very clearly and very surely. We do not want to dissipate this natural resource as they did in the oil fields by flaring the gas; letting it burn up.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. DOLLIVER] has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DOLLIVER. We do not want to permit this gas to be flared into the air to be burned and dissipated. Yet we were told very clearly by witnesses who appeared before this committee that unless some legislation is passed to relieve and reassure the producers of natural gas, there would be a great deal more flaring than presently exists, and this great natural resource would not be utilized for the benefit of the people of the United States, but would be lost to them forever.

Now let me present a little different aspect of the consumer's situation than has been presented thus far. We produce no natural gas in the State of Iowa where I live. But we do have a very considerable consumption of it. The cost of the gas that comes out of the consumer end of the pipe—where does that cost come from? More than 90 percent of the cost of the gas, as it is brought to the consumer's burner, is in the transportation cost. It was so stated by competent witnesses. In most instances less than 5 percent of the consumer's cost is the cost of the gas as it comes from the well-head. The other 95 percent is transportation and other costs. In no instance does the cost of the gas as it comes from the well-head exceed 10 percent of the consumer's cost.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. KEOGH. As a matter of fact, is not this present fear on the part of these producers actually withholding from the market tremendous quantities of that fuel?

Mr. DOLLIVER. The gentleman is right. This fear that there will be this continued intrusion into the control of the production and gathering of gas has actually spread over the industry a threat of the contraction and even the utter destruction of the industry itself.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. HARRIS. And is it not a fact that in many wells you have both gas and oil production? If the Commission goes into control of the production of gas in a well which also produces oil, indirectly they will then go out and control the oil industry. I want that made very clear.

Mr. DOLLIVER. That is a very great fear with those men who have invested their capital and their effort in this great enterprise.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. LYLE. For the information of the gentleman from Arkansas [Mr. HARRIS] I may say that 44 percent of the gas is recovered from oil wells. Is not the general question this: Whether or not in America we shall be governed by law or by men whose whims we cannot anticipate?

Mr. DOLLIVER. I believe the remarks I have already made answer the gentleman's question.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. SADOWSKI. Is it not true that the Commission is not asking for control of oil wells, either the oil or the production of gas from those wells? What the Commission is asking is that they should have control of the selling price of that gas when it enters that pipe line even though many sales may have been made in intrastate commerce, but if that gas is labeled for interstate commerce the gas-producing company can say to the State "You cannot regulate me in intrastate commerce," and then turn right around to the Power Commission and say: "Well, you cannot regulate me either, so I am without any regulation; I can do as I doggone please without any regulation whatsoever."

Mr. DOLLIVER. Mr. Chairman, I cannot yield further. The gentleman has had his time. I must conclude my statement and yield the floor.

Mr. Chairman, as has been pointed out there is a great variety of views on the subject even within our committee; normally a very agreeable and peaceable committee, the Committee on Interstate and Foreign Commerce. But I do not agree that the bill is complete; I think there are some omissions in this bill.

I, myself, introduced a more comprehensive bill, as I see it, and presented it to the committee. But the bill which I presented did not receive the favorable consideration of the subcommittee. I have no quarrel with that except that I do hope that later the subcommittee and the Committee on Interstate and Foreign Commerce will give consideration to some of the other features that are involved in this great problem of the natural resources other than merely the production and gathering.

I think the reasoning behind the subcommittee's action and the action of the full committee in reporting this bill to the Congress was that here is presented an acute situation—a situation which must be met by the Congress. Else we are confronted with a very dire threat to the production of natural gas in this country, irreparable loss of a great natural resource, and even destruction of the great natural-gas industry.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. CROSSER. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. SULLIVAN].

Mr. SULLIVAN. Mr. Chairman, I am opposed to this legislation. I have opposed it in the Subcommittee on Petroleum and Federal Power, and I opposed it in the whole committee of the Interstate and Foreign Commerce Committee. I have opposed the rule bringing it to the floor, and I will continue to oppose this bill.

Simply and briefly, the basis of my opposition is that the adoption of this amendment to the Natural Gas Act will result ultimately in increased cost of gas to the consumers.

Every user of gas, whether it be for cooking, heating, or industrial use, will eventually have their rate increased.

This legislation will result in a higher price for gas to the consumer because it would create a gap between the regulatory power of the States and the regulatory power of the Federal Government. This amendment to the Natural Gas Act proposes to exempt from the jurisdiction of the Federal Power Commission the sales of so-called independent producers and gatherers of natural gas to the pipe lines, for transportation and subsequent sale in interstate commerce.

Without any regulatory jurisdiction over the price of the gas as it enters the pipe line there is no predicting what the price will be. But there is a crystal-clear warning in the experience of the Mississippi River Fuel Corp., which supplies the gas to the gates of the city of St. Louis for distribution by the local gas companies, recorded on page 216 of the committee hearings of this Eighty-first Congress. This is a striking illustration of what does happen when there is no regulatory authority. When the Federal Power Commission assumed jurisdiction over the sales of the Interstate Natural Gas Co. to the Mississippi River Fuel Corp. it reduced the price from 8.31 to 4.66 per thousand cubic feet. This is particularly interesting to the 226,000 customers in the city of St. Louis and the 74,000 customers in St. Louis County, of the local gas companies, whose appliances will be entirely converted to natural gas by November 1 this year.

It is very apparent that the ultimate result in this proposed amendment to the Natural Gas Act would be to make possible increase in price of gas to "whatever the traffic will bear." The supporters of this amendment frankly tell us that the rate charged for natural gas, which is a high-grade, desirable, and convenient fuel, is not comparable to the prices charged for inferior or not so desirable fuels. This can mean only one thing—that when the time comes that they are without regulation as to the cost of gas when it enters the pipe line the thousands of consumers in the St. Louis area, and the millions of others all

over the country, will find their gas rates increased. This means the landlord who furnishes heating and cooking gas to his tenants will pay more, without the prospect of increasing his rent. This means that the little fellow who must use gas will be paying the penalty for this legislation.

In the 1938 Natural Gas Act the Congress declared "that the business of transporting and selling natural gas for ultimate distribution to the public is affected with the public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary to the public interest."

The Supreme Court of the United States, speaking on this subject, stated:

> It cannot be doubted that their regulation is predominantly a matter of national as contrasted with local concern. * * * Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of gas, including the ultimate consumers. It was to avoid such situation that the Natural Gas Act was passed.

The original Natural Gas Act of 1938 carried an exclusory clause reading "but shall not apply to the production and gathering of natural gas." This clause has been interpreted by the courts as relating to the physical activity of production and gathering, which includes the acquisition of leaseholds, exploration work, drilling, and so forth, and so forth. These activities are subject to regulation by the States for their intra-State functions, and the record shows that the Federal Power Commission has never asserted that it had any jurisdiction whatsoever over the physical activities of production and gathering.

Free competition will not take care of the situation and keep the prices on a reasonable level. The reason that free competition cannot restrain unreasonable prices is because of the very nature of the natural gas industry. It has been pointed out in the hearings that competition between natural gas companies is actually competition between buyers, and not between sellers. In other words, a pipe-line company is interested in securing gas for its market. It does not have to compete for the market; once the pipe line is laid, the market is there. And once the pipe line is laid, the pipe-line company is dependent upon the field and surrounding area for its gas. There is a difference between pipe-line companies and sawmill operations, for instance. When the price is not right, the sawmill can be transported to another locality; a pipe line once laid, stays there.

Some seek to create the impression that the pending legislation was intended to help the small farmer who had two or three gas wells on his property, who did not care to become subject to regulation of the Federal Power Commission, who had no way of selling his gas, no market, and had no other alternative except to keep it bottled up or burn it in the wasteful flaring which has been prevalent. But it turns out from the testimony at the hearings that the major oil companies constitute the greatest percentage of independent producers and gatherers, and own the greatest percentage of reserves.

The term "independent" as applied to producers and gatherers does not necessarily refer to the little fellow—it actually means independent of the pipe line. The tendency seems to be to shift the gas reserves from affiliated companies, who are subject to regulation now, to so-called independent producers and gatherers, who will be exempted under the proposed amendments.

