By Mrs. NORTON:

H. Res. 318. Resolution authorizing the Clerk of the House of Representatives to approve payment of gratuities during the recess of Congress; to the Committee on House Administration.

By Mr. CORBETT:

H. Res. 319. Resolution providing for the consideration of H. R. 4495, a bill to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, and promotion, and for other purposes; 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. BENNETT of Florida:

H. R. 5923. A bill for the relief of Mrs. Cora B. Jones and James C. Jones; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 5924. A bill for the relief of Dr. Coenraad Moorrees and his wife, Louisa; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 5925. A bill for the relief of Dr. Mario Stefanini; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 5926. A bill for the relief of Vincenzo Governali; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 5927. A bill for the relief of Dr. Suzanne Van Amerongen; to the Committee on the Judiciary.

By Mr. POTTER:

H. R. 5928. A bill for the relief of Ernest (Anastasios) Aslanis; to the Committee on the Judiciary.

By Mr. DEANE:

H. Res. 317. Resolution for the relief of Mrs. Ruth Bankhead; to the Committee on House Administration.

PETITIONS, ETC.

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

1394. By Mr. RICH: Petition of employees of General Roofing Co., Bradford, Pa., protesting the inclusion of title I, National Housing Act, in omnibus housing bill (H. R. 5631) and favoring independent status on a permanent basis; to the Committee on Banking and Currency.

1395. By the SPEAKER: Petition of Mr. James J. Laughlin, National Press Building, Washington, D. C., relative to requesting the impeachment of Judge Samuel Kaufman, southern district of New York, for conduct of the kind indulged in in the Hiss case; to the Committee on the Judiciary.

SENATE

TUESDAY, AUGUST 9, 1949

(Legislative day of Thursday, June 2, 1949)

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

Rev. H. de la Costa, S. J., of Manila, Philippine Republic, offered the following prayer:

Almighty and eternal God, who in Thy inscrutable providence didst unite in friendship nations so widely separate in space, in customs, and in traditions as are the United States of America and the Republic of the Philippines, who in Thy wisdom didst fashion that bond of friendship so firmly that the searing heat of global war has not availed to dissolve it.

Thou knowest, O God, how on the blasted hills of Bataan and on Leyte's bloody beaches Filipinos and Americans, equal partners in an unequal struggle, fought shoulder to shoulder for the freedoms Thou hast taught them to prize above life itself, and putting their trust in Thee, died that those freedoms might live.

Grant, then, O Lord, in Thy abounding mercy, that this bond between us, cemented by our commingled blood, annealed in the crucible of battle, may not succumb to the slow, insidious acids of an uneasy peace, but rather that we may work out our common problems in the light of Thy unfailing wisdom, which Thou hast never refused to those who humbly and earnestly ask for it, as we do now. Through Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 8, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3751) to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota, and it was signed by the Vice President.

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

Mr. MYERS. I announce that the Senator from Maryland [Mr. TYDINGS] 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 Ohio [Mr. BRICKER] is necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is detained on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved, together with a complete and detailed statement of the facts and pertinent provisions of law as to each alien and the reason for ordering suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the General Society, Sons of the Revolution, assembled in the city of Newport, R. I., favoring the enactment of legislation to provide the necessary funds to complete the repair and restoration of the Victory Monument at Yorktown, Va.; to the Committee on Appropriations.

Resolutions adopted by the South Miami Townsend Club, No. 1, and the Miami Townsend Club, No. 22, both in the State of Florida, favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

A telegram in the nature of a petition from the Chinese Consolidated Benevolent Association of Chicago, Ill., signed by Kwan Lao Chan, president, relating to the internal affairs of China; to the Committee on Foreign Relations.

A telegram in the nature of a petition, signed by Jobo Santiago, president of Union Local 23853, Christiansted, St. Croix, V. I., relating to the Resident Commissioner for the Virgin Islands; to the Committee on Interior and Insular Affairs.

A letter in the nature of a petition from Mrs. Rhoda R. B. Wood, of Pittsburgh, Pa., praying for the enactment of the so-called

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Barden bill, providing Federal aid to education; to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 3589. A bill to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site; without amendment (Rept. No. 879).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 225. A bill to repeal section 460 of the act of March 3, 1899 (30 Stat. 1336), as amended, providing for certain license taxes in the Territory of Alaska; without amendment (Rept. No. 883);

H. R. 1790. A bill to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska; without amendment (Rept. No. 884);

H. R. 2702. A bill to authorize the Secretary of the Army to convey by quitclaim deed certain mineral rights in certain lands situated in the State of Oklahoma to Alfred A. Drummond and Addie G. Drummond; without amendment (Rept. No. 885);

H. R. 4026. A bill relating to the exchange of certain private and Federal properties within the authorized boundaries of Acadia National Park, in the State of Maine, and for other purposes; without amendment (Rept. No. 886); and

H. R. 4688. A bill to ratify and confirm Act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945; without amendment (Rept. No. 887).

By Mr. LONG, from the Committee on Post Office and Civil Service:

H. R. 1689. A bill to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies; with an amendment (Rept. No. 882).

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

S. 1737. A bill for the relief of George M. Vaughan; without amendment (Rept. No. 880); and

H. R. 807. A bill for the relief of Chattooga County, Ga.; without amendment (Rept. No. 881).

REORGANIZATION PLAN NO. 1 OF 1949—MINORITY VIEWS (PT. 2 OF REPT. NO. 851)

Mr. HUMPHREY, as a member of the Committee on Expenditures in the Executive Departments, submitted minority views on the resolution (S. Res. 147) disapproving Reorganization Plan No. 1 of 1949, which were ordered to be printed as Part 2 of Report No. 851.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Capt. Calvin M. Bolster, U. S. N., for temporary appointment to the grade of rear admiral in the line of the Navy, which was referred to the Committee on Armed Services.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Twenty-nine postmasters.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. FLANDERS:

S. 2410. A bill for the relief of John Tweit; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2411. A bill authorizing the appointment and retirement of Edgar C. Hill as a captain, Regular Army; to the Committee on Armed Services.

By Mr. KEFAUVER:

S. 2412. A bill for the relief of Dr. George Alexandros Chronakis; to the Committee on the Judiciary.

By Mr. GREEN (for himself and Mrs. SMITH of Maine):

S. 2413. A bill to provide for the erection of a monument at the grave of Constantino Brumidi; to the Committee on Rules and Administration.

(Mr. WILLIAMS (for himself and Mr. FERGUSON) introduced Senate bill 2414, to repeal the Contract Settlement Act of 1944, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. CORDON (for himself, Mr. AIKEN, Mr. ANDERSON, Mr. BREWSTER, Mr. BUTLER, Mr. CAIN, Mr. CAPEHART, Mr. CHAVEZ, Mr. EASTLAND, Mr. ECTON, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GEORGE, Mr. GILLETTE, Mr. GURNEY, Mr. HILL, Mr. HOLLAND, Mr. HUNT, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KERR, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MCCARRAN, Mr. MCFARLAND, Mr. MILLER, Mr. MORSE, Mr. MURRAY, Mr. MUNDT, Mr. O'MAHONEY, Mr. PEPPER, Mr. REED, Mr. RUSSELL, Mrs. SMITH of Maine, Mr. STENNIS, Mr. TAYLOR, Mr. THOMAS of Oklahoma, Mr. THOMAS of Utah, Mr. THYE, Mr. WATKINS, and Mr. YOUNG):

S. 2415. A bill to authorize Federal assistance to States and local governments in major disasters, and for other purposes; to the Committee on Public Works.

By Mr. MAGNUSON (for himself and Mr. BREWSTER):

S. J. Res. 124. Joint resolution to limit the operation of sections 281, 283, and 284 of title 18 of the United States Code and certain other provisions of law with respect to certain temporary employees serving pursuant to Senate Resolution 50, Eighty-first Congress; to the Committee on the Judiciary.

REPEAL OF CONTRACT SETTLEMENT ACT OF 1944

Mr. WILLIAMS. Mr. President, on behalf of the Senator from Michigan [Mr. FERGUSON] and myself, I introduce for appropriate reference a bill to repeal the Contract Settlement Act of 1944.

Last week there was submitted to the Congress by Hon. Lindsay C. Warren, the Comptroller General of the United States, a report calling our attention to certain irregularities, including many glaring cases of overpayments and several cases of fraud, which were discovered in the recent settlements of numerous terminated Government contracts.

Under the provisions of this act the Government cannot recover any overpayments made in the settlement of terminated contracts except where fraud can be proved. The Comptroller General was very emphatic in his recommendation that this act, which precludes the Comptroller General from scrutinizing the terminated claim prior to final settlement, be repealed.

Mr. Warren pointed out that "in an effort to minimize or belittle the shocking situations which have been brought to light and in an obvious attempt to justify what has been done—whatever the consequences to the Government—some sources have contended that the loss of the millions of dollars disclosed in the operations under the act was contemplated but, nevertheless, was necessary in order that reconversion be not delayed, and that an independent audit prior to settlement would have delayed this process, resulting in business stagnation, unemployment, and a loss to the economy as a whole."

Mr. Warren continued, "This is the same familiar theme which was used in advocating passage of the act—the necessity of headlong haste, regardless of waste, to avoid otherwise expected chaos."

The Comptroller General concluded that "such attempted justification for the Contract Settlement Act was then, and is now, no justification at all."

Based upon these recommendations of the Comptroller General and in view of the glaring examples of fraud and overpayments in the settlements effected under the provisions of this act, I urge that the Senate take immediate action at this session of the Congress for the outright repeal of the Contract Settlement Act.

In order that Mr. Warren's recommendations may be studied in their entirety by every Member of the Senate, I ask unanimous consent that his letter to the Congress under date of August 1, 1949, be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD.

The bill (S. 2414) to repeal the Contract Settlement Act of 1944, introduced by Mr. WILLIAMS (for himself and Mr. FERGUSON), was read twice by its title, and referred to the Committee on the Judiciary.

The letter presented by Mr. WILLIAMS is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, August 1, 1949.

To the Congress:

In order that the Eighty-first Congress may be informed as to the results of the activities of the General Accounting Office under the Contract Settlement Act of 1944 (58 Stat. 649), it is deemed proper at this time to review and bring up to date my previous reports to the Congress of August 27, 1945, July 26, 1946, July 10, 1947 (printed as S. Doc. No. 75, 80th Cong., 1st sess.), and February 24, 1948 (printed as S. Doc. No. 121, 80th Cong., 2d sess.).

The Contract Settlement Act of 1944 authorizes the contracting agencies, without prior independent audit by any other Government agency, to effect settlement of their terminated contracts. These settlements, in the absence of fraud, are made final and conclusive by the act and can be reopened only by mutual agreement. The audit functions of the General Accounting Office with respect to such settlements are confined to that of determining, after final settlement of termination claims by the contracting agency, (1) whether the payments to the war

contractor were in accordance with the settlement agreement, and (2) whether the records transmitted to this Office, or other information, warrant a reasonable belief that the settlement was induced by fraud.

In my previous reports to the Congress it was stated, and it is here again repeated, that in failing to provide for and, in fact, prohibiting an independent audit of proposed settlements, before they became final, the Contract Settlement Act of 1944 paved the way for the improper payment of many millions of dollars of public funds through fraud, collusion, ignorance, inadvertence, or overliberality in effecting termination settlements. The functions assigned to the General Accounting Office in an apparent attempt by the Congress to retain some vestige of control over the public purse—maintained through the years on its behalf by the accounting officers—were ineffectual to prevent this waste of public funds or otherwise to protect the Government's interest and, in the final analysis, that of the taxpayer. The first of these audit functions—that of determining whether payments were in accordance with the settlement—entails merely the perfunctory comparison of the amount of the settlement with the amount of the payment voucher, and involves no more than a glance at the two documents. Also, it is reiterated that the second function assigned—that of discovering fraud—is relatively futile. In prohibiting the audit of the termination claim prior to the final settlement thereof, the act prevented the only adequate means of detecting fraud except in isolated cases. It must be obvious that the detection of fraud is best achieved by an examination relatively contemporaneous with its perpetration and not after evidence thereof has been effectively concealed or dissipated. It remains my unalterable conviction that, with respect to the cases in which fraud has been brought to light by the post audit of settlements permitted under the statute, at least these as well as many times that number of other undisclosed and now forever buried cases would have been revealed—and prevented—had an independent audit of termination claims prior to final settlement been authorized.

FRAUD CASES CERTIFIED

Notwithstanding the handicaps under which the General Accounting Office of necessity has had to operate under the Contract Settlement Act of 1944, many instances of apparent fraudulent and otherwise excessive payments in termination settlements have been uncovered. As of May 31, 1949, the General Accounting Office has examined 9,195 settlements covering payments to 2,815 contractors in the approximate amount of $1,165,000,000 for the termination of 26,484 contracts, subcontracts, and/or purchase orders. Careful examination of the evidence disclosed in such examination has convinced me that, excluding indicated overpayments in such settlements due to such things as error or carelessness, at least 472 of the settlements (an increase from 2 percent—noted in the report of February 24, 1948—to over 5 percent of those examined) involving improper payments in excess of $6,280,000, were induced by fraud. In conformity with section 16 (b) of the Contract Settlement Act of 1944, I have so certified, together with the facts relating thereto, to the Department of Justice, to the Office of Contract Settlement, and to the contracting agencies concerned.

Brief statements of the facts relating to 145 of the settlements were included in the reports of July 10, 1947, and February 24, 1948. The salient features of the balance of the settlements, involving improper payments in the aggregate amount of at least $2,456,047.46, deemed to have been induced by fraud are set forth in the Appendix hereto, with appropriate comment.

OTHER FRAUD INDICATED

Over and above the cases thus far certified to the Department of Justice, the examinations of termination settlements through May 1949, have disclosed information and evidence which appears to the General Accounting Office auditors conducting such examinations to warrant a reasonable belief that at least 75 additional settlements, involving further improper payments totaling more than $700,000, were induced by fraud. The subject settlements are now being reviewed and analyzed by the Committee on Termination Settlements of the General Accounting Office. If, upon the basis of the reports received thereon, I am convinced that any of such settlements were induced by fraud they, too, will be certified as provided by law.

DEPARTMENT OF JUSTICE ACTION

The detection of termination settlements deemed to have been induced by fraud and the certification thereof to the Department of Justice has not resulted in the automatic recovery of the amount unlawfully obtained. To the contrary, of the more than $6,280,000 of fraudulent payments reported, apparently only $107,882.02 thus far has been recovered, and it is unlikely that any substantially approximate amount will ever be recovered. However, this should not be construed as a criticism of the Department of Justice. There has been the closest cooperation between the General Accounting Office and the Department of Justice, and the reports received from that Department on the cases involved have shown a thorough, conscientious, and diligent effort to protect the interests of the Government. However, aside from the fact that in a number of instances recovery has been precluded by subsequent bankruptcy proceedings (see the appendix hereto), it is to be recognized that while the evidence of record may afford a reasonable belief that a settlement was induced by fraud, the Department of Justice is confronted with the herculean problem in any successful prosecution of the case of establishing in court, at this late date, that fraud actually existed. The prosecution of contract fraud is best effectuated when there is no great lapse of time between its perpetration and its prosecution. The lapse of time imposed by the Contract Settlement Act renders successful prosecution of indicated fraudulent termination settlements all but impossible. In any event, the Contract Settlement Act, in providing only for the recovery of payments established as induced by fraud, instead of effectively preventing such fraudulent payments in the first instance, places the Government in the unenviable position of locking the barn after the horse is stolen.

OVERPAYMENT CASES REPORTED

As pointed out in prior reports, in the examination of termination settlements for the purpose of determining whether and to what extent fraud was present, there have been found many instances of payments to contractors in excess of amounts due which cannot be said with any certainty to have been induced by fraud. These instances represent clear overpayments to the contractors. No case has been called to my attention in which the settlement resulted in an underpayment to the contractor. In other words, all errors or inaccuracies were in the contractor's favor—not the Government's. It is to be borne in mind that because the Contract Settlement Act made the General Accounting Office powerless to prevent or correct or, in the absence of fraud, to even question excessive payments made in termination settlements, the General Accounting Office has conducted no audit of such settlements for the purpose of detecting mere overpayments. They were disclosed only as an incident to and as a byproduct of the detailed examination of selected settlements for the purpose of ascertaining whether fraud was involved. While, in the absence of fraud, these settlements were made final and conclusive by the act, nevertheless, whether fraudulent or not, the overpayments made thereunder constituted no less a drain on the public funds and no less a hole in the pockets of the taxpayers.