Those of us who have joined in the minority views are perfectly willing to exempt the little fellow from the jurisdiction of the Federal Power Commission. For this reason we have attached to our statement of minority views exhibit A, which proposes to exempt producers and gatherers whose total sales of natural gas in interstate commerce individually or in the aggregate with affiliated producers and gatherers do not exceed on an annual basis 2,000,000,000 cubic feet. In terms of the natural-gas industry, 2,000,000,000 cubic feet annually is recognized as a small volume.

Consumers at one end of the pipe line are wholly dependent for their gas supply on producers at the other end of the line, perhaps a thousand or more miles away. Because of the relationship and the tying-down of a pipe-line company to a particular supply area, competitive forces are weak and monopoly forces are strong. Thus, governmental regulation is required for the protection of the people. The public interest would best be served by the defeat of the proposed legislation.

Mr. CROSSER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KLEIN].

WE HAVE A DUTY HERE

Mr. KLEIN. Mr. Chairman, there has been a good deal of talk on both sides of this question. I do not want to take the time of the Committee to go into it other than to say that I think the issue is very simple. It is a question of what your philosophy of government is. If you feel that the Government should not interfere in the regulation of public utilities, then I think you should vote for this bill.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. HARRIS. This bill is not designed to, and does not, in any way take any jurisdiction away from the Federal Power Commission on the control and regulation of utilities and the gas companies as such.

Mr. KLEIN. I understand, however, it does take away some control on what the price to the consumer will eventually be.

Mr. HARRIS. Not on the natural utility.

Mr. KLEIN. But on the question of natural gas.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Illinois.

Mr. YATES. I would like to point out to the gentleman from Arkansas that the question as to what is a public utility has been determined by the Congress under the Natural Gas Act of 1938. Under that act the Supreme Court has held that a producer and a gatherer who sells his gas in interstate commerce at wholesale for public consumption is a public utility.

Mr. HARRIS. Which is a natural gas company.

Mr. KLEIN. Mr. Chairman, I decline to yield further.

Mr. Chairman, if you believe as I do that the Federal Power Commission and the United States Government have a duty, particularly with regard to these public utilities dealing in the natural resources of our people to see that the price to the ultimate consumer is kept within some range of reason, to see that the public utility companies, such as these natural gas companies and oil companies, do not get exorbitant and unconscionable profits from the public wealth, then you must vote against this bill. As a resident and as a Representative of the State of New York, where the people are becoming more conscious of the advantages of natural gas, we must take this position. We are burning an increasing volume of natural gas, and I feel we should vote against this bill to guard against any unjustified increases in the price to the consumer.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from New York.

Mr. KEOGH. Does the gentleman agree it is a well-settled and accepted principle of law that failure on the part of a Government agency to use its power is the best evidence that that power does not exist?

Mr. KLEIN. No. I am afraid I cannot agree with the gentleman.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Colorado.

Mr. CARROLL. Does not the gentleman agree that sometimes the very existence of such a power acts as a restraint?

Mr. KLEIN. Yes.

Mr. CARROLL. In some of the hearings before the committee the Federal Power Commission said that by virtue of the existence of that restraining influence the prices have been kept down and it has kept the prices declining to the consumer?

Mr. KLEIN. I think the gentleman is correct.

Mr. Chairman, as I started to say, the issue is very simple. If you go down the line with this principle, it could be extended much further. There are people in this body who have consistently felt that the less regulation by the Federal Government the better. I assume if you feel that way, then, of course, you will vote for this type of legislation. For my own part, I think this is a step in the wrong direction. I would like to have Government interference as little as possible, but certainly in a question of this kind where we are dealing with natural resources, these gas and oil companies

have not been put in there by the good Lord to take this and use it to their own advantage. This belongs to all the people of the country. The only thing we would do here is to regulate the amount they would get for it and I think the gentleman from Arkansas, my friend, would not disagree with that.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Arkansas.

Mr. HARRIS. How would the people, the consumers, have had the benefit of this natural resource had not these people gone in and explored and developed it?

Mr. KLEIN. I suppose the gentleman would have us now issue a medal for the great public-spiritedness of these gas companies and oil companies for what they have done. I think the gentleman will admit they have been adequately and well paid for their efforts.

Mr. HARRIS. Would the gentleman have had any benefit of such production of our natural resources had it not been for the people who were willing to go in and take a chance and develop and explore and find these resources?

Mr. KLEIN. Those people the gentleman is talking about have not benefited financially from this and will not. The beneficiaries would be big oil and gas companies.

Mr. HARRIS. Thousands have gone broke doing it.

Mr. KLEIN. Mr. Chairman, it is certainly true that a good many people have gone broke gambling on the resources that a beneficent nature bestowed on this vast and fruitful continent; but it is equally true that vast fortunes and sturdy competences have been wrung from our forests, our minerals, our waterpower, our manpower.

It is certainly a fact that the private exploiters of public resources have been wasteful and incompetent in their guardianship. The gentleman doubtless will recall that it required the exercise of the police powers of the States to force the oil and gas companies to conserve the natural bounty of gas in the early years of the midcontinent development. I am sure that he can remember when miles of prairie were illuminated by jacklights prodigally burning up this treasure of fuel, without rhyme or reason, just because it was there.

BELONGS TO ALL THE PEOPLE

Mr. Chairman, I must remind the proponents this bill that the Congress has repeatedly recognized, in substantive legislation, that the bounty of nature belongs to all the people.

In our early and lavish years, the people elected to turn over much of this public wealth to private developers, partly because our Nation had not achieved a position of financial stability which would enable it to develop the resources in orderly progression, and partly because it was genuinely felt that private enterprise could do a better job.

The results of uncontrolled, unregulated, and unguarded private exploitation lie everywhere about us; wasted natural gas, wasted petroleum, wells gone to salt water; coal mines with rich seams lost forever because they were not quite rich enough to guarantee high profits; hard metal mines stripped of their high grade and left abandoned with thousands of millions of tons of low-grade ores left useless until we have reached a position of famine; millions of acres of timberlands washing down to the sea, their lumber cut off savagely and the stump lands left to waste.

And always the owners of this vast wealth, the people themselves, are forced to pay for the waste, in higher prices, in depressed wages, in unemployment.

Mr. Chairman, I am not proposing at this late date that our natural resources be prohibited to private development and exploitation; I am urging that we should not retreat.

HOLD THE LINE

Let us hold the line that already has been established.

Over a decade ago a wise and temperate law was provided for the regulation of the natural gas industry. Its timeliness is proved by this assault of special vested interests against its restraining influence.

The very legislation which we are now debating has been paid for from profits wrung from the exploitation of the wealth of the people. A deft program of retrogression in public control of public natural resources, has been skillfully prepared and it has been disguised cunningly into the semblance of public interest.

Mr. Chairman, we must hold the line.

I was one of six members of the committee who signed the minority report. I stand by that report.

In brief form, our objections to the bill are these:

First. The bill would nullify the intent of Congress as regards this specific segment of the petroleum industry, and is against public interest.

Second. It would benefit primarily a few large corporations.

Third. It would destroy protection the act gives to consumers.

Fourth. The rapid increase of field prices demands continued regulation.

Fifth. Natural gas is a natural resource which must not be turned over to private monopoly for unlimited private exploitation and profit.

PROFITS UNLIMITED

We believe that the bill now before the House cuts the heart out of Federal regulation of the natural-gas industry, and that its end result will be the enrichment of profit-swollen companies at the expense of consumers.

In some areas of the United States householders are virtually dependent on natural gas as fuel; in other areas, as in New York City, they find natural gas a convenient and economical supplement for other fuels. Many industries, particularly in ceramic manufacture and in ore smelting, depend upon natural gas for fuel, and costs of the products necessarily will be increased by passage of this measure.

It is an obvious and transparent fiction to say that removal of regulation from the sale of natural gas to interstate pipe lines is necessary to the increase of production. Doubtless most of you received a thinly veiled threat of a producers' strike in the form of a telegram from the Chicago corporation, which is not a producer.

This bill is not limited to exemption of genuine small and independent companies; the minority report shows that three-fourths of the gas liberated by this bill is controlled by 3 percent of the producers. Seventy out of 2,300 producers will be the prime beneficiaries.

I am sure, Mr. Chairman, that all Members who must vote on this measure have familiarized themselves with both the majority and minority and other views; however, for the convenience of all I include as a part of my remarks the conclusion of the minority views from House Report No. 1140.

CONCLUSION

The bill recommended by the majority would nullify the Federal Power Commission's authority with respect to field sales of natural gas in interstate commerce by producers and gatherers, thus eliminating regulation which the Congress and the courts have recognized as essential for the protection of consumers from exploitation. The bill is one segment of the over-all plan of the oil and gas industry, embodied in the Moore-Rizley bill of the Eightieth Congress, designed to destroy effective Federal regulation of interstate commerce in natural gas.

The bill, by freeing a large segment of the industry from regulation, would benefit primarily a few large corporations which, because of their monopolistic control of gas reserves in the Southwestern States, would have almost unfettered power to fix the price of gas entering interstate transmission lines.

As the price of gas entering the pipe lines is a determinative factor in the price at the market end of the line, the bill, if enacted, would destroy protection which the act affords the consumer.

The rapid increase in field prices of natural gas, which can be expected to continue and which competition is unable to control, requires the continuation of the power to regulate interstate sales of natural gas by independent producers and gatherers.

There is no doubt that, over the years, enactment of the bill would increase the cost of gas to the ultimate consumer by many millions of dollars. It is likewise indisputable that the objective of the proponents is higher prices. It is unquestionably for this reason that the cities which originally were numbered among the most vigorous supporters of the bill which became the Natural Gas Act are now, through the National Institute of Municipal Law Officers, opposed to this bill.

Natural gas is a wonderful resource of nature which has come into great demand since World War II. It was given to us by our Creator for the benefit of all of our citizens. We must not permit its great value, created in large measure by the demand of the people themselves, to be appropriated by monopolies through inflated profits. Reason and justice require that the sales of natural gas to interstate pipe lines for ultimate public consumption be subject to Federal regulation in order to assure that independent producers and

gatherers ask no more than reasonable prices to meet their legitimate costs, including the market rate of interest upon the capital prudently invested in plant and equipment. In the supplying of natural gas to a utility market these producers and gatherers are not entitled to exact "what the traffic will bear," for the consuming public is itself entitled to the benefits which this great natural resource offers after paying the reasonable costs of labor and capital required to make it available for use.

For all of the reasons herein set forth we recommend that H. R. 1758 be rejected by the vote of the House and be not enacted into law, and further recommend that any amendment relating to the authority of the Federal Power Commission over sales in interstate commerce by producers and gatherers of natural gas shall be in accordance with the amendment proposed in the draft attached hereto as exhibit A.

By such action the Congress can dispose of the differences that now exist and at the same time assure the consumers of natural gas protection against unreasonable rates.

ROBERT CROSSER.
GEORGE G. SADOWSKI.
JOHN B. SULLIVAN.
ANDREW J. BIEMILLER,
ARTHUR G. KLEIN.
NEIL J. LINEHAN.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CROSSER. Mr. Chairman, I submit the following letter and table relating to the bill under consideration:

EXECUTIVE OFFICES OF
THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 1, 1949.

Hon. ROBERT CROSSER,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D. C.

MY DEAR MR. CROSSER: The President has directed me to advise the interested agencies that enactment of H. R. 1758, to amend the Natural Gas Act approved June 21, 1938, as amended, would not be in accord with his program. Although the Bureau has not been requested by your committee to comment on this measure, I assume you would wish to be informed of the President's position, particularly in view of the present status of this bill.

You may also be interested to know that the President has stated that should some legislation be deemed necessary in this area, he would have no objection to the enactment of a bill along the lines of the measure endorsed by the majority of the Federal Power Commission in testimony before your committee on the subject legislation. A copy of this measure, which is proposed as an amendment to H. R. 1758, is enclosed.

Sincerely yours,
ELMER B. STAATS,
Acting Director.

List of 24 large producers whose interstate sales of natural gas would be exempt from regulation under H. R. 1758

1947 position in interstate sales	Producer	Total assets, Dec. 31, 1948	Total gross operating revenues, 1948	Percent return on common stock and surplus, 1948
24	Barnsdall Oil Co.	$52,135,900	$37,150,300	31.6
2	The Chicago Corp.	41,490,000	10,440,000	22.6
41	Cities Service Oil Co.	(1)	(1)	(1)
	(Cities Service Co.)	991,851,300	593,435,000	25.7
7	Continental Oil Co.	261,949,800	330,280,800	25.8
8	Gulf Oil Corp.	1,191,004,000	1,068,876,500	20.0
4	Humble Oil & Refining Co.	861,426,300	1,050,570,400	27.7
	(Standard Oil Co. of New Jersey)	3,526,043,000	3,300,786,000	16.1
16	Magnolia Petroleum Co.	(1)	(1)	(1)
	(Socony-Vacuum Oil Co., Inc.)	1,443,034,000	1,326,508,300	12.4
32	Ohio Oil Co.	203,389,200	191,385,400	28.4
1	Phillips Petroleum Co.	579,273,500	487,165,287	18.7
33	Pure Oil Co.	270,967,800	281,319,500	23.6
3	Republic Natural Gas Co.	[2] 22,760,000	[3] 9,735,100	[3] 24.1
18	Shamrock Oil & Gas Corp.	[4] 24,858,500	[4] 21,417,100	[5] 40.8
17	Shell Oil Co.	(1)	(1)	(1)
	(Shell Union Oil Co.)	640,569,000	830,421,200	29.5
43	Sinclair Prairie Oil Co.	(1)	(1)	(1)
	(Sinclair Oil Corp.)	710,125,200	636,568,800	19.4
6	Skelly Oil Co.	169,015,500	180,044,400	30.4
5	Stanolind Oil & Gas Co.	(1)	(1)	(1)
	(Standard Oil Co. of Indiana)	1,500,049,500	1,236,957,500	13.7
14	Sun Oil Co.	278,582,600	447,309,200	19.4
35	Sunray Oil Co.	136,030,800	65,527,200	30.0
26	Superior Oil Co.	[6] 84,464,600	[7] 53,832,000	[7] 32.0
15	Texas Gulf Producing Co.	19,569,200	9,729,500	31.0
22	The Texas Company	1,277,093,800	1,080,886,400	17.9
42	Union Oil Co. of California	298,415,900	208,353,500	16.3
12	United Carbon Co.	29,518,600	26,034,900	12.0
25	Warren Petroleum Corp.	[2] 57,836,400	[3] 80,495,200	[3] 28.2

[1] Producer not reported separately from parent corporation listed below.
[2] June 30, 1948.
[3] Year ended June 30, 1948.
[4] Nov. 30, 1948.
[5] Year ended Nov. 30, 1948.
[6] Aug. 31, 1948.
[7] Year ended Aug. 31, 1948.

The above-listed producers furnished 62 percent of gas sold in 1947 to interstate pipe-line companies in Southwest

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, 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. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended, had come to no resolution thereon.

PUEBLO INDIANS AND THE CANONCITO NAVAJO GROUP

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 61.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (S. 1323) to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncita Navajo group in New Mexico, and for other purposes, the Secretary of the Senate be, and he is hereby, authorized and directed to strike out the word "Canoncita", where it appears on page 2, line 12, of the Senate engrossed bill and in the title of the bill, respectively, and in lieu thereof insert "Canoncito."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOWER SOURIS NATIONAL WILDLIFE REFUGE

Mr. THOMPSON submitted a conference report and statement on the bill (H. R. 3751) to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

UNITED STATES COAST GUARD

Mr. GARY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, today the United States Coast Guard celebrates its one hundred and fifty-ninth year of continuous service to mankind.

Mr. Speaker, I ask unanimous consent that my remarks be extended in the RECORD immediately preceding those of the gentleman from New Jersey [Mr. CANFIELD].

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. CROSSER asked and was given permission to revise and extend his remarks on the bill under consideration and include a table and two statements.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and to include excerpts.

Mr. TALLE (at the request of Mr. DOLLIVER) was given permission to extend his remarks in the RECORD and include a letter.

Mr. HARRIS asked and was given permission to revise and extend his remarks made in the committee this afternoon and include a letter.