Careful analysis of the facts disclosed thus far has convinced me that improper or excessive payments in the aggregate amount of over $2,340,000 were made by the Government in connection with 388 settlements—not involving fraud—representing 1 out of every 24 settlements examined. Also, analysis is being made of 179 additional settlements as to which field auditors of the General Accounting Office have reported overpayments totaling in excess of $2,200,000 more.

The verified overpayments are shown to have resulted, principally, from computation of costs on a basis other than that sanctioned by recognized commercial accounting practices; from incorrect quantities, pricing, and allocations of termination inventory; from inflated overhead charges; and from reliance upon certificates of the contractors as to costs incurred without administrative corroboration of the correctness of the facts so certified. While fully cognizant of the fact that no legal demands could be made for the refund of such overpayments and while not directed by the act to take any affirmative action in connection therewith, I considered it my duty as Comptroller General of the United States to report the facts relating to such termination overpayments to the attention of the contracting agencies concerned, with the suggestion that voluntary refunds be obtained wherever possible or, at least, that the personnel engaged in termination settlement activities be informed thereof in order that future overpayments of a like nature would not be made. Unfortunately, in most such instances—even including some where contractors had acknowledged the facts reported by this Office—the contracting agencies devoted their efforts to defending the excessive settlements instead of attempting to effect recovery of the overpayments. Hence, of nearly $2,000,000 in overpayments reported to the contracting agencies, less than $5,000 had been recovered at the time the report of February 24, 1948, was sent to the Congress. Accordingly, in a further attempt to protect the interests of the Government, the policy was adopted of bringing the findings of this Office directly to the attention of the contractors involved and of affording them the opportunity of making a voluntary refund of such amount as they agreed had been overpaid. I am pleased to report that as of to date these voluntary refunds—which have been redeposited in the Treasury—are in the total amount of $474,717.14. If—as appears likely from past experience—I am convinced, after complete review, that overpayments were made in the balance of the 179 cases on hand, these, too, will be referred to the contractors for the purpose of affording them the opportunity, if they so desire, of making voluntary restitution of the amounts involved.

SUMMARY AND RECOMMENDATION

As stated above, the General Accounting Office has examined 9,195 termination settlements. Such examinations on an over-all basis have brought to light apparently excessive or fraudulent payments to war contractors in connection with approximately 1,114 settlements—over 12 percent of those examined—with the indicated loss to the Government on those settlements alone exceeding $11,500,000.

There should not be overlooked the fact that the examinations made by the General Accounting Office represent only a small sampling of the total settlements made by the

contracting agencies. Due to the stringent limitations placed on the General Accounting Office by the Contract Settlement Act and the finality accorded termination settlements except where fraud is disclosed, the General Accounting Office has not felt justified in incurring the cost of performing such thorough and complete examinations of all termination settlements as is normally made in the audit of Government expenditures or as would have been made had the act provided for an effective audit by the General Accounting Office of proposed settlements before they became final.

In the selection of termination settlements to be examined, the General Accounting Office has taken into consideration knowledge previously acquired as to the methods and practices of particular contractors, the practicability of field inspections of the termination records of contractors, and specific information coming to the attention of the Office from all official sources, such as the War Frauds Unit of the Department of Justice, congressional committees, and otherwise. At the same time outside sources of information, such as newspaper articles, private informants, and others were not ignored. Also, it has been the policy of the General Accounting Office to examine a cross-section of termination settlements made by the several departments and agencies of the Government.

Since only a sampling of termination settlements was made, I would hesitate to hazard a guess as to the entire extent of fraud and overpayments in the settlements effectuated under the termination program. Nevertheless, the disclosed overpayment or waste of more than $11,500,000 would appear to furnish overwhelming proof—if such were necessary—of the vast and unnecessary damage caused by "auditing oneself," with finality, as authorized and practiced under the Contract Settlement Act. In an effort to minimize or belittle the shocking situations which have been brought to light and in an obvious attempt to justify what has been done—whatever the consequences to the Government—some sources have contended that the loss of the millions of dollars disclosed in the operations under the act was contemplated but, nevertheless, was necessary in order that reconversion be not delayed, and that an independent audit prior to settlement would have delayed this process, resulting in business stagnation, unemployment, and a loss to the economy as a whole. This is the same familiar theme which was used in advocating passage of the act—the necessity of head'ong haste, regardless of waste, to avoid otherwise expected chaos. Such attempted justification for the Contract Settlement Act was then, and is now, no justification at all. It is reiterated that elimination, for all practical purposes, of an independent reviewing authority was not the proper remedy or answer. Time and time again, the committees of Congress were advised that I did not oppose and in fact favored a tentative or partial payment of not in excess of 75 percent of the estimated amount due to contractors, supplemented by loans, if required, from approved lending agencies to those contractors considered as sound risks. It would surely seem that through these, or other sound means, contractors would have received sufficient capital for the reconversion process during the period of audit and settlement of their claims by an independent reviewing authority without control having been relinquished by the Congress over the vast expenditures on termination settlements and without the bitter experience of public funds having been poured down open drains and forever lost.

When and if the need ever again rises for any legislation relating to contract terminations, it is hoped that the experience gained under the Contract Settlement Act will show the Congress the way to enactment of effective, properly balanced legislation—far different from that act—which will provide adequate protection and appropriate safeguards to both the Government and its contractors while at the same time in no way risking the national security or economy. If such is the result, my criticism of the Contract Settlement Act, and my reports on operations thereunder will not have been in vain.

Respectfully submitted.

LINDSAY C. WARREN,
Comptroller General of the United States.

PRESERVATION OF EQUITIES OF PERMANENT CLASSIFIED CIVIL-SERVICE EMPLOYEES—AMENDMENTS

Mr. JOHNSTON of South Carolina submitted amendments intended to be proposed by him to the bill (S. 660) to amend the act of June 27, 1944, Public Law 359, and to preserve the equities of permanent classified civil-service employees of the United States, which were ordered to lie on the table and to be printed.

INTERNAL REVENUE CODE—AMENDMENTS

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code, which was ordered to lie on the table and to be printed.

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which was ordered to lie on the table and to be printed.

AGRICULTURAL CONDITIONS—ADDRESS BY REPRESENTATIVE JAMIE L. WHITTEN

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an address on agricultural conditions by Representative JAMIE L. WHITTEN at the Mississippi State College, August 3, 1949, Farm and Home Week, which appears in the Appendix.]

GIFT OF FARM BY PAUL MELLON TO THE STATE OF VIRGINIA

[Mr. BYRD asked and obtained leave to have printed in the RECORD a newspaper article written by John W. Ball describing the gift of a farm by Paul Mellon to the State of Virginia, the remarks of the chancelor of the Virginia Polytechnic Institute on the occasion of the transfer of the farm, and the speech made by Mr. Paul Mellon, which appear in the Appendix.]

FROM THE DOCTOR'S MOUTH—ARTICLE FROM THE PROGRESSIVE

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article regarding the British health program, entitled "From the Doctor's Mouth," from the Progressive, which appears in the Appendix.]

YOUTH'S ANSWER TO FARM PROBLEMS—ESSAYS BY BUSTER McLAIN AND MISS BLEVYN HATHCOCK

[Mr. HOEY asked and obtained leave to have printed in the RECORD two prize-winning farm essays by Buster McLain, of Mellow Valley, Ala., and Miss Blevyn Hathcock, of Oakboro, N. C., respectively, which appear in the Appendix.]

THE MARSHALL PLAN IN NORWAY—LETTER FROM MRS. HELEN SHELDON

[Mr. KEM asked and obtained leave to have printed in the RECORD a letter written by Mrs. Helen Sheldon, of Field Point Park, Conn., and published in the Greenwich Time, of Greenwich, Conn., on August 4, 1949, discussing the operation of the Marshall plan in Norway, which appears in the Appendix.]

SENATOR BYRD WINS IN OLD DOMINION—EDITORIAL FROM THE WASHINGTON OBSERVER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Senator BYRD Wins in Old Dominion," published in the Washington Observer, which appears in the Appendix.]

THE UNITED STATES AND THE WESTERN HEMISPHERE—ADDRESS BY DR. MANUEL R. GARCIA-MORA

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address entitled "The United States and the Western Hemisphere," by Dr. Manuel R. Garcia-Mora, delivered at a panel discussion on "Defense of the West," sponsored by the University of Detroit, on March 19, 1949, which appears in the Appendix.]

THE STATE DEPARTMENT WHITE PAPER ON CHINA—ARTICLE BY RAY RICHARDS

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article on the background of the State Department white paper on China, by Ray Richards, of the Washington Bureau of the Hearst Newspapers, which appears in the Appendix.]

SAMUEL ". WAHRHAFTIG

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement issued by the Department of the Army in connection with the appeal of Samuel Wahrhaftig, which appeals in the Appendix.]

NOT WAGES—SECURITY—ARTICLE BY DAVID DEMPSEY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Not Today's Wage, Tomorrow's Security," written by David Dempsey, and published in the New York Times magazine of August 7, 1949, which appears in the Appendix.]

GREAT LAKES SHIPPING

Mr. WILEY. Mr. President, I send to the desk a statement on the subject of United States Merchant Marine policy which I ask to have printed in the body of the CONGRESSIONAL RECORD:

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

COMMENTS BY SENATOR WILEY ON GREAT LAKES SHIPPING

One of the most important problems facing the 50,000,000 people in the valley of the Great Lakes is the revival of the lake merchant marine system. I need hardly point out to my colleagues the terrible doldrums into which Great Lakes shipping, shipbuilding, ship maintenance, have fallen due almost entirely to a blind, obstinate policy on the part of our own United States Government officials.

WARTIME FIGHT FOR LAKES

I have been fighting the battle for Great Lakes shipping practically since the day I came down to Washington in January 1939. Then, as now, maritime officials who could see no further than the Atlantic, Pacific, and Gulf coasts, refused to utilize the priceless facilities that were available in our great inland sea. It was only by continuous bludgeoning that we were able to get some contracts let for lake shipbuilding. Thus, during the war, approximately 20 shipyards on Great Lakes shores got into action finally. Most of these yards did not exist before the war and most of them have since gone out of existence.

Yet these yards are in splendid proximity to the machinery, the skilled labor, the management with know-how which can make Great Lakes shipbuilding the economical match as regards production of any shipyards in the country.

I mention the shipbuilding problem as one illustration of the over-all Great Lakes challenge.

NEW CORRESPONDENCE

Recently, once again, I have been in contact with the United States Maritime Commission, urging that the great facilities on the shores of Wisconsin, as well as other States, be utilized. I ask unanimous consent that there be printed at this point in the CONGRESSIONAL RECORD the text of a letter which I wrote to Chairman Fleming of the Maritime Commission and which in turn was recently acknowledged by his office. While this acknowledgment indicated the fact that the Commission's staff will be exploring the possibilities for resumption of package freight service on the Great Lakes, we are hardly content that this represents any final guarantee of action. We want results, and not promises, assurances or talkfests.

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
July 28, 1949.

Maj. Gen. PHILLIP B. FLEMING,
Chairman, United States Maritime Commission, Washington, D. C.

MY DEAR MR. CHAIRMAN: I am writing to you to present my respectful suggestion to the Maritime Commission that it take very active steps to help us of the Midwest revitalize the Great Lakes shipping industry. Such revitalizing on the part of our Federal Government is absolutely essential, in view of the fact that the decline of the Great Lakes maritime fleet has been directly due to an unsympathetic policy by the Federal Government toward our inland sea, and, in particular, the decline is due to the requisitioning by the United States of vital segments of the lake shipping fleet.

On July 11 I understand that a fine conference was held in your office with Members of Congress, representatives of lake shipping interests, and other folks who are deeply interested in this problem.

This conference is, however, I regret to say, but one of a long series of conferences and discussions which our people have held with Federal officials, but which, unfortunately, have very little to show by way of constructive results. In the latest action, which I regret to report, the Maritime Commission opposed Senate and House bills which would authorize sale of package freight for the Great Lakes service on the basis of a special pricing formula. The Commission has failed to bring forward any constructive alternatives, and this situation is a matter of deepest concern to me.

I know that you are deeply interested in this problem, and it with the hope that under your able leadership constructive revitalizing steps will be taken that I am setting forth the following facts. While you are no doubt familiar with many of them, I feel that a presentation of them is essential, in view of the Commission's deplorable previous lack of understanding:

1. The Great Lakes are, as you know, one of our most indispensable transportation arteries, serving productive regions of 50,000,000 people. This inland sea is a blessing to this Nation to a degree unknown by any other great nation.

2. Great Lakes shipping has declined to a terrible degree largely due, I repeat, to Government blindness. Between 1939 and 1946 the United States Great Lakes fleet of more than 500-ton registry declined from 517 ships to 415 or approximately 20 percent. In registered tonnage the decline was 7 percent. Package freighters included in that total declined from 24 to zero; bulk freighters from 414 to 315 and so on down the line. Of the 102 vessels removed from the fleet during those 7 years, several were lost by disaster or retirement but the overwhelming mass were lost by assignment to war service which have in no manner been replaced.

3. The staggering economic losses to all of the port cities on the Lakes because of the shipping decline can easily be appreciated. The port of Milwaukee, for example, averaged around 500 thousand tons annually in package freight receipts prior to World War II. The vanishing of this service has, of course, had tremendous consequences in revenue losses to terminals, railroads, truck-lines as well as all the other varied enterprises and personnel supplying and maintaining these ships. Other Wisconsin ports have similarly suffered and so have inland areas.

4. Obviously the national interests require the maintenance of strong and healthy Great Lakes shipping as a vital arm of national defense. So too, a healthy Great Lakes shipbuilding program is essential. If shipbuilding facilities fall into disuse and disrepair, the economic consequences are readily apparent. In the second session of the Eighty-first Congress, it is my hope and prayer that my colleagues will have enough wisdom and judgment to pass legislation to complete the St. Lawrence seaway. The interrelationship between the seaway and the availability of shipbuilding and shipping facilities on the inland sea is obvious.

5. A vast fleet of 5,500 vessels for disposal now faces the Maritime Commission. To date, the Commission has regrettably failed to assign as much as one single ship of this vast surplus fleet to the Lakes. It has not even made replacement to the Lakes' fleet which was sacrificed to the cause of victory.

Frankly speaking, my dear General, the people of the Midwest are deeply alarmed by the fact that the Atlantic, Pacific and Gulf Coasts seem to be getting the only attention that the Federal Government accords. The great inland sea seems to be ignored in spite of its vast contributions in war and peace.

I am hoping that we will be hearing news from your office of satisfactory remedial measures taken toward encouragement of a greatly strengthened lake traffic.

Thanking you and with all good wishes, I am,

Sincerely yours,

ALEXANDER WILEY.

LEAVE OF ABSENCE

Mr. FREAR asked and obtained consent to be absent from the Senate on Friday and Monday next.

THE CALENDAR

Mr. LUCAS. Mr. President, as Senators know, the President of the Philippine Republic is to speak in this Chamber at approximately the hour of 1 o'clock. Under the order which has been entered is the intention that the calendar be called, and we will now proceed to the call of the calendar until such time as the President of the Philippines appears. After his address we will continue until we have finished the call of the calendar in line with the understanding in the unanimous-consent agreement entered into on Friday last.

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

Mr. LUCAS. I yield.

Mr. WHERRY. I call to the attention of the distinguished majority leader that on the front page of the Calendar of Business is printed the unanimous-consent agreement, which provides "that Calendar Nos. 302, 319, 378, 388, 462, 496, and 590 be first called." Then an agreement was entered into that the Senate proceed as the majority leader has just stated, with the call of the calendar beginning with Calendar No. 669, House bill 1892, and consecutively to the end, and that the Senate not return to consider any bill until the call of the calendar has been concluded consecutively.

Mr. LUCAS. The Senator is correct.

Mr. President, I should like to have the cooperation of all Members of the Senate in the call of the calendar to the end that once a bill is objected to, even though the objector later on, during the call of the calendar, might withdraw the objection, the individual Senator interested in the bill delay making a unanimous-consent request to return to the bill, until we finish the call of the calendar. I think that is the orderly procedure which we should follow, and I believe it will be in the interest of all Senators to follow that procedure.