REMOVING THE REQUIREMENT OF RESIDENCE

Mr. MCMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (H. R. 4749) to remove the requirement of residence in the District of Columbia for membership on the Commission on Mental Health, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman please explain the bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to remove the requirement of residence in the District of Columbia for membership on the Commission on Mental Health.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection. It is unanimously reported by the committee?

Mr. McMILLAN of South Carolina. Yes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second sentence of the first paragraph of section 2 of the act entitled "An act to provide for insanity proceedings in the District of Columbia", approved June 8, 1938 (52 Stat. 625; sec. 21-308, D. C. Code, 1940 edition), is amended by striking out the words "bona fide residents of the District of Columbia who have resided in said District for a continuous period of 3 years immediately preceding their appointment"; and by striking "District Court of the United States" and substituting in lieu thereof "United States District Court," so that such sentence will read: "The said Commission shall be drawn from a panel of nine, who shall be appointed by the judges of the United States District Court for the District of Columbia".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVISIONS RELATING TO RETIRED POLICEMEN AND FIREMEN

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the joint resolution (H. J. Res. 302) to amend the act of June 30, 1949, which increased the compensation of certain employees of the District of Columbia, so as to clarify the provisions relating to retired policemen and firemen.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman please explain this bill?

Mr. McMILLAN of South Carolina. The purpose of this resolution is to amend the act of June 30, 1949, which would increase the compensation of certain employees of the District of Columbia, so as to clarify the provision relating to retired policemen and firemen.

This resolution would provide specific authority for the Commissioners of the District of Columbia to pay the retired members of the Metropolitan Police, United States Park Police, the White House Police, and the Fire Department of the District of Columbia without the necessity of these employees making requests that these funds be made available to them.

Under a decision of the Comptroller General of May 4, 1949, the Commissioners would not have authority to pay this group of employees unless application were actually made for the payment of these funds and at the time this committee considered the original salary increase bill, H. R. 3088, it was the intention of the committee that all groups of employees should receive this additional compensation without the necessity of having made application to any source for this money. This intent would be carried out by this legislation.

There are approximately 688 retired employees under the Metropolitan Police Department, the White House Police, and the Park Police who would be affected by this legislation at a cost of approximately $114,500. There are also approximately 443 retired employees of the Fire Department of the District of Columbia who would be affected at an approximate cost of $76,500 or a total cost of approximately $191,000.

Mr. MARTIN of Massachusetts. And it was unanimously reported by the committee?

Mr. McMILLAN of South Carolina. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the first sentence of section 5 of the act entitled "An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes," approved June 30, 1949, is hereby amended to read as follows: "No additional compensation shall be payable by reason of the enactment of this act for any period prior to June 30, 1949, in the case of any person who was not an employee in or under the municipal government of the District of Columbia on June 30, 1949, except that (1) such additional compensation shall be paid to a retired employee for services rendered between the first day of the first pay period which began after June 30, 1948, and the date of his retirement, and (2) a retired officer or member of the Metropolitan Police, the United States Park Police, the White House Police, or the Fire Department of the District of Columbia who is entitled to retirement compensation from the policemen and firemen's relief fund shall be entitled, without application therefor, as of July 1, 1948, or the day on which he became entitled to such compensation, whichever is later, to the pension benefit resulting from the increase in pay made by the first section."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSION OF PAY PATIENTS TO THE HOME FOR THE AGED AND INFIRM

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 4892) to provide for the admission of pay patients to the Home for the Aged and Infirm, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to permit the District of Columbia to exact payments from inmates of the Home for the Aged and Infirm where they are financially able to pay for this care. In past years the Commissioners have exacted payment in certain cases but doubt their authority to do so under the law. This would simply clarify the matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That pay patients may be admitted to the Home for the Aged and Infirm for care and treatment at such rates and under such regulations as may be established by the Board of Public Welfare, insofar as such admissions will not interfere with admission of indigent patients: *Provided, however*, That the rates shall not exceed the estimated per capita cost for the current year.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABRAHAM J. EHRLICH

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 4789) to provide for the issuance of a license to practice chiropractic in the District of Columbia to Abraham J. Ehrlich, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any limitation relating to the time within which an application for a license must be filed, and notwithstanding any requirement that the applicant shall have been actually engaged in the practice of chiropractic in the District of Columbia on January 1, 1928, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice chiropractic in the District of Columbia to Abraham J. Ehrlich in accordance with the provisions of the act of Congress entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, and on condition that the said Abraham J. Ehrlich shall be found by said Commission to have been actually engaged in the practice of chiropractic in the District of Columbia on October 1, 1927, and to be otherwise qualified to practice under the provisions of said act.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to provide for the issuance of a license to practice chiropractic in the District of Columbia to Abraham J. Ehrlich. Information made available to the Commissioners indicates that Dr. Ehrlich obtained a diploma from a legally chartered

and duly established school of chiropractic prior to enactment of the act of February 27, 1929, and that since he happened not to be in Washington on January 1, 1928, he was not actually engaged in the practice of chiropractic in the District of Columbia on that date, but he was so engaged during prior periods.

The Commission on Licensure to Practice the Healing Art approves the bill and the Commissioners of the District of Columbia also approve its passage.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTRACTING OFFICERS

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 1918) to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $3,000, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 2 of the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944 (58 Stat. 821, 822), is amended by striking out therefrom "$1,000" and inserting in lieu thereof "$3,000."

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to authorize the Commissioners to appoint a District employee as contracting officer to make and enter into contracts for the purchase of supplies, materials, and equipment in any case where the amount of the contract is less than $3,000, in order to simplify procedures and to reduce the amount of additional personnel which would be necessary to handle the paper work incidental to such purchases.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 4059) to clarify exemption from taxation of certain property of the National Society of the Sons of the American Revolution, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 16, 1934 (48 Stat. 972, ch. 547 (D. C. Code 1940, sec. 47-827)), is hereby amended to read as follows:

"That all property, real and personal, belonging to or held by the National Society of the Sons of the American Revolution in the District of Columbia, used and occupied by that society for its purposes, so long as the same is so owned, used, and occupied, be exempt from taxation, national and municipal."

SEC. 2. The Commissioners of the District of Columbia are hereby authorized, upon written application filed within 90 days after approval of this act, to abate any tax heretofore assessed in respect to the property exempted by the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF LIFE INSURANCE ACT OF THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 4393) to amend the Life Insurance Act of the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 6, chapter II, of the Life Insurance Act of the District of Columbia (Public, No. 436, 73d Cong., 48 Stat. 1125), as amended, is amended by deleting the period at the end of said section and inserting in lieu thereof a colon, and by adding thereto the following: *"Provided,* That in lieu of revoking the certificate of authority of any company for causes enumerated in this section, after hearing as herein provided, the Superintendent may subject such company to a penalty of not more than $200 when in his judgment he finds that public interest would be best served by the continued operation of the company. The amount of any such penalty shall be paid by the company through the Office of the Superintendent to the Collector of Taxes of the District of Columbia."

SEC. 2. That section 27, chapter II, of such act, as amended, is amended by deleting the period at the end of the first paragraph of said section and inserting in lieu thereof a colon, and by adding thereto the following: *"Provided,* That in lieu of revoking or suspending the license of any such general agent, agent, solicitor, or broker for causes enumerated in this section after hearing as herein provided, the Superintendent may subject such person to a penalty of not more than $200 when in his judgment he finds that the public interest would be best served by the continuation of the license of such person. The amount of any such penalty shall be paid by such person through the Office of the Superintendent to the Collector of Taxes of the District of Columbia."

SEC. 3. That section 32, chapter II, of such act, as amended, is amended by deleting therefrom the word "mainly", so that the said section as so amended shall read as follows: "Any company which makes insurance or reinsurance, the performance of which is not guaranteed by the reserves required by this act but is contingent upon the payment of assessments or calls made upon its members, shall not be formed, admitted, or licensed in the District."

SEC. 4. That section 8, chapter III, of such act, as amended, is amended by adding at the end of said section the following: "Each domestic mutual company organized or doing business under this act shall at all times have a surplus as defined by this act of not less than $150,000."

SEC. 5. That section 32, chapter III, of such act, as amended, is repealed.

SEC. 6. That subsection (h) of section 1, chapter IV, of such act, as amended, is repealed and that the following is substituted therefor: "It shall satisfy the Superintendent that its funds are invested in accordance with the laws of its domicile and in securities or property which afford a degree of financial security substantially equal to that required for similar domestic companies, and, if a stock company, that it has paid-up capital and surplus at least equal to the capital and surplus required of domestic stock companies, or, if a mutual company, that it has a surplus at least equal to that required by this act for domestic mutual companies."

SEC. 7. That chapter V of such act, as amended, is amended by adding the following sections:

"SEC. 21. Acceptance of premiums in arrears and recording of payments: No industrial insurance company or agent thereof shall accept any money in payment of premiums which are in arrears on any industrial life or industrial sick benefit insurance policy which has lapsed and which the insured seeks to reinstate, unless such payment shall amount at least to the total of all premiums in arrears or unless such payment shall, under the regulations of the company, make the policy immediately eligible for reinstatement, subject only to evidence of insurability.

"Every current premium shall be correctly recorded by the agent or by the company in the premium receipt book of the insured at the time the premium is paid.

"Every advance premium paid by an industrial life or industrial sick-benefit policyholder shall be recorded in the receipt book of the insured in exactly the same manner as current premiums are recorded, and accurate entry thereof shall be made in the record book of the agent: *Provided, however,* That failure so to do shall not invalidate the policy.

"SEC. 22. Standard provisions required in industrial life insurance policies: No policy of industrial life insurance shall be delivered or issued for delivery in the District unless it contains in substance the following provisions, or provisions which in the opinion of the Superintendent are more favorable to the policyholders:

"(1) A provision that all premiums after the first shall be payable in advance, either at the home office of the company or to an agent of the company.

"(2) A provision that the insured is entitled to a grace period of at least 28 days within which the payment of any premiums after the first may be made, and during which period of grace the policy shall continue in full force, but in case the policy becomes a claim during the said period of grace before the overdue premium is paid, the amount of such premium may be deducted from any amount payable under the policy in settlement.

"(3) A provision that, except as otherwise expressly provided by law, the policy shall constitute the entire contract between the parties and shall be incontestable after it has been in force during the lifetime of the insured for a period of not more than 2 years from its date, except for nonpayment of premiums and except for violations of the conditions of the policy relating to naval or military service in time of war, and, at the option of the company, provisions relative to benefits in the event of total and permanent disability and provisions which grant additional insurance specifically against death by accident may also be excepted; if a copy of the application be attached to the policy, a provision that all statements made by the insured shall in the absence of fraud, be deemed representations and not warranties, and that no such statement or statements shall be used in defense of a claim under the policy unless contained in the attached written application: *Provided,* That

nothing contained herein shall apply to applications for reinstatement. A reinstated policy shall be contestable on account of fraud or misrepresentation of material facts pertaining to the reinstatement, for the same period after reinstatement as provided in the policy with respect to the original issue.

"(4) A provision that if it shall be found at any time before final settlement under the policy that the age of the insured (or the age of any other person considered in determining the premium) has been misstated, the amount payable under the policy shall be such as the premium would have purchased at the correct age, according to the company's rate at date of issue.

"(5) If the policy is a participating policy, a provision indicating the conditions under which the company shall periodically ascertain and apportion any divisible surplus accruing to the policy.

"(6) A provision for nonforfeiture benefits and cash surrender values in accordance with the requirements of section 5a or section 5b of this chapter.

"(7) A provision specifying the options, if any, to which the policyholder is entitled in the event of default in a premium payment.

"(8) A provision that if in event of default in premium payments the value of the policy shall have been applied to the purchase of other insurance as provided for in this section, and if such insurance shall be in force and the original policy shall not have been surrendered to the company and canceled, the policy may be reinstated within 2 years from such default, upon evidence of insurability satisfactory to the company and payment of arrears of premiums and the payment or reinstatement of any other indebtedness to the company upon said policy, with interest on said premium and indebtedness at the rate of not exceeding 6 percent per annum payable annually, and that such reinstated policy shall be contestable, on account of suicide, fraud, or misrepresentation of material facts pertaining to the reinstatement, for the same period after reinstatement as provided in the policy with respect to the original issue.

"(9) A provision that when a policy shall become a claim by the death of the insured, settlement shall be made upon receipt of due proof of death.

"(10) Title on the face and on the back of the policy briefly describing its form.

"Any of the foregoing provisions or portions thereof not applicable to single premium or nonparticipating or term policies shall, to that extent, not be incorporated therein; and any such policy may be issued or delivered in the District which in the opinion of the Superintendent contains provisions on any one or more of the several foregoing requirements more favorable to the policyholder than hereinbefore required. The provisions of this section shall not apply to policies issued or granted in exchange for lapsed or surrendered policies.

"SEC. 23. Provisions prohibited in industrial life insurance policies: No policy of industrial life insurance shall be delivered or issued for delivery, in the District, if it contains any of the following provisions:

"(1) A provision limiting the time within which any action at law or in equity may be commenced to less than 3 years after the cause of action shall accrue.

"(2) Except for provisions relating to misstatement of age, suicide, aviation, and military or naval service in time of war, a provision for any mode of settlement at maturity, after the expiration of the contestable period of the policy of less value than the amount insured on the face of the policy plus dividend additions, if any, less any indebtedness to the company on or secured by the policy, and less any premium that may, by the terms of the policy, be deducted. This paragraph shall not apply to any nonforfeiture provision.

"(3) A provision for forfeiture of the policy for failure to repay any loan on the policy, or to pay interest on such loan, while the total indebtedness on the policy, including interest, is less than the loan value thereof.

"(4) A provision to the effect that the agent soliciting the insurance is the agent of the person insured under said policy, or making the acts or representations of such agent binding upon the person so insured under said policy.

"(5) A provision permitting the payment of funeral benefits in merchandise or services, or permitting the payment of any benefits other than in lawful money of the United States.

"(6) A provision whereby the benefits or any part thereof accruing under such policy upon the death of a person insured may be paid to any designated undertaker or undertaking firm or corporation or to any person or persons engaged in or connected with such business, without the written consent of the person or persons to whom such benefits would otherwise be paid, or so as in any way to deprive the personal representative or family of the deceased of the advantages of competition in procuring and purchasing supplies and services in connection with the burial of the person insured.

"(7) A provision that the liability of the company by reason of the insured's death shall be limited to less than the face amount of the policy if the death of the insured results from a specified kind or character of disease."

With the following committee amendments:

Page 6, line 3, after "application", change colon to period and delete the following: "*Provided,* That nothing contained herein shall apply to applications for reinstatement. A reinstated policy shall be contestable on account of fraud or misrepresentation of the material facts pertaining to the reinstatement, for the same period after reinstatement as provided in the policy with respect to the original issue."

Page 7, line 14, after "annually", change comma to period and delete the following: "and that such reinstated policy shall be contestable on account of suicide, fraud, or misrepresentation of material facts pertaining to the reinstatement, for the same period after reinstatement as provided in the policy with respect to the original issue."

Page 8, line 9, after "policies", add the following: "Nothing contained in subsection (3) hereof shall apply to applications for reinstatement. A reinstated policy shall be contestable on account of fraud, or misrepresentation of material facts pertaining to the reinstatement, for the same period after reinstatement as provided in the policy with respect to the original issue."

Page 10, at the end thereof add the following:

"SEC. 8. This act shall become effective 90 days after approval."

The committee amendments were agreed to.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of the bill is to amend the Life Insurance Act of 1934 so as (a) to effect uniformity with Public Law 291, Seventy-eighth Congress, approved April 22, 1944, with respect to the imposition of penalties upon insurance companies and their representatives; (b) to repeal, correct, or amplify sections of the life act which were originally intended to apply to other forms of insurance; and (c) to provide certain minimum standards for policies of industrial life insurance.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT TO REGULATE THE BUSINESS OF LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 4394) to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia," and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 10 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," as amended (D. C. Code, 1940 ed., sec. 35-710), be amended to read as follows:

"SEC. 10. Group life insurance: no policy of group life insurance shall be delivered in the District unless it conforms to one of the following descriptions:

"(1) A policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustees shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

"(a) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term 'employees' shall include the employees of one or more subsidiary corporations, and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietors, or partnerships if the business of the employer and of such affiliated corporations, proprietors, or partnerships is under common control through stock ownership or contract. The policy may provide that the term 'employees' shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term 'employees' shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership.