EXTENSION OF BENEFITS OF CIVIL SERVICE RETIREMENT ACT

The VICE PRESIDENT. The Secretary will state the first bill on the calendar which, under the unanimous-consent agreement, is to be considered.

The bill (H. R. 997) to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55, was announced as first in order.

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

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

The VICE PRESIDENT. The Senator from South Carolina [Mr. JOHNSTON] has offered an amendment to the bill, which will be stated.

The LEGISLATIVE CLERK. On page 2, before the period in line 3, it is proposed to insert a comma and the words "or to provide for the payment of any annuity in an amount in excess of the amount to which the annuitant would have been entitled had the provisions of the Civil Service Retirement Act of May 29, 1930, as now in effect been in effect on the date of his separation from the service."

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

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 997) was read the third time and passed.

The VICE PRESIDENT. Without objection, Senate bill 988, of similar title, is indefinitely postponed.

NORTHWEST MISSOURI FAIR ASSOCIATION, OF BETHANY, MO.

The bill (S. 1054) for the relief of Northwest Missouri Fair Association, of Bethany, Harrison County, Mo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated,

the sum of $25,000 to Northwest Missouri Fair Association, of Bethany, Harrison County, Mo., in full settlement of all claims against the United States for damage and destruction by fire of certain buildings, while occupied by and under the exclusive control of the Seventeenth Field Artillery, Third Battalion, of the United States Army, on September 13, 1931: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ESTABLISHMENT OF POLICY WITH RESPECT TO CREATION OR CHARTERING OF CERTAIN CORPORATIONS

The Senate proceeded to consider the bill (S. 1290) to establish and effectuate a policy with respect to the creation or chartering of certain corporations by act of Congress, and for other purposes, which had been reported from the Committee on the Judiciary, with amendments.

The VICE PRESIDENT. The committee amendments have all been agreed to in Senate bill 1290.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Congress hereby declares and establishes this policy with respect to the creation or chartering, by act of Congress, of corporations other than corporations wholly owned or controlled, or to be wholly owned or controlled, by the United States or a department or agency thereof:

(a) The benefits and prestige of a charter awarded by act of Congress are not hereafter to be conferred upon or made available to any such corporation other than a corporation not for profit, no part of the income or assets of which inures to the benefit of any of its members, directors, or officers, or is distributable thereto otherwise than upon dissolution or final liquidation of the corporation; nor to any such corporation organized, operated, or intended to be operated for other than charitable, educational, patriotic, or civic-improvement purposes, or societies for the prevention of cruelty to children or animals.

(b) No such corporation is hereafter to be created or chartered by special act of Congress except after careful investigation by the Department of Justice of the corporation proposed to be created or chartered, its purposes, its incorporators or proposed incorporators, and all other pertinent facts relative thereto. No such corporation hereafter created or chartered by act of Congress shall perform or carry out or attempt to perform or carry out any purpose not specifically set forth in its charter.

(c) Each such corporation hereafter created or chartered by act of Congress, and each such corporation heretofore so created or chartered, still in existence, and by the terms of its charter a corporation not for profit, is to be subject to an annual audit of its financial transactions by a certified public accountant, at the expense of such corporation. Such annual audit shall be filed with the General Accounting Office, and retained by that office as a public record for a minimum period of 10 years, in accordance with such regulations and upon such forms as may be prescribed by the Comptroller General. A report on such audit is to be made to the Congress by the General Accounting Office.

SEC. 2. (a) This section is enacted by the Congress as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such shall be considered as part of the rules of each House, respectively, but with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(b) Any committee to which is referred a bill to provide for the creation or chartering of a corporation other than a corporation wholly owned or controlled, or to be wholly owned or controlled, by the United States or a department or agency thereof, may refer such bill to the Attorney General for an investigation and report pursuant to section 4 of this act.

(c) No committee shall report a bill to provide for the creation or chartering of a corporation other than a corporation wholly owned or controlled, or to be wholly owned or controlled, by the United States or a department or agency thereof, unless such bill is in conformity with the standards prescribed in section 3 of this act.

SEC. 3. A bill to provide for the creation or chartering of a corporation other than a corporation wholly owned or controlled, or to be wholly owned or controlled by the United States or a department or agency thereof, shall not be deemed to be in conformity with the standards prescribed in this section unless such bill—

(a) Clearly sets forth and defines the purposes of the corporation, showing such purposes to be in accord with the policy set forth in subparagraph (a) of section 1 of this act.

(b) Provides that no part of the income or assets of the corporation shall inure to any of its members, directors, or officers, or be distributable thereto, otherwise than upon dissolution or final liquidation of the corporation.

(c) Provides that the corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

(d) Sets forth—

(1) the name of the corporation, which shall be in the English language; shall not be the same as the name of (A) any corporation, whether for profit or not for profit, existing under any act of Congress or of any State, or (B) any foreign corporation, whether for profit or not for profit, authorized to transact its business or conduct its affairs in any State or in the District of Columbia; and shall not contain any word or phrase which indicates or implies that the corporation is organized for any purpose other than the specified purpose or purposes of the corporation;

(2) the period of duration, which may be perpetual;

(3) the name and address of each incorporator;

(4) the number of directors constituting the first board of directors, and the name and address of each such director;

(5) the place where such corporation is to be located and the place or places in which its activities are to be conducted;

(6) specific provisions with respect to the right of the members or any class or classes of members to vote or otherwise participate in the management of the corporation; and

(7) provision for distribution of assets upon dissolution or final liquidation: *Provided,* That such provisions shall not be deemed to violate the provisions of this act or of the corporate charter against the distribution of income to members, directors, or officers.

(e) Grants to the corporation the power to—

(1) have succession by its corporate name;

(2) sue and be sued, complain and defend in any court of competent jurisdiction;

(3) adopt, use, and alter a corporate seal;

(4) choose such officers, managers, and agents as the business of the corporation may require;

(5) ordain and establish bylaws and regulations, not inconsistent with the laws of the United States of America or any State in which such corporation is to operate for the management of its property and the regulation of its affairs;

(6) contract and be contracted with;

(7) take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of real and personal property which may be held by, or (B) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(8) transfer and convey real or personal property; and

(9) borrow money for the purposes of the corporation, and issue bonds therefor, and secure same by mortgage subject in every case to all applicable provisions of Federal or State law.

(f) Specifies that the corporation shall be liable for the acts of its officers and agents.

(g) Provides that the corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for such corporation; and that notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

(h) Contains provisions, in conformity with this act respecting the annual audit of the books and records of the corporation by a certified public accountant pursuant to section 5 of this act.

(i) Provides for the officers of the corporation, and for a democratic method of election thereof.

(j) Contains a reservation to the Congress of the right to alter, repeal, or amend the act chartering such corporation.

(k) Requires that the corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors, and committees having any of the authority of the board of directors; and shall keep at its registered office or principal office a record giving the names and addresses of its members entitled to vote; and provides that all books and records of the corporation may be inspected by any member or his agent or attorney, for any proper purpose at any reasonable time.

(l) Provides that the corporation shall not have or issue shares of stock, nor declare or pay dividends.

(m) Provides that no loans shall be made by the corporation to its officers or directors, or any of them, and further provides that any directors of the corporation who vote for or assent to the making of a loan or advance to an officer or director of the corporation, and any officer or officers participating in the making of any such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(n) Contains no provision for exemption from taxation of the corporation or its property, real or personal, or its income, or relative to or establishing the tax deductibility of gifts or donations to the corporation.

SEC. 4. The Attorney General is authorized and directed, in any case where there is referred to him by a standing committee of

either House of the Congress a bill to provide for the creation or chartering of a corporation other than a corporation wholly owned or controlled, or to be wholly owned or controlled, by the United States or a department or agency thereof, to conduct or cause to be conducted a full and complete investigation of the proposed corporation, its purposes, incorporators, and proponents, and any other matters in connection therewith which he shall elect to include in such investigation, and to make a full and complete report thereon, which report shall be transmitted to the committee which referred such bill to the Attorney General, accompanied by the opinion of the Attorney General as to whether such bill and the corporation thereby proposed to be created or chartered are in compliance with this act, together with the recommendations of the Attorney General with respect to the enactment of the proposed legislation.

SEC. 5. (a) The financial transactions of each corporation (other than a corporation wholly owned or controlled by the United States or a department or agency thereof) hereafter created or chartered by act of Congress, or heretofore so created or chartered, still in existence, and by the terms of its charter a corporation not for profit, shall be audited annually by a certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the respective corporations are normally kept. The certified public accountant, or his representatives, shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the respective corporations and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians.

(b) Each such corporation shall file annually with the Comptroller General, in accordance with such regulations and upon such form as he shall prescribe, a complete statement of such annual audit (which audit shall be retained by the General Accounting Office as a public record for a minimum period of 10 years), verified by the certified public accountant by whom the audit is made, for the fiscal year ending on June 30. Not later than January 15, following the close of such fiscal year for which such audit is made and such statement filed, the Comptroller General shall make a report to the Congress. Such report shall set forth the scope of the audit and statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds; and shall also include such comments and information as may be deemed necessary to keep Congress informed of the operations and financial conditions of, and the use of any Government funds and facilities by, each such corporation, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The report may also show specifically any program, expenditure, or other financial transaction or undertaking disclosed by the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law or in violation of law or is not within the scope of the expressed corporate purposes or is not in conformity with this act. A copy of each such report shall be furnished to the corporation concerned at the time such report is submitted to the Congress.

(c) If the Comptroller General is unable to report fully on any such corporation as required by subsection (b) because of the willful failure of such corporation to comply with this section or with any reasonable regulation of the Comptroller General as authorized by this section, the facts of such willful failure on the part of any such corporation shall be fully reported to the Congress by the Comptroller General.

(d) For the purpose of supervising such audits or any audit and reporting to Congress thereon, the Comptroller General is authorized in his discretion to employ by contract, without regard to section 3709 of the Revised Statutes, professional services of persons, firms, and organizations for temporary periods or for special purposes.

SEC. 6. The right of the Congress in its discretion to grant or withhold Federal charters for corporations is expressly reserved, and compliance with any or all provisions of this act by any corporation or other applicant or applicants for any Federal charter shall not be deemed to create or imply any obligation on the part of the Congress to grant or approve such charter.

SEC. 7. Nothing in this act shall be construed to apply to any corporation in existence at the date of approval of this act, whose financial transactions are subject to audit, examination, or supervision by a department, agency, or official of the United States, District of Columbia, or State or Territory of the United States, and which corporation is required by law enacted by the Congress of the United States to file at least annually a financial report with such auditing, examining, or supervising department, agency, or official.

SEC. 8. For purposes of court jurisdiction based upon diversity of citizenship a corporation created by or under an act of Congress shall be deemed to be a citizen of Maryland, unless otherwise specified by act of Congress.

CONVEYANCE BY THE UNITED STATES OF CERTAIN LANDS TO FRANK C. WILSON

The bill (H. R. 2931) to provide for the conveyance by the United States to Frank C. Wilson of certain lands formerly owned by him was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED TO THE FOOT OF THE CALENDAR

The bill (S. 689) to permit certain postal employees or substitute postal employees to receive credit for military service was announced as next in order.

Mr. KNOWLAND. Mr. President, may we have an explanation as to what the substitute amendment reported by the committee would do?

The VICE PRESIDENT. An explanation is asked of the committee amendment, which is in the nature of a substitute.

Mr. LUCAS. Mr. President, the Senator from Delaware [Mr. FREAR] requests that this bill be passed over and placed at the foot of the calendar.

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

REHABILITATION AND BETTERMENT OF COSTS OF RECLAMATION PROJECTS—BILL PASSED OVER

The bill (H. R. 1694) to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects was announced as next in order.

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

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

The VICE PRESIDENT. There is an amendment pending, offered by the Senator from Wyoming [Mr. O'MAHONEY] which will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, after the word "shall", it is proposed to strike out "to the fullest practicable extent."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

Mr. HENDRICKSON. Mr. President, I should like to have an explanation of the amendment. Exactly what does it do to the bill?

Mr. O'MAHONEY. Mr. President, this is a measure which was reported unanimously by the Committee on Interior and Insular Affairs. Objection was made when it was first called upon the calendar. That objection was on the ground, as I recall, that the authority granted to the Secretary was broader than some Members thought proper—as, for example, on page 2, line 1, the words "to the fullest practicable extent." I indicated, on the last call of the calendar, that those words could go out so far as I was concerned.

The purpose, of course, is to make it possible to make appropriations for the rehabilitation and betterment of existing reclamation projects. In the course of years unforeseen things happen on a reclamation project. Only this morning I received word from Wyoming that one of the oldest projects in that State, the Riverton project, is developing a little difficulty on one of the main canals.

In order that the Bureau of the Budget may submit estimates and the Appropriations Committee may make appropriations for improvement and betterment work upon such projects, it is necessary to have this legislative authority. In the past it has been done without such authority. In the opinion of the Appropriations Committee and the Bureau of the Budget the original law was broad enough to cover this authority. Last year the appropriation bill for the Interior Department, as the minority leader will well remember, carried an item for rehabilitation and betterment. When budget estimates were sought this year for similar appropriations the Bureau of the Budget did not allow the estimate because of what I deem to be a rather narrow and technical interpretation of existing law.

I hope the bill may be passed. If there are any further questions, I shall be very glad to answer them.

Mr. HENDRICKSON. Will the distinguished Senator from Wyoming inform the Senate whether this amendment in any way restores the authority to Congress over reimbursements?

Mr. O'MAHONEY. Restores authority to Congress?

Mr. HENDRICKSON. Yes. Under the terms of this bill authority over reimbursements lies entirely in the hands of the Secretary of the Interior.

Mr. O'MAHONEY. It is a protective provision, as I see it. It requires the Secretary of the Interior to provide for the reimbursement to the Government of the cost of the rehabilitation or betterment work. That provision is in the

interest of the Government. The bill takes no power away from Congress.

Mr. HENDRICKSON. The bill contains no authority to review the acts of the Secretary of the Interior, does it?

Mr. O'MAHONEY. If it does not, I would not at all object to an amendment to require the approval of Congress with respect to any contracts for reimbursement made hereunder.

Mr. HENDRICKSON. With such an amendment I would not object. Otherwise I am inclined to object.

Mr. O'MAHONEY. Let us see where the proper place would be for such an amendment.

Mr. CHAVEZ. Mr. President, I am very sorry to disagree at the moment. I should like to have this bill passed over.

Mr. O'MAHONEY. I thought the Senator who had objected to the bill on the last call of the calendar had withdrawn his objection.

Mr. CHAVEZ. I am not objecting to the bill. We have a few reclamation projects in my State. For the moment I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

The Senate proceeded to consider the bill (H. R. 3825) to amend the Federal Crop Insurance Act, which had been reported from the Committee on Agriculture and Forestry with amendments, action upon which had previously been taken.

The VICE PRESIDENT. There are three amendments pending, offered by the Senator from New Mexico [Mr. ANDERSON]. Does the Senator from New Mexico wish those amendments considered en bloc?

Mr. ANDERSON. Yes, Mr. President.

The VICE PRESIDENT. Without objection, the amendments offered by the Senator from New Mexico will be considered en bloc. The amendments will be stated.

The LEGISLATIVE CLERK. On page 2, line 6, it is proposed to strike out the period at the end of the line and insert ": *Provided*, That, except in the case of tobacco, such insurance shall not extend beyond the period the insured commodity is in the field."

On page 3, lines 1 and 2, it is proposed to strike out "in which such insurance was provided in 1948," and insert "specified above."

On page 6, line 21, it is proposed to strike out "and livestock"; and in line 28, to strike out "and livestock."

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from New Mexico [Mr. ANDERSON].

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PATENT IN FEE TO CERTAIN INDIAN LANDS IN LAKE COUNTY, MONT.

The bill (H. R. 1892) authorizing the Secretary of the Interior to issue a patent in fee to certain Indians lands in Lake County, Mont., was considered, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An act authorizing the Secretary of the Interior to issue to Lake County, Mont., a patent in fee to certain Indian lands."

BIG BEND NATIONAL PARK, TEX.

The Senate proceeded to consider the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 1, line 8, after the word "Park", to insert *"Provided, however,* That the aggregate cost of such acquisitions shall not exceed the sum of $10,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 5310) to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes, was announced as next in order.

Mr. CHAVEZ. Over.

The VICE PRESIDENT. The bill will be passed over.