"(b) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employees. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured employees. A policy on which part of the premium is to be derived from funds contributed by the insured employees may be placed in force only if at least 75 percent of the then eligible employees, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees

must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

"(c) The policy must cover at least 25 employees at date of issue.

"(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employees or by the employer or trustees. No policy may be issued which provides term insurance on any employee which together with any other term insurance under any group life-insurance policy or policies issued to the employers or any of them or to the trustees of a fund established in whole or in part by the employers or any of them exceeds $20,000.

"(2) A policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements:

"(a) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable in installments, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term 'debtors' shall include the debtors of one or more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors, or partnerships if the business of the policyholder and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise.

"(b) The premium for the policy shall be paid by the policyholder, either from the creditor's funds, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least 75 percent of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

"(c) The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least 100 persons yearly, or may reasonably be expected to receive at least 100 new entrants during the first policy year, and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than 75 percent of the new entrants become insured.

"(d) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor, or $5,000, whichever is less.

"(e) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.

"(3) A policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:

"(a) The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

"(b) The premium for the policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least 75 percent of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

"(c) The policy must cover at least 25 members at date of issue.

"(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union. No policy may be issued which provides term insurance on any union member which together with any other term insurance under any group life insurance policies issued to the union exceeds $20,000.

"(4) A policy issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions, or by one or more employers and one or more labor unions, which trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

"(a) The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term 'employees' shall include the individual proprietor or partners if an employer is an individual proprietor or a partnership. The policy may provide that the term 'employees' shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term 'employees' shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship.

"(b) The premium for the policy shall be paid by the trustees wholly from funds contributed by the employer or employers of the insured persons, or by the union or unions, or by both. No policy may be issued on which any part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance. The policy must insure all eligible persons, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

"(c) The policy must cover at date of issue at least 100 persons and not less than an average of 5 persons per employer unit; and if the fund is established by the members of an association of employers the policy may be issued only if (i) either (a) the participating employers constitute at date of issue at least 60 percent of those employer members whose employees are not already covered for group life insurance or (b) the total number of persons covered at date of issue exceeds 600; and (ii) the policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employees shall cease solely by reason of such discontinuance.

"(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers, or unions. No policy may be issued which provides term insurance on any person which together with any other term insurance under any group life-insurance policy or policies issued to the employers, or any of them, or to the trustees of a fund established in whole or in part by the employers, or any of them, exceeds $20,000.

"(5) A policy issued to the president of the Board of Commissioners, or to the head of any Federal department or independent Federal bureau, board, commission, or other Federal independent establishment, or to an association of Federal employees, as the case may be, covering not less than 50 employees of the government of the District or of the Federal Government, with or without medical examination, the premium on which is to be paid by the employees and insuring only employees, or any class or classes thereof determined by conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection, for the benefit of persons other than the employer: *Provided,* That when the benefits of the policy are offered to all eligible employees, not less than 75 percent of such employees may be so insured."

SEC. 2. That section 11 of chapter V of said act, as amended (D. C. Code, 1940 ed., sec. 35–711), be amended to read as follows:

"SEC. 11. Standard provisions for policies of group life insurance. No policy of group life insurance shall be delivered in the District unless it contains in substance the following provisions, or provisions which in the opinion of the Superintendent are more favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholder: *Provided, however,* (a) That provisions (6) to (10), inclusive, shall not apply to policies issued to a creditor to insure debtors of such creditor; (b) that the standard provisions required for individual life-insurance policies shall not apply to group life-insurance policies; and (c) that if the group life-insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the Superintendent is or are equitable to the insured persons and to the policyholder, but nothing herein shall be construed to require that group life-insurance policies contain the same nonforfeiture provisions as are required for individual life-insurance policies:

"(1) A provision that the policyholder is entitled to a grace period of 31 days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period.

"(2) A provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for 2 years from its date of issue; and that no statement made by any person insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of 2 years during such person's lifetime nor unless it is contained in a written instrument signed by him.

"(3) A provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued, that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary.

"(4) A provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.

"(5) A provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

"(6) A provision that any sum becoming due by reason of the death of the person insured shall be payable to the beneficiary designated by the person insured, subject to the provisions of the policy in the event there is no designated beneficiary as to all or any part of such sum living at the death of the person insured, and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding $250 to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the person insured.

"(7) A provision that the insurer will issue to the policyholder for delivery to each person insured an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth in (8), (9), and (10) following.

"(8) A provision that if the insurance, or any portion of it, on a person covered under the policy ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such person shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within 31 days after such termination: *And provided further*, That—

"(a) the individual policy shall, at the option of such person, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

"(b) the individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination, provided that any amount of insurance which shall have matured on or before the date of such termination as an endowment payable to the person insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

"(c) the premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such person then belongs, and to his age attained on the effective date of the individual policy.

"(9) A provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured persons, every person insured thereunder at the date of such termination whose insurance terminates and who has been so insured for at least 5 years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by (8) above, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of (a) the amount of the person's life-insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within 31 days after such termination, and (b) $2,000.

"(10) A provision that if a person insured under the group policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with (8) or (9) above and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

"SEC. 11. (a) Notice to individual insured under group life-insurance policy: If any individual insured under a group life-insurance policy hereafter delivered in the District becomes entitled under the terms of such policy to have an individual policy of life insurance issued to him without evidence of insurability, subject to making of application and payment of the first premium within the period specified in such policy, and if such individual is not given notice of the existence of such right at least 15 days prior to the expiration date of such period, then, in such event, the individual shall have an additional period within which to exercise such right, but nothing herein contained shall be construed to continue any insurance beyond the period provided in such policy. This additional period shall expire 15 days next after the individual is given such notice but in no event shall such additional period extend beyond 60 days next after the expiration date of the period provided in such policy. Written notice presented to the individual or mailed by the policyholder to the last-known address of the individual or mailed by the insurer to the last-known address of the individual as furnished by the policyholder shall constitute notice for the purpose of this paragraph.

"Except as provided in this chapter it shall be unlawful to make a contract of life insurance for a group in the District."

SEC. 3. That subsection (k) (1) of section 12 of chapter V of said act, as amended (D. C. Code, 1940 edition, sec. 35-712), be amended to read as follows:

"(k) (1) Nothing in this section, however, shall apply to or affect any policy of group accident, group health, or group accident and health insurance."

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of the bill is to provide modern standards for the writing of group life insurance in the District of Columbia.

The bill is standard legislation designed for Nation-wide adoption. It has been approved by the National Association of Insurance Commissioners after hearings in which life insurance companies and their national organizations participated. Its essential parts were drafted by a committee of the National Association of Insurance Commissioners with the cooperation of company representatives.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN of South Carolina. Mr. Speaker, this concludes the business of the District of Columbia.

CONSOLIDATION OF DESERT LABORATORY EXPERIMENTAL AREA OF THE SOUTHWESTERN FOREST AND RANGE EXPERIMENT STATION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3982) 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, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, after "than", insert "50 percent of."

Page 1, line 8, after "appraised" insert "fair market."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this has been taken up with the gentleman from Kansas [Mr. HOPE], the ranking minority member of the Committee on Agriculture?

Mr. COOLEY. Yes, Mr. Speaker, I have discussed the matter with the gentleman from Kansas [Mr. HOPE]. The bill was unanimously reported by the Committee on Agriculture of the House. I know of no objection to it from any source.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MINORITY VIEWS ON REORGANIZATION PLAN NO. 2

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the minority may have until midnight tomorrow to file their views in connection with Reorganization Plan No. 2.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

TRUMAN AND KRUG POLICIES BRING SUFFERING TO WASHINGTON CHILDREN

Mr. HOFFMAN of Michigan. Mr. Speaker, the hottest July experienced by Washington citizens since 1874 has just ended. During that month and so far in August, with the temperature ranging as high as 96 degrees, a policy inaugurated by Secretary of the Interior Krug,

without the disapproval of President Truman—and he is responsible for Krug's publicly announced programs—designed to corral the colored vote, has brought suffering to Washington children.