BUFFALO RAPIDS PROJECT, MONTANA

The bill (S. 2042) to authorize the Secretary of the Interior to complete construction of the irrigation facilities and to contract with the water users on the Buffalo Rapids project, Montana, increasing the reimbursable construction-cost obligation, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of the bill?

Mr. O'MAHONEY. Mr. President, this bill was reported from the Committee on Interior and Insular Affairs by the junior Senator from Montana [Mr. ECTON]. As stated in the report:

The purpose of this bill is to authorize the Secretary of the Interior to complete the construction of the irrigation facilities of the Buffalo Rapids project in the State of Montana, and to permit him to make an adjustment of the present reimbursable obligation to take into account the current estimates of project costs and requirements.

The Buffalo Rapids project is made up of two divisions, referred to as the first division and the second division. The first division consists of 15,500 acres, and the second division consists of approximately 11,600 acres.

Based on present costs and on preliminary engineering estimates of drainage facilities which will be required, a total sum of approximately $1,560,000 will be needed to complete the entire project and to put it in satisfactory operating condition. Of the $1,560,000, approximately $830,000 will be required for the first division, and approximately $730,000 for the completion of the second division.

The principal items of construction and development have been completed for both divisions of the project. Major construction remaining is the drainage systems for the project and clean-up construction on the various units. The construction work on both divisions can probably be finished during the current calendar year or within 1 year from the date funds are made available.

The existing total repayment obligation for the project is $1,135,000, which sum was based on estimated project costs totaling $3,325,000. Through subsequent authorizations, approximately $3,761,600 has been obligated through May 1949 for construction of the project and construction is continuing with available funds amounting to about $47,600. Investigations in connection with authorization of the project established the ability of the project lands to pay construction costs at approximately $1 per acre per annum. It would, therefore, be appropriate that the upward adjustment of the repayment obligation be accomplished by retaining this rate of payment and increasing the pay-out period from 40 to 60 years to be based on the actual irrigable acreage, as determined upon completion of the project.

The bill increases the amount to be repaid to the Government.

Mr. SCHOEPPEL. And it extends the time; does it not?

Mr. O'MAHONEY. Yes; it extends the time.

Mr. MURRAY. Mr. President, I should like to add that this is a vitally important project in Montana. It was developed because of the serious effect of the droughts there several years ago, and it has been a very successful operation. I joined with my colleague, the junior Senator from Montana [Mr. ECTON] in presenting this bill. It was reported unanimously by the committee. I hope there will be no objection.

Mr. SCHOEPPEL. I have no objection.

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

There being no objection, the bill (S. 2042) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to complete the construction of irrigation facilities including necessary drainage works on the first and second divisions of the Buffalo Rapids project, Montana, as approved by the President under authority of the act of May 10, 1939 (53 Stat. 685), and the act of October 14, 1940 (54 Stat. 1119), as amended: *Provided,* That of the funds heretofore or hereafter expended for such construction an amount equal to $60 per irrigable acre as determined and announced by the Secretary of the Interior upon completion of the project, shall be reimbursable by the water users over a repayment period of not to exceed 60 years, and provision for the recovery thereof and for payment of the operation and maintenance costs of the irrigation and drainage features of the project shall be made by a contract or contracts satisfactory to the Secretary of the Interior.

SEC. 2. To carry out the purposes of this act, the Secretary of the Interior is hereby authorized to allot any moneys available from appropriations heretofore made to the Department of the Interior for "water conservation and utility projects" and "water conservation and utilization projects," and there is hereby authorized to be appropriated to the Department of the Interior, out of any money in the Treasury not otherwise appropriated, such sums of money as may be necessary to complete the project.

BILLS PASSED OVER

The bill (S. 805) to amend section 5 of the act approved July 10, 1890, as amended, relating to the admission into the Union of the State of Wyoming, so as to permit the leasing of school lands within such State for mineral purposes

for terms in excess of 10 years, was announced as next in order.

Mr. LANGER. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 2678) to amend section 5 of the act approved July 10, 1890, as amended, relating to the admission into the Union of the State of Wyoming, so as to permit the leasing of school lands within such State for mineral purposes for terms in excess of 10 years, was announced as next in order.

Mr. LANGER. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

CONSTRUCTION AND IMPROVEMENT OF PUBLIC-SCHOOL FACILITIES IN KLAMATH COUNTY, OREG.

The Senate proceeded to consider the bill (H. R. 4510) to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, line 8, after the word "representative", to insert "through the Division of Disbursement, Treasury Department."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FREE IMPORTATION OF GIFTS FROM MEMBERS OF ARMED FORCES ON DUTY ABROAD

The joint resolution (H. J. Res. 242) extending for 2 years the existing privilege of free importation of gifts from members of the armed forces of the United States on duty abroad was considered, ordered to a third reading, read the third time, and passed.

TRANSPORTATION ON CANADIAN VESSELS BETWEEN ALASKA AND CONTINENTAL UNITED STATES

The bill (H. R. 2634) to provide transportation of passengers and merchandise on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation, was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, reserving the right to object, I think it should be pointed out that the existing statute prohibits transportation of passengers and merchandise by Canadian vessels, and that such transportation is limited to American-flag vessels. This bill proposes to grant an exemption from the operation of that restriction until June 30, 1950.

The justification for the exemption, as set forth in the report, is on the ground that inadequate service is now provided by American-flag vessels to the ports named in the bill. However, investigation shows that American-flag vessels can handle a part of the transportation proposed by the bill to be taken over by Canadian vessels.

In the light of the information that American vessels can handle the transportation of merchandise between the United States and Skagway and Haines, Alaska, and certain other points, it would seem to be appropriate to propose to the bill an amendment which would limit the handling of freight and passengers by Canadian-flag vessels to transporting such freight and passengers between the United States and Hyder, and also to provide by the amendment that Canadian vessels may handle passenger transportation between Haines and Skagway and certain other points in Alaska, and to and from ports in the United States.

To the end that that may be accomplished, I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. First, the question is, Is there objection to the present consideration of the bill?

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

The VICE PRESIDENT. The amendment is now in order.

Mr. HENDRICKSON. Mr. President, as I said, I offer the amendment, which I send to the desk, and I ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, in line 7, after the word "passenger", it is proposed to strike out the words "and merchandise."

On page 2, in line 4, it is proposed to strike out the period and to insert a colon and the following proviso: *"Provided further,* That such Canadian vessels may transport merchandise between Hyder, Alaska, and other ports and points herein enumerated."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HENDRICKSON].

Mr. LANGER. Mr. President, it seems to me that this is too important a matter to be adopted in this way. Therefore, I object.

The VICE PRESIDENT. Does the Senator object to the consideration of the bill or to the adoption of the amendment?

Mr. LANGER. I object to both.

Mr. MAGNUSON. Mr. President, I hope the Senator from North Dakota will withhold his objection until I can explain this matter. Will the Senator reserve his objection?

Mr. LANGER. Yes; I reserve it.

The VICE PRESIDENT. Once a bill is considered, the Senate can vote on amendments to the bill. That does not require unanimous consent.

Mr. MAGNUSON. I wish to explain the bill, and I know my colleague, the junior Senator from Washington [Mr. CAIN], joins with me in this statement.

Several years ago Congress passed what is known as the Jones Act, which prohibited Canadian vessels from serving certain portions of Alaska which they did serve in times past, and in some cases the service was necessary. The purpose of the amendment, of course, was to attempt to build up the American-flag service to Alaska; and by the prohibition of the Jones Act it was hoped that that would be accomplished.

In some measure it was accomplished, but the fact of the matter is that now the service is inadequate. I would be the last one to do anything which would limit the possibility of better service to Alaska, because, as all of us know, particularly those of us from the Pacific Northwest, transportation is most important to that Territory and its development. Several persons or companies have attempted to create maritime service to Alaska. Seventeen companies have gone bankrupt as of today. The service now is in the hands of one company, namely, the Alaskan Steam Co.

It is true that that company could serve these points, but the fact of the matter is that it does not serve these points. The town of Skagway, the town of Hyder, and other points which can be served by the small Canadian steamship line sometimes go for weeks without receiving supplies of food and other things they need. All that is proposed to be done is to allow this company in a limited way to continue the service until next June, in hope that by that time there will be some American service for these towns. That is all that is proposed, and the proposal is limited to a 1-year period.

Mr. LANGER. I should like to have the Senator from New Jersey explain the amendment to me. Why should the transportation of passengers, but not the transportation of merchandis, be permitted by such vessels or service?

Mr. MAGNUSON. I can explain that, if the Senator from North Dakota will permit me to do so, and if the Senator from New Jersey also will permit.

Mr. HENDRICKSON. I yield, gladly.

Mr. MAGNUSON. The present steamship line serving Alaska has steamships that can handle merchandise. There is a combination ship which also is used, which handles both passengers and merchandise. In this case the company does not wish to have these big passenger-merchandise types of vessels, combination vessels, go into these two small ports. It is not economical for them to do so.

This amendment would make a division of the service, so that the passenger ships can go in there with merchandise, but the small freighter operated by the Alaskan Steam Co. can serve those ports if the company wishes to have it do so.

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

Mr. MAGNUSON. Certainly.

Mr. LANGER. Why should there be an absolute prohibition against the transportation of merchandise?

Mr. MAGNUSON. Because the Alaskan Steam Co., which now has the monopoly—unfortunately, but true—on this transportation to Alaska, and which is the only steamship company that wishes to operate there, feels that it would hurt its operating revenues to such an

extent that probably the whole service would have to be abandoned.

Mr. CAIN. Mr. President, let me say to the Senator from North Dakota that there is presently a prohibition against foreign-flag ships engaging in transporting merchandise and passengers from and to named Alaskan ports. If the bill is passed, it will mean that the citizens of Alaska, with respect to the named localities, will benefit from improved service until American-flag lines are in a better position to provide service, which today they admit they simply cannot do. I think the passage of the bill would be of real benefit to our friends in Alaska.

Mr. MAGNUSON. The people in Skagway do not get as much as a fresh tomato for 2 months at a time.

Mr. CAIN. There ought to be a continuing prohibition against foreign-flag ships transporting merchandise to and from Alaskan ports, if American-flag ships are in a position to provide such service. This bill, as amended, would create an exception for the port of Hyder, but would otherwise continue the law which has been on our books since, I think, 1896.

Mr. MAGNUSON. It would create the exception for only 1 year.

Mr. CAIN. Yes, and with reference to the one named community of Hyder, the American-flag ships say "Gentlemen, we cannot give Alaska the service to which it is entitled."

Mr. TOBEY. Mr. President, perhaps it would help out if the Senator from Washington would offer an amendment to take care of the question raised by the distinguished Senator from North Dakota [Mr. LANGER] to include the ports of North Dakota for the transportation of merchandise.

Mr. MAGNUSON. We would be glad to do that.

Mr. LANGER. Mr. President, I am not including either North Dakota or New Hampshire, but I withdraw my objection.

The VICE PRESIDENT. The objection being withdrawn, the question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HENDRICKSON].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation."

VISIT TO THE SENATE OF THE HONORABLE ELPIDIO QUIRINO, PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

The VICE PRESIDENT. The Chair is advised that the President of the Philippine Republic has arrived, and, under the terms of the agreement made yesterday, the Senate will stand in recess. The Chair appointed the Senator from Texas [Mr. CONNALLY], the Senator from Michigan [Mr. VANDENBERG], the Senator from Illinois [Mr. LUCAS], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Nebraska [Mr. WHERRY] as a committee to escort the President of the Philippine Republic into the Chamber. President Quirino will be found in my office across the hall.

The Senate being in recess, at 12 o'clock and 40 minutes p. m.,

His Excellency Elpidio Quirino, President of the Republic of the Philippines, escorted by the committee appointed by the Vice President, consisting of Mr. CONNALLY, Mr. VANDENBERG, Mr. LUCAS, Mr. MYERS, and Mr. WHERRY, entered the Senate Chamber, accompanied by Hon. Pio Pedrosa, Secretary of Finance, Hon. Jose Yulo, member Council of State, Hon. Joaquin H. Elizalde, Ambassador Extraordinary and Plenipotentiary from the Philippine Republic to the United States, Hon. Emilio Abello, Minister from the Philippine Republic to the United States, Brig. Gen. Calizto Duque, Deputy Chief of Staff, Armed Forces of the Philippines, Filemon Rodriguez, manager National Power Corporation, Dr. Amando Dalisay, Secretary National Economic Council, Leonides George Virata, Director Department of Economics Research and Statistics Central Bank, Federico Mangahas, private secretary to President Quirino, Dr. Agerico Sison, the President's physician, Col. Lauro Hernandez, senior aide to the President, Commander Carlas Albert, the President's naval aide, Lt. Col. Manuel Salientes, Assistant Chief of Staff, of the Philippines, and Lt. Col. Jose Razon, representing Confederation of Veterans of the Philippines.

The President of the Republic of the Philippines having been escorted to a place on the rostrum at the side of the Vice President, and the distinguished visitors accompanying him having been escorted to places assigned to them,

The VICE PRESIDENT said: Members of the Senate, just a word of presentation of our distinguished and honored guest. Fifty years is a short time in the history of nations and in the history of civilization. Yet during that 50 years since the Spanish-American War when the Philippine Islands came into our possession, I think it is fair and true to say that no people in the history of the world ever advanced more rapidly or firmly in the matter of self-governing ability than did the people of the Philippine Islands. They are now a free nation, an independent republic, because the United States kept its word with the Philippine people and with our own people that when the appropriate time should arrive the Philippine people should be given independence and self-government.

Our honored guest today began his career of public service as a modest and humble school teacher among the Philippine people. He served as the secretary to Manuel Quezon, around whom there are many precious memories among many of us here. He was a member of the House of Representatives of the Philippine Legislature, a member of the state senate, Minister of Finance, Minister of Foreign Affairs, Vice President, and now he is the President of the Philippine Republic.

During his entire public life and during his entire life he has been a devoted friend of the United States of America. He has deep understanding of the sort of democracy we have attempted to establish and live up to, and the sort of democracy we have attempted to enable the people of the Philippine Islands to enjoy and to establish. It gives me great pleasure at this moment to present to you the President of the Philippine Republic.

ADDRESS BY THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

President QUIRINO. Mr. Vice President, distinguished Members of the Senate, 15 years ago in this very Hall, I took oath as a member of the Federal bar. It was this august body of the Senate that, for several months before the Tydings-McDuffie Act was converted into law on March 24, 1934, I had also frequently visited as ranking member of the last Philippine Independence Mission, headed by our late friend, President Manuel L. Quezon, to watch developments in the discussions of the provisions of the bill, in the original drafting of which, I now recall with pride, I cooperated with my dear friend, Senator TYDINGS. I am afraid I am missing him this morning. In his apartment we prepared the draft of that bill.

I have come as a bidden guest of your Government. I am happy to report that America's handiwork in the Orient has justified its existence as the first English-speaking Republic in the east. [Applause.] When Commodore Dewey entered Manila Bay and "God gave victory to his arms" against the Spanish fleet, the American people little thought, and the Filipinos thought less, that 50 years afterward America would assume a role, and the Filipinos an obligation, unparalleled in the history of liberty-loving peoples. In spite of herself, America assumed the responsibility of leadership in the extension of freedom and security to the peoples in that part of the globe. The Philippines, correspondingly and in deep gratitude, is under obligation not only to uphold America's honor, but to pursue America's mission of extending the democratic way of life, as richly enjoyed by the Filipino people, in our neighborhood and elsewhere.

Today the Republic of the Philippines stands as a monument to the great American dream of freedom—the freedom to which the American Nation was born and by which it lives, and which it has shared increasingly with the peoples of other lands.

I have recalled this little bit of history because time presses for a redefinition of the relations between the United States and the Philippines. I speak of the Philippines in a very special sense, not as just one more state with which this great Republic maintains certain ties, but as a vital outpost of freedom and democracy in our side of the world—the very freedom which you taught us to treasure and of which you are today the great champion and defender.

How far we have proved ourselves worthy of freedom the whole world knows. And the world will know that we are determined to fight for freedom so long as Bataan and Corregidor exist.

So far as we are concerned, the history of our unremitting struggle for liberty during the past 400 years has predetermined our future course should our freedom be menaced from any quarter.

Our Republic is only 3 years old. It was born under exceedingly difficult and trying circumstances, drawing in its birth not only the blood and tears of my countrymen but of yours, as well. Our faith in democracy is being tested most severely. But I ask you, remembering the history of your own original thirteen Colonies that formed the Union, to believe that the Republic of the Philippines will emerge from these troubled times stronger in its faith in the soundness and incomparable advantages of the democratic way. The Filipino people have found in the democracy you have implanted in our land the fullness of life and enjoyment of its blessings, and they will not surrender them in exchange for the false utopian promises of any totalitarian system. [Prolonged applause.]

But today the most urgent problem that confronts the Philippines and the other free countries of Asia is the problem of security. It is, in fact, the principal problem that besets all those states that lie athwart the advancing tide of communism. The Philippines rejoices with the rest of the free world that there has at last been erected a mighty bulwark against the advance of communism in Europe. That sector of the globe has been secured and the peace of the world, to that extent, has been stabilized.

However, it is obvious to everyone that the task of securing our free world is only half done. No one who realizes the extent of the menace to which Asia is exposed—the threat to Korea, the infiltration into Viet Nam, the debacle in China—can well afford to rest at ease now that the North Atlantic Pact is in full force and effect. Asia with its vast population which accounts for more than half that of the world, and with its incalculable resources, cannot and ought not to be lost to communism by default. And yet this is bound to happen unless something of the courage and vision that went into the forging of the democratic defenses in Europe is applied to the forging of a similar system of defense in Asia.

My concern over this problem has led me into taking the first steps toward this end. I realize fully that there are strong reasons why the United States may not too readily welcome the obligations that its active participation in this project would entail. I have not therefore made such participation a necessary condition for the initiation of the project itself.

But I feel very strongly that the free countries of Southeast Asia and the Pacific must themselves start the movement for closer cooperation in furtherance of their common interests in the political, economic and cultural fields. No military commitments are contemplated at the moment. The reason is simple. The countries concerned have presently no armies, navies, or air forces to muster under the terms of a military alliance. Most of them have but newly emerged into independent nationhood and are faced with grave domestic problems. They count with no industrial base of sufficient strength or magnitude to support a major military undertaking and, by constitutional mandate, the Philippines renounces war as an instrument of national policy. Above all, it is my feeling that we have time in the still-free countries of Asia to halt the advance of communism by nonmilitary means.

Our problem is therefore basically economic. Asia must properly feed, clothe, and house its millions, and raise their living standards. Technical aid is needed as well as capital to tap and develop its agricultural and industrial potentialities. Fortunately, President Truman's point 4 program and the United Nations project of technical assistance to underdeveloped countries give promise of aid to come.

We realize that, in the end, our salvation must come from self-help, and that the advantages of self-help will be enhanced tenfold if, as we now propose to do in the projected Pacific Union, we can convert self-help to mutual help.

This is the fundamental aim and purpose of the Pacific Union: to forge stronger ties of economic cooperation and collaboration between the free countries of Asia in order to enhance their prosperity, to hasten the march of self-government in order to afford concentration on internal development, and to preserve their freedom. If, after the Union has been organized and the modes of collaboration have been determined, the United States and the other democracies should desire to offer such help as should lie in their power to give, it need hardly be said that the offer will not only be warmly received but justly blessed. I am confident that the member states of the Union will gratefully accept the renewal in peace and for peaceful ends of an alliance that was forged in the last war for the sake of a common victory.

The time runs short and the margin of our common security grows narrower each day. As President of the Republic of the Philippines, I consider it my supreme responsibility in this perilous hour to call upon our friends everywhere, but especially our friends in America, not to tarry too long in the redefinition of fundamental attitudes toward Asia to which I have earlier referred. May I venture to hope that this process, which may well determine the fate of more than half of mankind in the next thousand years, will be a calm, deliberate movement toward clarity, vigor, and resolution?

I am grateful to the Members of the Senate for this singular opportunity to say a few words from this mighty rostrum. I have spoken with a degree of frankness that might possibly sound somewhat unusual coming from almost any other guest of this powerful body. But for this I invoke the memory of our long association in the common endeavor of freedom and democracy that culminated in the establishment of the Republic of the Philippines. I invoke also the bitter sacrifices that the American and the Filipino peoples endured together in the recent war for freedom in the Pacific as sufficient justification for the grave concern I have here expressed on behalf of that self-same freedom.

That freedom is in peril for more than half the population of the globe. Only the blind will say that the menace does not concern America, because the history of the last two world wars shows all too clearly that this great democracy cannot remain unconcerned wherever and whenever the survival of free men in a free world is at stake.

I thank you. [Prolonged applause, Senators rising.]

The VICE PRESIDENT. Mr. President, on behalf of the Senate and the American people, I thank you not only for your visit, which is timely, but for your magnificent address. While you were speaking of the sacrifices made in a common cause by Filipinos and Americans, I was thinking of the fact that in the blood bath in 1945, shortly before American forces liberated Manila, your wife and three of your five children were machine-gunned to death by the Japanese forces. That is an additional bond of sympathy between us and you.

We thank you, Mr. President.

[Great applause, Senators rising.]

The proceedings in the Senate Chamber having been concluded, the President of the Philippine Republic and the distinguished vistors accompanying him were escorted from the Chamber.

At 1 o'clock and 5 minutes p. m., the Senate reassembled, when it was called to order by the Vice President.

CONTINUATION OF THE CALL OF THE CALENDAR

The VICE PRESIDENT. The Secretary will call the next bill on the calendar.

NONNAVIGABLE WATERWAY IN NEW HAVEN, CONN.

The bill (H. R. 3511) to declare the waterway (in which is located the Brewery Street Channel) from Brewery Street southeastward to a line running south 36° 53′ 36″ W. from the south side of Chestnut Street at New Haven, Conn., a nonnavigable stream, was considered, ordered to a third reading, read the third time, and passed.

MOTOR VESSEL "FLB-5005"

The bill (H. R. 579) to permit the motor vessel *FLB-5005* to engage in the fisheries was considered, ordered to a third reading, read the third time, and passed.

DISSEMINATION OF TECHNOLOGICAL, SCIENTIFIC, AND ENGINEERING INFORMATION

The bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes was announced as next in order.

Mr. HENDRICKSON. Mr. President, I wonder if we could not have an explanation of the bill. I note that the cost of administering the proposed program will be about a million dollars, and there was no public hearing on the bill. I think the Senate is entitled to an explanation.

Mr. JOHNSON of Colorado. Mr. President, the cost of administering the bill would be less than a million dollars a

year. It has been cleared by the Bureau of the Budget. Its purpose is to establish a clearing house in the Department of Commerce for the dissemination of technological information obtained from foreign and domestic sources which would be of value to American industry, particularly small businesses which have limited research facilities and technical staffs, and it provides for Government-sponsored research for the benefit of all businesses. The bill came out of our committee by a unanimous report.

The Senator from New Jersey says that no hearings were held on the bill. A similar bill, Senate bill 493, was introduced in the Eightieth Congress by the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Vermont [Mr. AIKEN], and was referred to the Committee on Expenditures in the Executive Departments. Six days of hearings were held. There was objection to one feature of Senate bill 493 as introduced, with respect to patents, and assistance which might be given to those who were interested in patents.

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

Mr. JOHNSON of Colorado. I yield.

Mr. HENDRICKSON. There were no hearings held this year on the bill, were there?

Mr. JOHNSON of Colorado. No; there were no hearings held this year on the bill. The committee last year, however, held hearings and deleted from the bill the provisions which were objected to last year. The bill now before us is a copy of the previously revised bill. The language of Senate bill 868 is identical with the revision by the Committee on Expenditures in the Executive Departments of Senate bill 493.

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

Mr. JOHNSON of Colorado. I yield.

Mr. FULBRIGHT. I should like to add that I participated in the hearings on the bill last year. The committee went into the matter very thoroughly at that time. The matter that brought it to our attention originally was the discussion of the information we had obtained from Germany, information that would be helpful to individuals. The principal motive of the bill was to help small business. I may say that since the "5 percent" revelations have been made, this is the very sort of legislation which was intended to help avoid such practices. In other words, the purpose was to have a place where businessmen could go in the Department of Commerce and have available the information which is already gathered there. But there has been no means by which a small-business man without a big staff of experts could secure such information. The main purpose of the bill, as I said, is to make such information available to the small-business man. If the bill which was introduced last year had been passed then, I think it would have gone a long way toward obviating the success of the so-called "5 percenters." I really think the bill is an excellent one, and that it should be passed.

Mr. HENDRICKSON. Does the Senator know whether this bill is supported by small business?

Mr. FULBRIGHT. It certainly was supported by small business in the hearings which were held last year. We held thorough hearings at that time. The language of the present bill is identical, as I understand, with that of the bill considered last year, with the exception of the provision dealing with patents.

Mr. HENDRICKSON. I am advised that small-business men are opposed to the bill.

Mr. JOHNSON of Colorado. I am certain the Senator has received misinformation on that subject. Of course, there are many individuals who claim to be sponsors of representatives of small business. So far as I know, however, no small-business man is opposed to the bill. Research is important, as I think the Senator from New Jersey will agree. If research is important, then certainly there should be some means of making the discoveries brought about by research available to small business as well as big business. The bill would furnish assistance to small-business men who are unable to carry on their own research work. It is of more assistance to them than it is to any other segment of our economy.

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

Mr. JOHNSON of Colorado. I yield.

Mr. FULBRIGHT. The main purpose of the bill is to assist small business. Let me recall some history which led to the introduction of the bill. When the Small War Plants Corporation was set up during the war, specifically to aid small business, it collected a considerable amount of data, and it was generally thought it rendered a good service to small business. General Motors did not need such a service. General Motors had plenty of facilities of its own to secure such data. But the materials which were left over from the Small War Plants Corporation, their records, and so forth, were transferred to the Department of Commerce. That and material from Germany we endeavored to have made available to small business. I remember distinctly that the principal supporters of the bill were small-business men. The only objection came from a particular man, I think his name was Blood, who was interested in patents. He represented the Association of Manufacturers. He opposed the bill. But the section relating to patents, as I understand, is not contained in the present bill.

Mr. JOHNSON of Colorado. That is correct.

Mr. FULBRIGHT. There was certainly no opposition that I know of from anyone engaged in small business. Representatives of small business and small-business men came before the committee and supported the bill. I believe that if there was any objection, as the Senator from New Jersey has stated he is informed there was, it was the objection made by the patent representative, if such is his proper designation, of the Association of Manufacturers. I am quite sure the opposition did not come from small business.

Mr. HENDRICKSON. Mr. President, I thank the Senator from Arkansas for his statement. In view of his statement and explanation I withdraw any objection.

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

There being no objection, the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That the purpose of this act is to make the results of technological research and development more readily available to industry and business, and to the general public, by clarifying and defining the functions and responsibilities of the Department of Commerce as a central clearinghouse for technical information which is useful to American industry and business.

CLEARINGHOUSE FOR TECHNICAL INFORMATION

SEC. 2. The Secretary of Commerce (hereinafter referred to as the "Secretary") is hereby directed to establish and maintain within the Department of Commerce a clearinghouse for the collection, dissemination, and exchange of scientific, technical, and engineering information, and to this end to take such steps as he may deem necessary and desirable—

(a) To search for, collect, classify, coordinate, integrate, record, and catalog such information from whatever sources, foreign and domestic, that may be available;

(b) To make such information available to industry and business, to State and local governments, to other agencies of the Federal Government, and to the general public, through the preparation of abstracts, digests, translations, bibliographies, indexes, and microfilm and other reproductions, for distribution either directly or by utilization of business, trade, technical, and scientific publications and services;

(c) To effect, within the limits of his authority as now or hereafter defined by law, and with the consent of competent authority, the removal of restrictions on the dissemination of scientific and technical data in cases where consideration of national security permit the release of such data for the benefit of industry and business.

RECORDING OF TECHNICAL DEVELOPMENTS

SEC. 3. Any invention, product, or scientific or technical process devised, created, or developed by any person (including any department or agency of the Federal Government, or any employee thereof), may be filed with the Secretary in such manner and upon such conditions as the Secretary shall prescribe, and the Secretary shall make a record of each such invention, product, or process. When certified, under the seal of the Department of Commerce, by the Chief Clerk of the Department of Commerce, or by such other official as the Secretary may designate, such record or a copy thereof, shall be admissible in any patent or other proceedings, and in suits and actions in the courts of the United States, as evidence as to the date of filing of such invention, product, or process.

RULES, REGULATIONS, FEES

SEC. 4. The Secretary is authorized to make, amend, and rescind such orders, rules, and regulations as he may deem necessary to carry out the provisions of this act, and to establish, from time to time, a schedule or schedules of reasonable fees or charges for services performed or for documents or other publications furnished under this act: *Provided*, That all moneys hereafter received by the Secretary in payment for publications under this act shall be deposited in a special account in the Treasury, such account to be available, subject to authorization in any

appropriation act, for reimbursing any appropriation then current and chargeable for the cost of furnishing copies or reproductions as herein authorized, and for making refunds to organizations and individuals when entitled thereto: *And provided further*, That an appropriation reimbursed by this special account shall, notwithstanding any other provision of law, be available for the purposes of the original appropriation.

It is the policy of this act, to the fullest extent feasible and consistent with the objectives of this act, that each of the services and functions provided herein shall be self-sustaining or self-liquidating and that the general public shall not bear the cost of publications and other services which are for the special use and benefit of private groups and individuals; but nothing herein shall be construed to require the levying of fees or charges for services performed or publications furnished to any agency or instrumentality of the Federal Government, or for publications which are distributed pursuant to reciprocal arrangements for the exchange of information or which are otherwise issued primarily for the general benefit of the public.

REFERENCE OF DATA TO ARMED SERVICES

SEC. 5. The Secretary is directed to refer to the armed services all scientific or technical information, coming to his attention, which he deems to have an immediate or potential practical military value or significance, and to refer to the heads of other Government agencies such scientific or technical information as relates to activities within the primary responsibility of such agencies.

GENERAL STANDARDS AND LIMITATIONS

SEC. 6. Notwithstanding any other provision of this act, the Secretary shall respect and preserve the security classification of any scientific or technical information, data, patents, invention, or discoveries in, or coming into, the possession or control of the Department of Commerce, the classified status of which the President or his designee or designees certify as being essential in the interest of national defense, and nothing in this act shall be construed as modifying or limiting any other statute relating to the classification of information for reasons of national defense or security.

UTILIZATION OF EXISTING FACILITIES

SEC. 7. (a) The Secretary may utilize any personnel, facilities, bureaus, agencies, boards, administrations, offices, or other instrumentalities of the Department of Commerce which he may require to carry out the purposes of this act.

(b) The Secretary is hereby authorized to call upon other departments and independent establishments and agencies of the Government to provide, with their consent, such available services, facilities, or other cooperation as he shall deem necessary or helpful in carrying out the provisions of this act, and he is directed to utilize existing facilities to the full extent deemed feasible.

RELATION TO OTHER ACTS

SEC. 8. Nothing herein shall be construed to repeal or amend any other legislation pertaining to the Department of Commerce or its component offices or bureaus.

NATIONAL BUREAU OF STANDARDS

The bill (S. 2046) to provide authority for certain functions and activities of the National Bureau of Standards, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time and passed as follows:

Be it enacted, etc., That funds now or hereafter appropriated to the National Bureau of Standards shall be available for the following activities: (a) The purchase, repair, and cleaning of uniforms for guards; (b) the repair and alteration of buildings, and other plant facilities; (c) the rental of laboratory and office space in the District of Columbia and in the field; (d) the purchase of reprints from trade journals or other periodicals of articles prepared officially by Government employees; (e) the furnishing of food and shelter without repayment therefor to employees of the Government at Arctic stations or other stations located outside the continental United States; and (f) in the conduct of observations on radio propagation phenomena in the Arctic region, the appointment of employees at base rates established by the Secretary of Commerce which shall not exceed such maximum rates as may be specified from time to time in the appropriation concerned, and without regard to the civil service and classification laws and titles II and III of the Federal Employees Pay Act of 1945.

SEC. 2. Within the limits of funds which may be appropriated therefor, the Bureau is authorized to make improvements to existing buildings, grounds, and other plant facilities, including construction of minor buildings and other facilities in the District of Columbia and in the field to house special apparatus or material which must be isolated from other activities: *Provided*, That no improvement shall be made nor shall any building be constructed under this authority at a cost in excess of $25,000, unless specific provision is made therefor in the appropriation concerned.

COMMISSIONED OFFICERS OF THE COAST AND GEODETIC SURVEY

The bill (H. R. 2572) to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946 was considered, ordered to a third reading, read the third time, and passed.