Whatever has been their intent, President Truman and Secretary Krug, in their desire for political support, in their apparent purpose to accomplish the impossible, have been cruel to Washington's children.

In recent years, the move to end segregation, for the so-called civil-rights program, has been used for political purposes.

Both Republicans and Democrats, as parties, have approached the poll-tax, the antilynching, and the FEPC issue from the political angle. That approach is wrong; does not tend to aid in the solution of the problems and, in my opinion, tends to promote discord, create racial feeling, and delays a final, fair solution of the three problems.

Washington has six public swimming pools. Over the years, either by common consent or by custom, some of those pools were used almost exclusively by the colored people, some by the whites.

Earlier this summer, yielding to agitators who may have communistic leanings, for it is the policy of the Communists to stir up trouble; to pressure groups and to politicians, Secretary Krug, unmindful of the fact that neither he, the President, nor the Congress can change human nature, attempted to end segregation in Washington's swimming pools.

As everyone with the slightest knowledge of existing conditions in Washington and with good judgment must have known, that policy was doomed to failure.

The overwhelming majority of our people are not only willing but desirous that the colored man have equality of opportunity in employment, equal opportunity to enjoy tax-supported facilities. That is only just.

Negroes make up perhaps 35 or 37 percent of Washington's population. They do not live in segregated districts; they are scattered throughout the city.

All contribute through taxation to the support of Washington's six swimming pools. No great difficulty had been experienced in the use of these pools prior to the time when the President and his Secretary of the Interior inaugurated their vote-seeking policy.

Then, when Secretary of the Interior Krug let it be known that colored and white were to be permitted to use the swimming pools at the same time, the foreseen and the expected occurred.

There was violence at the Anacostia pool, which previously had been used almost exclusively by the whites. There was threat of trouble at the McKinley pool. The pools were then closed.

Believing that the colored people of Washington were entitled to an equal opportunity to use the swimming pools of the city and believing, too, that whites had some civil rights, among which was the right to associate with people of their choice, I caused the Legislative Service to draft, and I introduced, a bill which provided, among other things, that two of the six pools should be set aside for the exclusive use of the colored folks, that two should be set aside for the exclusive use of the whites and that two should be set aside for the common use of both the colored and the white.

The bill was introduced, not because I thought it was the perfect ultimate solution of Washington's problem, but because I thought it would, if adopted, give equal opportunity to all and tend to aid in solving the issue.

I might add that the evening of the day the bill was introduced, I was called by a Washington woman, evidently the mother of children, who, forcefully and in very clear language, accused me of favoring the colored people. She said that, inasmuch as the colored population in the city was in the minority and as there were but six pools, giving two to the colored folks and permitting them to use two others in common with whites was unfair because, she said, many white people would not patronize the two pools set aside for common use.

The only answer that I could make was that I rather err on the side of being generous to those who claimed discrimination.

Since that bill was introduced, Secretary Krug has stuck to his guns. The pools have remained closed. Hundreds of children, as well as many adults, suffering from the heat, have, by the Secretary—because he and his chief, President Truman, are making a bid for the colored vote—been denied the opportunity to obtain relief.

It is not a pretty picture. Hundreds of children, sweltering in rooms, in doorways, in inadequate yards or in the city's streets in danger of trucks and automobiles, waiting for the Secretary of the Interior and the President to come to their senses and give them relief.

The Potomac, its tributaries, are neither fit nor safe for the children to swim in. President Truman has no small children and, anyway, there is a swimming pool in the White House and, if that is closed for repairs, no doubt his friends have swimming pools. Certainly, a tub and a shower bath are available. Moreover, he can travel down the Chesapeake each week on the Presidential yacht, or he can motor in a Government-escorted car to the Blue Ridge Mountains.

Perhaps Secretary Krug has no children, but, if he has, I venture the guess that, if they do not have swimming facilities at hand, they at least have opportunity to cool off either in tub or under the shower or perhaps under a sprinkler on the lawn.

But, while these two gentlemen, public servants both, are angling for votes; while Washington's swimming pools are closed, Washington's children—hundreds of them—are denied the use of a tax-supported facility.

In effect, what Mr. Krug, the President's handyman, is actually doing, whatever may be is intent, is making an attempt, not to give an opportunity to the colored man to equally enjoy the swimming pools, but to attempt to force white folks to swim in those pools with the Negroes.

Admittedly, indisputably, the colored man has a right to the use of the swimming pools. It is equally true that the white individual as well as the colored individual has the right to pick his associates.

The policy which I attempted to follow in the introduction of the bill just referred to would give to individuals of each race equality of opportunity and would give to both colored and white who wished to associate and to swim together the right to follow their preference.

The President and Secretary Krug are after votes and, to get them, they are willing to inaugurate and maintain a policy which is cruel, which causes unnecessary discomfort and suffering to Washington's children as well as to its adults.

The SPEAKER. The time of the gentleman from Michigan has expired.

ELIMINATION OF PREMIUM PAYMENTS IN PURCHASE OF GOVERNMENT ROYALTY OIL

Mr. ENGLE of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533).

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the interest of encouraging and assisting small-business enterprise in the oil-refining industry no premium payments now required to be made under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), to purchase Government royalty oil shall hereafter be paid.

SEC. 2. Any premium payments made under existing contracts between February 1, 1949, and the effective date of this act shall be credited to the account of the refinery making such payments and shall be applied in payment of Government royalty oil purchased under such contracts.

SEC. 3. The provisions of this act shall apply to all existing contracts for the purchase of Government royalty oil entered into after the approval of said act of July 13, 1946, and prior to the approval of this act, irrespective of whether a determination of preference status was made in connection with the award of such contracts, but shall not apply to any such contract which subsequent to its award has been transferred, through the acquisition of stock interests or other transactions, to the ownership or control of a refinery ineligible for a preference under said act of July 13, 1946, and the regulations in force thereunder at the time of such transfer.

SEC. 4. The Secretary of the Interior, upon application by any refiner holding a contract within the purview of this act, and upon a showing of cause satisfactory to the Secretary may, in his discretion, terminate any such contract in whole or in part.

SEC. 5. No provision of this act shall be construed as affecting the right of the Secretary of the Interior to cancel for cause any contract for the purchase of Government royalty oil in accordance with the terms thereof.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That

where, under any existing contract entered into pursuant to the first proviso in the second paragraph of section 36 of the Mineral Lands Leasing Act of February 25, 1920, as amended (30 U. S. C., sec. 192), any refinery is required to pay a premium price for the purchase of Government royalty oil, such refinery may, at its option, by written notice to the Secretary of the Interior, elect either—

"(1) to terminate such contract, the termination to take place at the end of the calendar month following the month in which such notice is given; or

"(2) to retain such contract with the modifications, that (a) the price, on and after March 1, 1949, shall be as defined in the contract, without premium payments, (b) any credit thereby resulting from past premium payments shall be added to the refinery's account, and (c) the Secretary may, at his option, elect to terminate the contract as so modified, such termination to take place at the end of the third calendar month following the month in which written notice thereof is given by the Secretary.

"SEC. 2. The provisions of this act shall apply to all existing contracts for the purchase of Government royalty oil entered into after the approval of the act of July 13, 1946 (60 Stat. 533), and prior to the approval of this act, irrespective of whether a determination of preference status was made in connection with the award of such contracts, but shall not apply to any such contract which subsequent to its award has been transferred, through the acquisition of stock interests or other transactions, to the ownership or control of a refinery ineligible for a preference under said act of July 13, 1946, and the regulations in force thereunder at the time of such transfer.

"SEC. 3. Any of the lands added to the Shasta National Forest, Calif., by the act of March 19, 1948, Public Law 449 (80th Cong., 2d sess.), which constitute lands acquired with funds of the United States shall, except as to deposits subject to the provisions of the act of August 7, 1947, Public Law 382 (80th Cong., 1st sess.), be open to mineral exploration, development, and operation under such rules and regulations as the Secretary of the Interior may prescribe with the consent of the Secretary of Agriculture."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, and was read the third time, and passed.