BASIC AUTHORITY FOR PERFORMANCE OF CERTAIN FUNCTIONS OF DEPARTMENT OF COMMERCE

The bill (H. R. 162) to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of the bill, and a statement respecting its cost?

Mr. JOHNSON of Colorado. This is an authorization bill. Its purpose is to provide clear, basic legislative authority for the performance of certain functions and activities of the Department of Commerce heretofore carried out as a result of authority in appropriation bills.

We have heard a great deal in the last few weeks about legislative provisions in appropriation bills. The object of the bill is to write the authority into law so that it will not be necessary to carry legislative provisions in appropriation bills. The bill was reported from the House Committee on Interstate and Foreign Commerce on April 12, 1949, and was passed by the House of Representatives on May 16, 1949. A similar bill was passed by the House of Representatives in the Eightieth Congress and a companion bill to it was favorably reported by this committee in the Eightieth Congress but failed of enactment.

The specific functions for which legislative authority would be given by this bill are:

First. The furnishing to employees of the Department and other Federal agencies in Alaska and other points outside the continental United States, of free emergency medical services.

As a matter of fact the purpose of the bill is to give persons in the employ of the United States in outlying and isolated points and places, the benefits which are given and which are accessible to all the rest of our people.

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

Mr. JOHNSON of Colorado. I yield.

Mr. SCHOEPPEL. Will the Senator give us some indication of the additional costs which would be incurred, and would the bill entail the establishment of additional bureaus?

Mr. JOHNSON of Colorado. I am informed that the cost will be negligible. I have been advised by the Bureau of the Budget that House bill 162, including the amendment deleting the words "not on foreign soil" is within the program of the President, and that its cost will be negligible. Almost no cost is involved by the bill.

Mr. SCHOEPPEL. Mr. President, I have no objection.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 162) to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments on page 4, line 4, after the word "localities", to strike out "not on foreign soil"; and in line 5, after the word "available", to insert a colon and the following proviso: *"Provided,* That the provisions of this paragraph also shall apply to the Civil Aeronautics Board."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REARING PONDS AND FISH HATCHERY AT MILLEN, GA.

The Senate proceeded to consider the bill (H. R. 2740) to establish rearing ponds and a fish hatchery at or near Millen, Ga., which had been reported from the Committee on Interstate and Foreign Commerce with an amendment to strike out all after the enacting clause, and insert:

That the Secretary of the Interior is hereby authorized to establish and construct rearing ponds and a fish hatchery at suitable locations at or near Millen, Ga., and in the Upper Peninsula of Michigan, at a cost of not to exceed $250,000 and $325,000, respectively; to rehabilitate and expand at a cost of not to exceed $70,000 the rearing ponds and facilities at the Cape Vincent, N. Y., fish cultural station, and to purchase lands adjoining such station in connection with the rehabilitation and expansion of such facilities; and to rehabilitate, repair, and place in efficient operating condition the rearing ponds and fish cultural facilities at Leadville, Colo., at a cost of not to exceed $90,000.

SEC. 2. The Secretary of the Interior is hereby authorized to undertake, through the Fish and Wildlife Service, a comprehensive and continuing study of the shad of the Atlantic coast for the purpose of recommending to the Atlantic Coast States, through the Atlantic States Marine Fisheries Commission,

measures to be taken to arrest decline, increase the abundance, and promote the wisest utilization of such shad resources at a cost of not to exceed $75,000 per annum for a 6-year period. For the purposes of this section, any agency of the United States, or any corporation wholly owned by the United States, is authorized to transfer, without exchange of funds, any boats or equipment excess to its needs required by the Fish and Wildlife Service for the studies authorized herein.

SEC. 3. That the joint resolution of August 8, 1946 (60 Stat. 930), be amended to read as follows:

"That the Director of the Fish and Wildlife Service of the Department of the Interior is hereby authorized and directed to prosecute investigations of the abundance and distribution of sea lampreys and their effects on fishes, experiments to develop control measures, and a vigorous program for the elimination and eradication of sea lamprey populations of the Great Lakes; to survey the Great Lakes area to determine what localities would be most suitable for the establishment of additional fish hatcheries and rearing ponds if, and when, it becomes desirable for the Federal Government to operate such additional fish hatcheries and rearing ponds in the Great Lakes area; and is authorized and directed to report to the Congress not later than December 31, 1950, the results of such survey and to make recommendations with respect thereto. The cost of the investigations and studies authorized in this section shall not exceed $359,000 for the first year and the sum of $216,000 per annum thereafter.

"In carrying out the foregoing purposes and objectives the Director of the Fish and Wildlife Service is authorized to cooperate with the official conservation agencies of the States bordering on the Great Lakes, with the commercial fishing industry, and with other governmental or private agencies, organizations, or individuals having jurisdiction over or an interest in the fisheries of the Great Lakes."

SEC. 4. There is authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes and objectives of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize the establishment of fish hatcheries in the States of Georgia and Michigan; to authorize the rehabilitation and expansion of rearing ponds and fish cultural facilities in the States of New York and Colorado; to authorize the Secretary of the Interior to undertake a continuing study of shad of the Atlantic coast; and to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes."

DETERMINATION OF VALIDITY OF TITLES TO CERTAIN LANDS.

The bill (S. 1606) to authorize the Secretary of the Interior to determine the validity of titles to lands acquired in the administration of the reclamation laws, was announced as next in order.

Mr. McCARRAN. Mr. President, this bill would deprive the Lands Division of the Department of Justice of a substantial part of its jurisdiction. I have discussed the matter with the Senator from Wyoming, the chairman of the Committee on Insular Affairs. It is my judgment that the bill should be referred to the Committee on the Judiciary. I think the Senator from Wyoming is in agreement with me.

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

Mr. McCARRAN. I yield.

Mr. O'MAHONEY. The bill undertakes to restore the situation which existed for more than 40 years in the examination and passing upon titles to land purchased by the Secretary of the Interior in order to carry out projects under the reclamation law. From 1904 down to and including 1946 it was the practice in connection with reclamation construction projects for the Department of the Interior to pass upon the validity of the titles to the lands purchased. This was due to an understanding of the meaning and effect of the law which was then on the statute books. For example, it was provided that, with respect to the Corps of Engineers and the Bureau of Reclamation, the examination by the Department of Justice otherwise required was not intended to be required. This was because of a realization of the fact that passing upon the titles of lands acquired to carry out these projects was almost an indivisible part of the construction problems. For example, in a reclamation project it may be necessary to acquire a right-of-way over the land of a private landowner. It may be necessary to acquire only a surface title. In any event, this practice was followed for more than 40 years, and it was not until after the Committee on Interior and Insular Affairs had passed upon this question that the members of the committee learned that the suggestion had been made that perhaps the Committee on the Judiciary should also pass upon it.

In view of the fact that it does involve the Department of Justice, I can see complete justification for the request of the Senator from Nevada [Mr. McCARRAN], but I am wondering if it might not be agreeable to him if, instead of displacing the bill upon the calendar, we should obtain unanimous consent that no action be taken upon the bill pending an examination of the question by the Committee on the Judiciary and a subsequent report, so that the bill may retain its place on the calendar.

Mr. McCARRAN. Mr. President, I have no objection to that procedure, provided the Committee on the Judiciary may make a report on the bill.

Mr. O'MAHONEY. The Senator from Utah [Mr. WATKINS] introduced the bill, and perhaps he may have some comment to make.

Mr. WATKINS. Mr. President, I can understand the position of the chairman of the Judiciary Committee. However, I hope the Judiciary Committee will give early consideration to this question.

I may point out that the present procedure of having the Department of Justice pass on these titles is slowing down nearly every reclamation project in the West. The Bureau has a complete staff of attorneys who are equipped and qualified to take care of examination of titles. They do all the preliminary work now. Since the Department of Justice has decided that it ought to pass on these titles, and they are handed over to the Department of Justice, it means more delay and expense, not only to the Government itself, but to the water users who are paying for these projects. For that reason I hope the Judiciary Committee will consider this matter immediately and submit a report.

Mr. McCARRAN. I assure the Senator from Utah that we will give it prompt attention, but not hasty attention.

Mr. WATKINS. It is one of those matters which has been reported upon, and I do not know why the Department of Justice did not submit a report to the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. Without objection, the bill will be passed over until a later call of the calendar, so that the Judiciary Committee may have an opportunity to examine it.

The clerk will state the next bill on the calendar.

AIR STAR ROUTES

The Senate proceeded to consider the bill (H. R. 4498) to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes, which had been reported from the Committee on Post Office and Civil Service with an amendment, to strike out all after the enacting clause and insert:

That section 6 of the act entitled "An act to provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes," approved April 15, 1938 (39 U. S. C. 470), is hereby amended to read as follows:

"SEC. 6. (a) Whenever he shall find it to be in the public interest, because of the nature of the terrain, or the impracticability or inadequacy of surface transportation, and where the cost thereof is reasonably compatible with the service to be provided, the Postmaster General may award contracts for the transportation by aircraft upon star routes of any or all classes of mail (including but not limited to air mail and air parcel post), payment for such service to be made from the appropriation for inland transportation by star routes: *Provided*, That all laws and regulations not in conflict with this section governing star routes shall be applicable to contracts made under the authority of this section: *Provided further*, That the provisions of title IV of the Civil Aeronautics Act of 1938, approved June 23, 1938 (52 Stat. 973), as amended other than sections 407, 408, 412, 413, 414, and 416 thereof shall not apply to the transportation of mail under this section: *Provided further*, That prior to advertising for bids for the transportation of mail by aircraft on any star route, except as authorized by the act of October 14, 1940 (54 Stat. 1175), entitled 'An act authorizing special arrangements in the transportation of mail within the Territory of Alaska,' the Postmaster General shall obtain from the Civil Aeronautics Board a certification that the proposed route does not conflict with the development of air transportation as contemplated under the Civil Aeronautics Act of 1938, as amended: *Provided further*, That any such contract made under authority of this section shall be canceled upon the issuance by the Civil Aeronautics Board of an authorization under title IV of the Civil

Aeronautics Act of 1938, as amended, to any air carrier to engage in the transportation of mail by aircraft between any of the points named in such contract: *And provided further*, That no bid for a contract under this section shall be considered unless the bidder (1) if an individual is a resident of a State within which, or of a State adjoining a State within which, one or more points to be served under such proposed contract are located; or (2) if a corporation, company, association, partnership, or firm is actually engaged in business in a State within which, or in a State adjoining a State within which one or more points to be served under such proposed contract are located. As used in this section, the term 'State' includes the several States, the Territories of Alaska and Hawaii, and the District of Columbia.

"(b) Upon receipt of a request from the Postmaster General for the certification required in subsection (a) above, the Civil Aeronautics Board shall promptly publish in the Federal Register, and send to such persons as the Board may by regulation determine, a notice describing the proposed air star route. After giving notice pursuant to this subsection, the Board shall afford interested persons a reasonable opportunity to submit written data, views or arguments with or without opportunity to present the same orally in any manner. The Board shall give due consideration to all relevant matter presented and, not less than 30 days after notice is given, except in any situation in which it for good cause finds (and incorporates the finding and a brief statement of the reasons therefor in its order granting certification) that such period of advance notice is impracticable, unnecessary, or contrary to the public interest, shall grant the requested certification upon finding that the proposed route does not conflict with the development of air transportation as contemplated under the Civil Aeronautics Act of 1938, as amended."

Mr. JOHNSTON of South Carolina. Mr. President, I have an amendment to offer by way of correction of a typographical error.

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 4, line 12, in the committee amendment, after the numerals "408", it is proposed to insert "409."

Mr. HAYDEN. Mr. President, I desire to offer an amendment.

Mr. SALTONSTALL. Mr. President, reserving the right to object, I should like to ask the Senator from South Carolina a question. For the past 3 years the Appropriations Committee has heard long discussions about the subsidy of air mail, and the great expense involved. If my memory is correct, it is more than $100,000,000. If we are to increase the air mail delivery service, why would it not be wise to hold this bill over and consider the entire problem and resolve it?

Mr. JOHNSTON of South Carolina. Mr. President, I will answer the Senator from Massachusetts by saying that the Post Office Department has requested this bill. The Department states that it will not involve any additional cost. The bill has to do with star routes, and not the regular carrying of the air mail.

Mr. SALTONSTALL. Will this bill increase the air mail subsidy in any way?

Mr. JOHNSTON of South Carolina. The report from the Post Office Department states that it will involve no additional cost.

Mr. SALTONSTALL. In other words, where air delivery is instituted on a star route there will be no additional expense?

Mr. JOHNSTON of South Carolina. It will not involve the use of air-mail stamps. The bill relates to the service on star routes from one place to another. If the Department finds that the mail can be transported more cheaply by air than by bus or automobile, it will use this service.

Mr. SALTONSTALL. As I understand, this service will not require the use of air-mail delivery stamps.

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. SALTONSTALL. It will have nothing to do with the air mail?

Mr. JOHNSTON of South Carolina. No. It involves transportation of mail from one point to another.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina to the committee amendment on page 4, line 12.

The amendment to the amendment was agreed to.

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

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 6, in the committee amendment, it is proposed to strike out all after the word "bidder" down to and including the word "located" in line 13 and insert in lieu thereof the following: "is a resident of or qualified to do business as a common carrier by air in a State within which one or more points to be served under such proposed contract are located."

Mr. HAYDEN. Mr. President, this part of the bill came to my attention by reason of a letter addressed to me by members of the Arizona Corporation Commission. The letter is as follows:

ARIZONA CORPORATION COMMISSION,
Phoenix, April 18, 1949.

HON. CARL HAYDEN,
Senator from Arizona,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HAYDEN: It has come to our attention that H. R. 3842, a bill concerning certain air-mail star routes, has been introduced. We would like to respectfully call your attention to an unfortunate situation which could be simply rectified during consideration of this bill. As it stands bidders on other than air-transportation matters have to have the proper licenses and be otherwise qualified in the State concerned. For some reason the Comptroller General's Office has ruled that such is not the case in air transportation. As a result contracts are awarded to unqualified carriers and the qualified carriers file complaints which we are forced to act upon. Our docket is made even more crowded and it is an expense and trouble for all concerned.

It should not be difficult to set forth that bidders must be qualified not only for the standards already required but also must have any necessary legal qualifications and licenses by the appropriate State authorities in the States involved. Of course, some States have no air-transportation regulation and in the absence of such regulation any bidder would meet this requirement because there would be none necessary.

Hoping that you can find some way to amend this legislation so as to eliminate the wasteful results we have outlined, we are,

Very sincerely yours,

WILLIAM T. BROOKS,
Chairman.

W. T. WRIGHT,
Commissioner,

MIT. SIMMS,
Commissioner.

The language of the bill to which my amendment relates provides as follows:

That no bid for a contract under this section shall be considered unless the bidder—

This is the language which I propose to strike out:

(1) If an individual is a resident of a State within which, or if a State adjoining a State within which, one or more points to be served under such proposed contract are located; or (2) if a corporation, company, association, partnership, or firm is actually engaged in business in a State within which, or in a State adjoining a State within which one or more points to be served under such proposed contract are located.

I propose to insert:

Is a resident of or qualified to do business as a common carrier by air in a State within which one or more points to be served under such proposed contract are located.

It seems to me that simplifies the matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PRIVILEGES OF FREE IMPORTATION, EXTENSIONS OF TIME FOR TAX PURPOSES, AND FACILITATION OF TAX ADMINISTRATION

The Senate proceeded to consider the bill (H. R. 5086) to accord privileges of free importation to members of the armed forces of other nations, which had been reported from the Committee on Finance with amendments.

The amendments were, on page 1, line 3, after the word "That", to insert "(a)"; on page 2, at the beginning of line 14, to strike out "Sec. 2." and insert "(b)"; in line 15, after the word "this", to strike out "act" and insert "section"; in line 18, at the beginning of the line, to strike out "Sec. 3. This act" and insert "(c) This section"; in line 21, after the words "date of", to strike out "its"; in the same line, after the word "enactment", to insert "of this act", and after line 21, to insert:

SEC. 2. Extension of time for claiming refund with respect to war losses.

The joint resolution of June 29, 1948 (Public Law 828, 80th Cong.), is hereby amended by striking out "1949" wherever appearing therein and inserting in lieu thereof "1950."

SEC. 3. Extension of time in the case of discharge of indebtedness.

Section 22 (b) (9) and section 22 (b) (10) of the Internal Revenue Code are hereby amended by striking out "1949" and inserting in lieu thereof "1950."

SEC. 4. Verification of returns.

(a) Chapter 38 of the Internal Revenue Code is hereby amended by inserting at the end thereof the following new section:

"SEC. 3809. Verification of returns; penalties of perjury.

"(a) Penalties: Any person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than $2,000 or imprisoned not more than 5 years, or both.

"(b) Signature presumed correct: The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him.

"(c) Verification in lieu of oath: The Commissioner, under regulations prescribed by him with the approval of the Secretary, may require that any return, statement, or other document required to be filed under any provision of the internal revenue laws shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required."

(b) Sections 51 (d), 145 (c), and 1630 of such code are hereby repealed.

(c) The amendments made by this section shall be applicable with respect to any return, statement, or document filed after the date of the enactment of this act.

SEC. 5. Reports of compensation.

Section 148 (f) of the Internal Revenue Code (relating to reports of compensation of corporate officers and employees exceeding $75,000) is hereby repealed.

SEC. 6. Failure to file return or pay tax.

Section 1626 (c) of the Internal Revenue Code is hereby repealed, and section 1631 of such code is hereby amended to read as follows:

"SEC. 1631. Failure of employer to file return or pay tax.

"In case of a failure to make and file any return, or a failure to pay any tax, required by this chapter, or both, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax shall not be less than $5."

SEC. 7. Returns and payment of excise taxes.

(a) Section 3310 of the Internal Revenue Code (relating to returns and payment of tax) is hereby amended by adding at the end thereof the following new subsection:

"(f) Discretion allowed commissioner.—

"(1) Returns and payment of tax: Notwithstanding any other provision of law relating to the filing of returns or payment of any tax imposed by chapter 9, 9A, 10, 12, 19, 21, 30, 32, subchapter A of chapter 25, or subchapter A of chapter 29, the Commissioner may by regulations approved by the Secretary prescribe the period for which the return for such tax shall be filed, the time for the filing of such return, the time for the payment of such tax, and the number of copies of the return required to be filed.

"(2) Use of Government depositaries: The Secretary may authorize Federal Reserve banks, and incorporated banks or trust companies which are depositaries or financial agents of the United States, to receive any tax imposed by this title, in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such tax by such banks and trust companies is to be treated as payment of such tax to the collector."

(b) Section 8 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 771), is hereby amended by striking out "income and excess profits taxes" and inserting in lieu thereof "internal revenue taxes."

SEC. 8. Delegation of assessment authority.

Chapter 35 of the Internal Revenue Code is hereby amended by adding at the end thereof the following new section:

"SEC. 3647. Delegation of assessment authority.

"The Commissioner, under regulations approved by the Secretary, is authorized to delegate to any officer or employee of the Bureau of Internal Revenue, including the field service, any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under section 3640, 3641, or 3642."

SEC. 9. Credit or refund of overpayment of tax.

(a) Section 3770 (a) of the Internal Revenue Code is hereby amended by renumbering paragraph (5) as paragraph (6), and by amending paragraph (4) to read as follows:

"(4) Credit of overpayment of one class of tax against another class of tax due: Nothwithstanding any provision of law to the contrary, the Commissioner may, in his discretion, in lieu of refunding an overpayment of tax imposed by any provision of this title, credit such overpayment against any tax due from the taxpayer under any other provision of this title.

"(5) Delegation of authority to collectors to make refunds: The Commissioner, with the approval of the Secretary, is authorized to delegate to collectors any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under paragraph (1), (2), (3), or (4) of this subsection, or under section 322 or 1027, where the amount involved (exclusive of interest, penalties additions to the tax, and additional amounts) does not exceed $10,000."

(b) Section 3772 of such code is hereby amended by adding at the end thereof the following new subsection:

"(e) Credit treated as payment: The credit of an overpayment of any tax in satisfaction of any tax liability shall, for the purpose of any suit for refund of such tax liability so satisfied, be deemed to be a payment in respect of such tax liability to the collector in office at the time such credit is allowed."

SEC. 10. Report to Congress of refunds.

(a) Section 3776 of the Internal Revenue Code (relating to reports to Congress of refunds) is hereby repealed.

(b) Section 3777 of such code (relating to review of refunds and credits by the Joint Committee on Internal Revenue Taxation) is hereby amended by striking out "$75,000" wherever appearing therein and inserting in lieu thereof "$200,000."

SEC. 11. Collectors' salaries.

Section 3944 (b) of the Interial Revenue Code (relating to adjustment and limit of collectors' salaries) is hereby amended to read as follows:

"(b) Adjustment and limit of salaries: The salaries of collectors may be readjusted and increased under such regulations as may be prescribed by the Commissioner, subject to the approval of the Secretary, but no collector shall receive a salary in excess of the highest scheduled rate of compensation established by the Classification Act of 1923, as amended, or by any law hereafter enacted superseding such act."

SEC. 12. Expenses of detection of frauds.

Section 3792 of the Internal Revenue Code is hereby amended by inserting after the words "The Commissioner," the following "under regulations prescribed by him."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. McCARRAN. Mr. President, I sought the attention of the Chair before the bill was passed. I should like to have an explanation as to what the bill amounts to, as now amended.

Mr. GEORGE. I shall be glad to make a brief statement, and to file for the RECORD a complete statement.

This bill has two main purposes, first, the extension for 1 year of the act providing for the filing of war-loss claims for 1941 and 1942. It is not for the purpose of permitting stale claims to be carried over and subsequently asserted, but the purpose is to enable a taxpayer to determine whether he wishes to file a war-loss claim for property which has been well kept while in enemy hands and perhaps has been repaired, because in many instances the taxpayer desires to retain his base.

The other main purpose of the bill is to permit corporations to retire their indebtedness without recognition of gain for such retirement.

Both acts affected had most careful consideration in the Finance Committee and the Ways and Means Committee, and both are on the statute books at the present time. By this measure they are merely being extended for 1 year, each. The whole purpose of this measure is to enable the staffs of the Joint Committee on Internal Revenue Taxation and the Treasury to give further study in order to report to the committee whether these acts should become permanent.

All the other amendments relate to technical matters, and none of them affect tax liability. All of them are amendments recommended by the Joint Committee on Internal Revenue Taxation, and they have the approval of the Secretary of the Treasury, and are greatly desired in order to facilitate such matters and to enable the Office of Commissioner of Internal Revenue to avoid many duplications.

One particular amendment to which I call attention simply removes the limitation of $7,500 upon the salaries paid to collectors of internal revenue in the several States. At the present time, and for 21 years, those salaries have remained unchanged. There are many collectors of internal revenue throughout the country who should be paid more than $7,500 a year. That limitation is simply relieved by this measure, but they will still be under the classified civil service, so far as advancement in grade or increased salaries which may be awarded are concerned.

Mr. McCARRAN. I may say to the Senator from Georgia that I am among those who have before the Senator's committee amendments for the elimination of certain nuisance taxes. The measure now before us is a revenue bill. I do not think it is the proper vehicle to which one would care to attach any of the amendments to which I have referred. But I hope the Senator from Georgia will, within a reasonably prompt time, consider some bill to which we can

propose amendments for the elimination of certain nuisance taxes, such as the tax on cabarets, the tax on transportation, and the like.

I would not care to burden this bill by such amendments, although it might be proper to do so, inasmuch as it is a revenue bill. But I would not care to burden this bill with such amendments, even though they are germane to the bill.

Mr. GEORGE. Let me say to the Senator from Nevada that a bill previously passed over on the calendar, and not to be called today, contains provisions for many of the excise taxes, and to that bill the amendments mentioned by the Senator from Nevada would be in order.

Mr. McCARRAN. I thank the Senator.

Mr. GEORGE. Mr. President, I ask that a full statement which I send to the desk be incorporated in the RECORD at this point.

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

STATEMENT IN RESPECT TO THE PROVISIONS OF THE BILL, H. R. 5086, AFFECTING OPERATING IMPROVEMENTS WITHIN THE BUREAU OF INTERNAL REVENUE

The bill includes 10 provisions devoted solely to simplifying the work of the Bureau of Internal Revenue and the improvement of its operations. The Commissioner of Internal Revenue, in testifying recently before the Appropriations Committee of the Senate, described in detail his efforts to eliminate every nonessential task so that every dollar appropriated for the collection of the revenue may be used for that purpose, particularly in respect to the employment of frontline enforcement officers whose sole duty it is to collect the taxes due under the statutes. Certain obsolete provisions of the Internal Revenue Code require him to spend part of the funds appropriated for the collection of taxes on useless endeavors. The Commissioner has asked that we aid him in his effort to get rid of these jobs. As you know, there has been no opportunity in recent years for the Bureau to obtain amendments to the code of a purely operating nature, as each revision was limited to some upward or downward adjustment in tax liabilities or matters of a technical nature. I think it is unfortunate that we have not had time to devote to a review of the Internal Revenue Code with the sole objective of modernizing some of the provisions which deal wholly with operations of the Internal Revenue service as they affect compliance costs on the part of the Bureau and the taxpaying public. The few simple revisions which the Commissioner of Internal Revenue feels are most pressing at this time involve no change in anyone's tax liability. There are quite a number which he would like to have us consider, but in view of the time situation he has limited his recommendations to 10 in number.

He asks first that he be relieved of the very expensive and useless task of examining annually some thirty-odd million refund items for the purpose of identifying and listing for the Congress the names of approximately 185,000 individuals who receive refunds of $500 or more. When this provision of law was enacted, this was a relatively simple job, but with the advent of current tax payment it developed into an undertaking of sizeable proportion, involving the expenditure of many thousands of dollars which can be far better used in the collection of delinquent taxes.

Second, he asks that the present $75,000 minimum on refunds which are required to be reported to the Joint Committee on Internal Revenue Taxation and for which detailed records must be prepared, be raised to $200,000. In view of the increased tax rates, the $200,000 figure is relatively much smaller than the $75,000 when enacted in the law. This change will obviate the work now performed by the Bureau in the preparation of the public record on some 400 cases falling between $75,000 and $200,000. Moreover, it will eliminate the excessive review load on the staff of the joint committee. In addition, it will expedite the final closing of those cases by some 30 to 60 days, and thereby reduce by several hundred thousand dollars the interest which would otherwise have to be paid.

Third, he asks that all taxpayers be relieved of the cost and annoyance of having to have these returns notarized by permitting the returns to be filed under the penalties of perjury just as has been the case for several years by all individual income taxpayers. He reports that this method of attesting to the accuracy of individual income-tax returns has worked out well and should be extended to all other classes of taxpayers. At present an individual shopkeeper can file his income-tax return with a tax liability of $10,000 without notarization, but this monthly excise return of a few dollars must be notarized. In those instances in which the shopkeeper forgets to have his return notarized, it is incumbent upon the Collector of Internal Revenue to obtain a properly completed return. This costs money both to the Government and the taxpayer; and should be corrected.

Fourth, he suggests that the present requirement that corporations report on a separate schedule the names of all officers and employees to whom compensation in the form of salaries and bonuses of $75,000 and over be eliminated. Under the law the Commissioner has to make public the information in respect to such compensation. This requires him to examine the contents of all returns to detach the salary schedule and then prepare the list of all such persons for publication. He feels that this serves no useful purpose and the expenditure involved is unjustified.

Fifth, he asks that he be given authority to put on a quarterly basis certain excise tax returns now required by law to be filed monthly. This would reduce the number of returns for many taxpayers from 12 to 4 which will save much paper work for both the taxpayer and the Bureau. Again, he points to the rather analogous situation in which a shopkeeper who has a few dollars in excise tax to pay must file 12 returns a year, but who might have many times that amount in withholding and social-security tax but is required to file only 4 times a year. As a part of this suggestion, he also asks for authority to use the depositary-receipt system, which is now applicable to withholding and social-security taxes, for the payment of excise tax. Under this system the Government would, for the most part, receive the revenue monthly even though the returns are filed quarterly. The depositary-receipt system provides a means for the taxpayer to deposit the tax with the bank for the account of the Government.

Sixth, he asks that the minimum penalty for failure to make and file a return or to pay any tax in the case of the withholding tax and the social-security tax be made to conform with each other. At the present time the minimum withholding penalty is $10 and there is no minimum for social security. He suggests that this minimum penalty be $5 in the case of each tax. His reason for this is that beginning January 1, 1950, he proposes to combine the two separate returns into one return for taxpayer convenience, as well as bookkeeping convenience of the Bureau. Since the two taxes will be reported on the same return, it appears more logical to have the penalties conform. Rather substantial savings in operating costs are anticipated as a result of the combined form. This is based on a test which has been made in the collection district of Maryland in which the combined form has been in operation for about a year.

Seventh, he asks that permission be given to credit one class of tax against another. Again, using the shopkeeper as an example, if he has a refund due him on account of his income tax, but has unpaid liabilities on account of an excise tax, the collector has no authority to make an offset. He must either release the refund check and proceed through usual channels to make collection of the excise tax, or follow the rather awkward course, which he often does, of giving the refund check to the taxpayer and request him to endorse it and give it back to him. This is a very unbusinesslike arrangement, particularly in these times when the Bureau is refunding annually more than $2,000,000,000 and at the same time has today more than one-half billion dollars in past-due accounts for which warrants for distraint have been issued.

Eighth, he asks that he be permitted to delegate the function of signing assessment certificates. Under present law, the Commissioner is required to personally perform the act of signing a certificate which makes tax liabilities collectible. By requiring that the Commissioner personally sign necessitates the physical movement of all certificates to the Washington office from each of the 64 collection districts. By delegating this function to responsible officers located nearer each collection office, much time and expense will be saved in the movement of papers between the Washington and field offices. The actual tax determination, which is the significant part of the task, was delegated several years ago to field officers.

Ninth, he asks that the $7,500 limitation on collectors salaries be eliminated, so as to permit collectors of internal revenue to be given compensation commensurate with the salaries paid other officers in the classified service such as, for example, internal-revenue agents in charge, special agents in charge, technical staff heads, and division counsel. The $7,500 limitation was written into the law 21 years ago, and manifestly creates a morale problem in the light of present-day conditions.

Tenth, he asks that some of the red tape be cut in the matter of payment of informers rewards. Today, every reward must be approved by the Secretary of the Treasury. The Commissioner recommends shortening the procedure by permitting him to approve the rewards "under regulations prescribed by the Secretary of the Treasury." The payment of rewards is not a matter of major importance, and the Secretary should be relieved of the paper work involved in signing the payment schedules transmitted to him, and all employees should be relieved of the record work incident to the handling of papers moving physically to and from the Commissioner's office to the office of the Secretary.

To all of us interested in economy in Government operations, and more effective collection of our revenue, I feel certain that the streamlining efforts of the Internal Revenue Service as reflected in the provisions of the bill, which has been favorably reported by the Finance Committee, will commend itself to the Senate.

The VICE PRESIDENT. As previously stated, the bill has been passed.

The title was amended so as to read: "An act to accord privileges of free importation to members of the armed forces of other nations, to grant certain extensions of time for tax purposes, and to facilitate tax administration."

COMPUTATION OF CERTAIN RETIREMENT ANNUITIES

The bill (H. R. 3756) to amend the Civil Service Retirement Act of May 29, 1930, to provide that the annuities of certain officers and employees engaged in the enforcement of the criminal laws of the United States shall be computed on the basis of their average basic salaries for any five consecutive years of allowable service, was announced as next in order.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. JOHNSTON of South Carolina. Mr. President, this bill makes those working in the enforcement of the criminal laws of the United States come under the same retirement classification as other Government employees, namely, that when they retire they can choose any 5 years which they desire to choose for the purpose of the computation of their retirement annuity. At the present time under the law their status is not the same as that of other Government employees in that respect. That difference occurred when we were passing the law a few years ago. At that time we inserted a provision that such employees must use the last 5 years of their service, instead of any 5 years, in computing their retirement annuity. This bill simply makes the retirement system uniform.

Mr. RUSSELL. Mr. President, is there any estimate as to the probable cost of this bill?

Mr. JOHNSTON of South Carolina. In the Commission's opinion, there would be very little cost, because all such employees choose the last 5 years of their service, as a rule, and the salaries are generally higher during the last 5 years. Therefore, this measure will involve very little cost, if any.

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

There being no objection, the bill (H. R. 3756) was considered, ordered to a third reading, read the third time, and passed.

REPEAL OF LIMITATION ON COMPENSATION OF CERTAIN RURAL CARRIERS

The bill (S. 1231) to repeal the limitation upon the total annual compensation of certain rural carriers serving heavily patronized routes, was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, reserving the right to object, I note that the Civil Service Commission and the Bureau of the Budget are opposed to the passage of this bill. I assume that is because of the cost involved. It should be noted that the cost is likely to exceed $1,000,000.

I should like to have an explanation of the bill.

Mr. HUMPHREY. Mr. President, it is true that the Post Office Department and the Civil Service Commission did have opposition to this bill; but the testimony before the committee was quite clear-cut, and the committee unanimously approved the bill, as did the subcommittee.

It was also pointed out at the subcommittee hearings that the Post Office Department estimates were theoretical maximum estimates, with which the subcommittee thoroughly disagreed. In other words, the Post Office Department estimated that under this particular bill all rural mail carriers would be the beneficiaries of this allowance. However, the subcommittee estimated that the rural mail carriers who would be the beneficiaries of the allowance made by this bill would be very limited in number, probably less than 5 percent; and we consider the cost of the bill to be very moderate.

More than that, we consider the change proposed by the bill to be simple equity, in the sense that the rural mail carriers are carrying the extra load and are working far beyond the established workweek of 40 hours, which is the general governmental standard. Furthermore, these men are carrying large amounts of mail; whereas carriers who are carrying much smaller amounts of mail, over shorter routes, and working a lesser number of hours, are receiving far more compensation than would be permitted the rural carriers under this measure.

Mr. HENDRICKSON. I thank the Senator. I withhold objection.

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

There being no objection, the bill (S. 1231) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second proviso of section 17 (d) of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended (limiting in certain cases the amount which may be paid to rural carriers on heavily patronized routes), is hereby repealed.

EQUIPMENT MAINTENANCE ALLOWANCE PAYABLE TO RURAL CARRIERS

The bill (S. 1232) to increase the equipment maintenance allowance payable to rural carriers was announced as next in order.

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

Mr. RUSSELL. Mr. President, may we have a statement of the probable cost?

Mr. HUMPHREY. Mr. President, this bill provides that rural mail carriers will receive 9 cents a mile, and also provides a minimum per diem for rural mail carriers, in the amount of $3.50—that is, if the amount received on the mileage is less than $3.50, the rural mail carrier would receive the maximum figure of $3.50. The total maximum cost as computed by the Department is $11,000,000.

I may point out, Mr. President, that the Congress has already favorably acted upon increased per diem and increased mileage for other Government servants. There has always been some discrepancy between the rural mail carrier and other Government employees. I think it is only fair to suggest that the rural mail carrier does not always have concrete highways, he does not always have the finest types of road on which to travel, and he is also compelled to cut down on his mileage by about a half-mile run for delivery of a special-delivery letter.

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

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. Does the estimate which the Senator from Minnesota indicated also cover additional maintenance and equipment costs?

Mr. HUMPHREY. It does. That is the full estimate of the Post Office Department.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (e) of section 17 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service, to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended (Public Law 134, 79th Cong.), is amended to read as follows:

"(e) In addition to the salaries provided in this section, each carrier in the rural delivery service shall be paid for equipment maintenance a sum equal to (1) 9 cents per mile per day for each mile or major fraction of a mile scheduled or (2) $3.50 per day, whichever is the greater. Payments for equipment and maintenance as provided herein shall be at the same periods and in the same manner as payments for regular compensation to rural carriers."

SEC. 2. This act shall become effective on the first day of the first month following the date of its enactment.

BILLS PASSED OVER

The bill (S. 660) to amend the act of June 27, 1944, Public Law 359, and to preserve the equities of permanent classified civil-service employees of the United States was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. SCHOEPPEL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 3851) to amend Public Law 289, Eightieth Congress, with respect to surplus airport property, and to provide for the transfer of compliance functions with relation to such property was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. SCHOEPPEL. Over. By request, I ask that the bill go over.

The PRESIDING OFFICER. On objection, the bill is passed over.

AMENDMENT OF VETERANS' PREFERENCE ACT

The bill (S. 1937) to amend the Veterans' Preference Act of 1944 was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL. Mr. President, I should like to have an explanation of how the Veterans' Preference Act is affected by the bill.

Mr. HUMPHREY. Mr. President, Senate bill 1937 is the product of a long series of hearings pertaining to Senate bill 660, which was just passed over. It was found that in making dismissals from Government service, particularly in the Veterans' Administration, as well as in other agencies, a number of disabled veterans of World War II in particular, who had service-connected disabilities of 60 percent or more were being dismissed. I think I should point out that many of these men may have been in combat service only for 1 day, but they were seriously injured and were brought home, suffering 60-percent disability or more. They have Federal jobs. A man who never went overseas, a person who was not in combat at all, would have priority. This bill affects the disabled veteran with 60-percent disability or more, and gives him absolute veterans' preference.

Mr. RUSSELL. I understand the bill strengthens the veterans' preference.

Mr. HUMPHREY. That is correct; it strengthens veterans' preference.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service, with an amendment to strike out all after the enacting clause and in lieu thereof to insert the following:

That section 12 of the Veterans' Preference Act of June 27, 1944, be amended by inserting "(a)" after "section 12" and by adding at the end thereof the following subsection:

"(b) Notwithstanding any other provision of this act of any other law, any preference employee whose efficiency rating is 'good', or better and who has a service-connected disability of 60 percent or more or who has suffered the amputation of an arm above the wrist or of a leg above the ankle or the enucleation of an eye and as a result thereof has a service-connected disability of at least 40 percent at the time of a reduction in force shall be retained in preference to all competing employees who do not have such efficiency ratings and service-connected disability ratings, regardless of the length of service or higher efficiency ratings of such competing employees."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide greater retention preference for severely disabled war veterans in reductions in force."

ONE HUNDREDTH ANNIVERSARY OF THE BUILDING OF THE SOO LOCKS

The bill (H. R. 5188) to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo locks was considered, ordered to a third reading, read the third time, and passed.

Mr. O'CONOR. Mr. President, there is on the calendar, Order 645, Senate bill 2083, a bill to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo locks, introduced by the senior Senator from Michigan [Mr. VANDENBERG], who is very actively interested in behalf of this bill. It contains the same subject matter. I move that the Senate bill be indefinitely postponed.

The motion was agreed to.

W. P. BARTEL

The bill (S. 2170) for the relief of W. P. Bartel was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That W. P. Bartel, certifying officer of the Interstate Commerce Commission, is hereby relieved of all liability to the United States incurred by reason of the payment of $67.32 to Milford M. Tinsley in March 1943, for traveling and other expenses incurred in connection with a change of official headquarters, such payment having been held by the Comptroller General of the United States to be erroneous because travel was performed prior to the date of the travel order.

BILL PASSED OVER

The bill (S. 1031) amending Public Law 49, Seventy-seventh Congress, providing for the welfare of coal miners, and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, by request, I ask that this bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

W. C. JACKSON—BILL REFERRED TO THE COURT OF CLAIMS

The resolution (S. Res. 137) referring bill S. 2185 to the Court of Claims was considered and agreed to, as follows:

Resolved, That the bill (S. 2185) entitled "For the relief of W. C. Jackson," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

CALVIN D. LYNCH ET AL.

The bill (S. 777) for the relief of Calvin D. Lynch & Son; W. Thomas Lockerman; Sudlersville Supply Co.; George C. Moore and H. A. Moore; J. McKenny Willis & Son, Inc.; Hobbs & Jarman; C. S. Thomas; and Royse R. Spring was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Calvin D. Lynch & Son, Ridgely, Md., the sum of $340.29; to W. Thomas Lockerman, Denton, Md., the sum of $300; to Sudlersville Supply Co., Sudlersville, Md., the sum of $1,310; to George C. Moore and H. A. Moore, trading as Moore Bros., Queen Anne, Md., the sum of $1,056; to J. McKenny Willis & Son, Inc., Easton, Md., the sum of $1,921.39; to Hobbs & Jarman, Greensboro, Md., the sum of $735; to C. S. Thomas, Centreville, Md., the sum of $1,219; and to Royse R. Spring, Easton, Md., the sum of $584. Such sums represent the amounts the above-named grain dealers were required by the Office of Price Administration to pay to the United States on account of alleged overcharges by them for services rendered in connection with grain handling on Commodity Credit Corporation loans to farmers for the year 1944. Such alleged overcharges were made for new services at rates approved by the Commodity Credit Corporation which the Office of Price Administration subsequently refused to recognize.

TRAVEL ALLOWANCE FOR GOVERNMENT EMPLOYEE WITNESSES—BILL PASSED OVER

The bill (H. R. 4875) to amend title 28 of the United States Code relating to travel expense allowance for Government employee witnesses was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to ask one or two questions about this measure. I should like to know, for example, what type of subpena is involved in this legislation, which would entitle an employee to receive this travel allowance.

Mr. O'CONOR. Mr. President, it is considered by the Judiciary Committee that any official notification which requires a Government employee to respond and to proceed to a court hearing would enable him to receive this travel allowance. I may say the amount fixed is identical with that which is paid to Government employees when engaged away from their accustomed place of employment. It is an increase to 7 cents a mile for the use of a privately owned automobile, and to $9 per diem in lieu of subsistence. Such a provision has been made by law for the benefit of Government employees generally, and this measure brings into conformity the same scales when Government employees are required to testify in court proceedings.

Mr. HENDRICKSON. Would an employee be entitled to travel allowance for an appearance before a congressional hearing?

Mr. O'CONOR. Not unless it is in response to a subpena.

Mr. HENDRICKSON. What would be the approximate cost, in practice?

Mr. O'CONOR. We have endeavored to ascertain the cost. It is quite difficult to anticipate how many court proceedings there will be in the course of a year, but it is not considered to be very much.

Mr. HENDRICKSON. I thank the Senator.

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

Mr. O'CONOR. I yield.

Mr. WILLIAMS. Can the Senator from Maryland tell me how 7 cents per mile compares with the amount which the Treasury Department allows a taxpayer in the computation of his taxes?

Mr. O'CONOR. I am unable to say. We made certain requests to find out from other Government departments what was allowed. I am unable to say exactly, but this is the identical amount which is allowed to Government employees when on official business.

Mr. WILLIAMS. I understand that, but I had the matter called to my attention. I do not have the letter with me now. It was called to my attention by two taxpayers in our State. The Bureau of Internal Revenue had issued a ruling that they were only allowing 5 cents a mile for the first 10,000 miles, and 2 cents a mile thereafter. I felt that if the taxpayer can ride for 5 cents a mile for the first 10,000 miles, and for 2 cents a mile thereafter, perhaps the Government employee could do the same.

Mr. O'CONOR. I may say to the Senator from Delaware that has been the amount which has been allowed in the past, and if the Senate sees fit to pass this bill, it may be that an appropriate increase will be made.

Mr. WILLIAMS. I ask that this bill go over until we can obtain further information.

The PRESIDING OFFICER. The bill will be passed over.

CARLOS RIGGENBACH

The bill (S. 986) for the relief of Carlos Riggenbach, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Nevada whether this is not a measure which provides certain rights accruing to this individual, who claimed to be an alien, and who filed his selective service form with his draft board for the purpose of visiting his parents in Brazil. He contended he wanted to make a trip, but he did not make the trip. I desire to ask the distinguished Senator whether the effect of the bill, if enacted, would be to waive the provision of law to the effect that any person who receives a draft exemption as an alien, thus barring him from applying for United States citizenship, may now become a United States citizen. The letter from the Attorney General seems to make clear that the alien must have realized that his filing for an exemption from the draft would result in forfeiting any future right to apply for United States citizenship. I should like to have an explanation.

Mr. McCARRAN. Mr. President, the evidence is incomplete as to whether this alien was a draft evader. It may be that he was a draft evader, but there is some evidence that he had been advised by the Swiss Legation that his action in seeking exemption from military service for the alleged purpose of making a trip would not interfere with his later application for United States citizenship.

On the opposite side is evidence that the form which he signed clearly states on its face that the applicant is relieved from military service, but that he shall thereafter be barred from becoming a citizen of the United States.

This bill, however, does not grant this alien citizenship. It merely authorizes his continued residence in the United States. Evidently, if the bill should be enacted, he could become a citizen by following normal naturalization procedure. It is probable this bill would have been turned down by the Committee on the Judiciary except for one fact which the committee was unable to ignore. That fact is that this alien is married to an American girl, a citizen of the United States, and has a child who is a native-born citizen. The child is a cripple. If this man were sent out of the country the wife would be unable to support herself and the child, and would be a dependent.

He is earning approximately $250 a month. He owns his own home, though it is heavily mortgaged, and he has been accumulating a savings account. His employers indicate that his job is steady, and the evidence is that he is regarded in his community as a person of good moral character. Under the circumstances, the committee did not feel that it wished to deny his wife and his crippled child, both American citizens, the care and support which he has been giving them.

Mr. SCHOEPPEL. Mr. President, I wanted to be certain that this bill did not establish a precedent whereby a person could come into this country, evade a draft, and receive the emoluments of an American citizen by having a special enactment. But the special circumstances set forth by the Senator from Nevada seem to take the case out of that category.

Mr. McCARRAN. I hope it does. I join with the Senator from Kansas in the expression of his thought.

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

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Carlos Riggenbach as of May 5, 1941, the date upon which he was admitted temporarily to the United States as a student. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Switzerland during the current year.

ABE LINCOLN AND ELENA B. LINCOLN

The Senate proceeded to consider the bill (S. 1096) for the relief of Abe Lincoln and Elena B. Lincoln, which had been reported from the Committee on the Judiciary, with amendments in line 6, after the word "of", to strike out "$1,003" and insert "$865"; and in line 7, after the words "sum of", to strike out "$686.33" and insert "$548.22", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Abe Lincoln, of Albuquerque, N. Mex., the sum of $865, and to Elena B. Lincoln, of Albuquerque, N. Mex., the sum of $548.33, in full satisfaction of their respective claims against the United States for reimbursement of amounts withheld from their salaries as employees of the Bureau of Indian Affairs at Fort Defiance, Ariz., for living quarters for the period from August 1, 1925, to April 30, 1931, during which period they occupied privately owned living quarters.

Mr. CHAVEZ. Mr. President, I hope the Senate will permit me to speak for a couple of minutes with reference to this bill. I am speaking in disagreement to the Senate amendment. The bill is for the relief of Abe Lincoln and Elena B. Lincoln, who are Navajo Indians. It appears that the claimants are employed by the Bureau of Indian Affairs at Fort Defiance, Ariz., and that deductions are made from their salaries for Government living quarters, although they occupied privately owned living quarters because no Government quarters were available for their use. These persons went to work for the Indian Bureau at Fort Defiance, and the Government had no place where they could stay. The man and woman got down in the earth, mixed mud with straw, made adobe, and built their own house, and yet the Indian Bureau wants to deduct for living quarters which these Indians constructed for themselves. According to the report, the Bureau is deducting $1,003 from poor Abe Lincoln. His simplicity of living, his honesty of purpose, make him correctly named. After they took away $1,003, the Indian Bureau recommends a further deduction. Uncle Sam can give $6,000,000,000 to Europe, but here is a poor woman who built her own adobe quarters and has $886.33 deducted. The Indian Bureau recommends that she be short-changed down to $548.

I ask the Senate to reject that amendment and give these poor people Abe Lincoln justice.

Mr. McCARRAN. Mr. President, it appears from the report of the Department of the Interior that the amounts, $865 and $543.32, respectively, represent deductions for Government quarters which were not supplied. I call the attention of the Senator from New Mexico to the fact that $138 in each case represents charges for furniture, fuel, and lights which were supplied for use in the claimants' privately owned living quarters. That is the reason for the deduction. I have nothing further to say.

Mr. CHAVEZ. Mr. President, I am sure the Senator from Nevada, who has been a fine judge in his State, knows that, after all, equity does prevail once in a while. The Indians involved were not paid anything whatsoever for building their house, so I think the Government should pay for the furniture.

Mr. McCARRAN. Mr. President, I understand this poor woman built the adobe hut with mud, with her own hands. I recall that equity must come in with clean hands.

Mr. CHAVEZ. The Senator is from the West, and he understands that when we use mud, and then wash our hands, they are more clean than if we used Lava soap.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARVEY M. LIFSET

The bill (H. R. 607) for the relief