The title was amended so as to read: "An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and for other purposes."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BARING asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. GWINN asked and was given permission to extend his remarks in the Appendix of the RECORD and include the words of James Patrick McGovern, and a speech by Hon. Fred A. Hartley to the Tool Owners' Union.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a letter from the Department of Agriculture.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. NICHOLSON (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of illness.

To Mr. MILES for 1 week, beginning August 8, on account of personal business.

To Mr. GORDON, for Friday, August 5, and Monday, August 8, on account of illness in family.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 327. Joint resolution making an additional appropriation for control of emergency outbreaks of insects and plant diseases.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 111. An act for the relief of Mrs. Pearl Shizuko Okada Pape;

S. 317. An act for the relief of Margita Kofler;

S. 905. An act for the relief of John Sewen;

S. 1076. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended; and

S. 1745. An act to authorize the transfer to the Attorney General of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., to supplement the farm lands required for the United States prison system.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Friday, August 5, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

835. A letter from the Secretary of Defense, transmitting a letter by the Director of Legislation and Liaison, Department of the Air Force, recommending the enactment of a proposed draft of legislation entitled "To terminate lump-sum benefits provided by law to certain Reserve officers of the Navy and Air Force"; to the Committee on Armed Services.

836. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "For the relief of the Pan American Union"; to the Committee on Foreign Affairs.

837. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "An act to amend section 3 of the Travel Expense Act of 1949"; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. BOSONE: Committee on Public Lands. H. R. 799. A bill to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah; with an amendment (Rept. No. 1186). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 829. A bill to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes; without amendment (Rept. No. 1187). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILES: Committee on Public Lands. H. R. 5556. A bill to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.; without amendment (Rept. No. 1188). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 5839. A bill to facilitate and simplify the work of the Forest Service, and for other purposes; without amendment (Rept. No. 1189). Referred to the Committee of the Whole House on the State of the Union.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2734. A bill to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended; with an amendment (Rept. No. 1191). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 10. A bill to facilitate the deportation of aliens from the United States, to provide for the supervision and detention pending eventual deportation of aliens whose deportation cannot be readily effectuated because of reasons beyond the control of the United States, and for other purposes; with an amendment (Rept. No. 1192). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee of conference. H. R. 3751. A bill to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., N. Dak. (Rept. No. 1193). Ordered to be printed.

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. SASSCER: Committee on Armed Services. H. R. 3864. A bill to return certain lands taken from W. W. Stewart by the United States; with an amendment (Rept. No. 1190). 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. BARING:

H. R. 5872. A bill to extend the boundaries of the Toiyabe National Forest in the State of Nevada; to the Committee on Public Lands.

By Mr. CHRISTOPHER:

H. R. 5873. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. CLEMENTE:

H. R. 5874. A bill to provide for a new Federal building in Ozone Park, Long Island, N. Y.; to the Committee on Public Works.

H. R. 5875. A bill to provide for a new Federal building in South Ozone Park, Long Island, N. Y.; to the Committee on Public Works.

By Mr. DURHAM:

H. R. 5876. A bill to amend the Army-Navy Nurses Act of 1947, to provide for additional appointments, and for other purposes; to the Committee on Armed Services.

By Mr. IRVING:

H. R. 5877. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. MAGEE:

H. R. 5878. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'BRIEN of Michigan:

H. R. 5879. A bill to repeal titles I and II of Public Law 76 of Eighty-first Congress entitled the "District of Columbia Revenue Act of 1949"; to the Committee on the District of Columbia.

By Mr. PETERSON:

H. R. 5880. A bill to aid the settlement and development of Alaska; to the Committee on Public Lands.

By Mr. STAGGERS:

H. R. 5881. A bill to provide financing for the construction and improvement of facilities for the marketing of farm products, and for other purposes; to the Committee on Agriculture.

By Mr. VINSON:

H. R. 5882. A bill to authorize the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy to convey perpetual easements in conjunction with authorized construction projects involving relocation of roads, streets, railroads, and utilities; to the Committee on Armed Services.

By Mr. WELCH of Missouri:

H. R. 5883. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. DURHAM:

H. R. 5884. A bill to amend the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

By Mr. KLEIN:

H. R. 5885. A bill declaring the continuing policy and responsibility of the Federal Government to promote maximum employment, production, and purchasing power and setting forth ways and means of achieving these objectives; to the Committee on Banking and Currency.

H. R. 5886. A bill to provide specific measures in furtherance of the national policy of maximum employment, production, and purchasing power, as established in the Employment Act of 1946; to the Committee on Ways and Means.

H. R. 5887. A bill to exempt from duty photographs and drawings if imported by publishers of newspapers or magazines or by news agencies or services, and to exempt from duty American manufactured tape recordings on which news or special events have been transcribed abroad, and for other purposes; to the Committee on Ways and Means.

By Mr. MORGAN:

H. J. Res. 334. Joint resolution to amend certain laws providing for membership and participation by the United States in certain international organizations; to the Committee on Foreign Affairs.

By Mr. BLATNIK:

H. J. Res. 335. Joint resolution to provide for the cancellation of the indebtedness of the Republic of Finland; to the Committee on Foreign Affairs.

By Mr. COOLEY:

H. Res. 313. Resolution providing for the consideration of the bill (H. R. 2392) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes; to the Committee on Rules.

By Mr. LESINSKI:

H. Res. 314. Resolution providing for the expenses of conducting the studies and investigations authorized by House Resolution 75, Eight-first Congress; to the Committee on House Administration.

By Mrs. NORTON:

H. Res. 315. Resolution authorizing additional employees in the disbursing office; to the Committee on House Administration.

By Mr. DAVIES of New York:

H. Res. 316. Resolution providing for the consideration of the bill H. R. 4766; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BLATNIK:

H. R. 5888. A bill for the relief of Alexander Dimitriyevich; to the Committee on the Judiciary.

By Mr. BOGGS of Delaware:

H. R. 5889. A bill for the relief of John J. Helbig; to the Committee on the Judiciary.

By Mr. GARMATZ:

H. R. 5890. A bill for the relief of J. H. Mullen; to the Committee on the Judiciary.

By Mr. GORSKI of New York:

H. R. 5891. A bill for the relief of Seweryn Silvester Wozniak; to the Committee on the Judiciary.

H. R. 5892. A bill for the relief of Mrs. Maryanna Boppel; to the Committee on the Judiciary.

By Mr. TAURIELLO:

H. R. 5893. A bill to authorize cancellation of deportation in the case of Anthony Consola; 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:

1379. By Mr. CANFIELD: Petition of approximately 2,100 residents of Paterson, Passaic, Clifton, and nearby areas in New Jersey requesting elimination of the 20-percent excise tax on toiletries and cosmetics; to the Committee on Ways and Means.

1380. Also, petition of Paterson, N. J., Tavern Association requesting a reduction in the present Federal excise tax on alcoholic beverages; to the Committee on Ways and Means.

SENATE

FRIDAY, AUGUST 5, 1949

(Legislative day of Thursday, June 2, 1949)

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

Rev. Albert J. McCartney, LL. D., director of the Chicago Sunday Evening Club, Chicago, Ill., offered the following prayer:

O God and Father of us all, as we come to the close of another busy week that has taken its toll of our human resources, we render thanks unto Thee for supplying us with daily strength. Now give us grace and grit to press on in our weariness until we have accomplished the purposes whereunto Thou hast sent us, and may our actions this day redound to the welfare of the Nation.

We ask Thy blessing upon all those who in any way minister to the comfort and efficiency of the Senate, upon all clerks and stenographers, upon official reporters and doorkeepers, and the page boys, and the newspapermen who tell the story to the people.

And now the Lord bless you and keep you, the Lord make his face shine upon you and be gracious unto you: the Lord lift up His countenance upon you and give you peace. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 4, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1918) to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $3,000.

The message also announced that the House had passed the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 61) authorizing a change in the enrollment of S. 1323, to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncita Navajo group in New Mexico, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3982) 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.

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

H. R. 2733. An act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Canadian River reclamation project, Texas;

H. R. 4059. An act to clarify exemption from taxation of certain property of the National Society of the Sons of the American Revolution;

H. R. 4393. An act to amend the Life Insurance Act of the District of Columbia;

H. R. 4394. An act to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia";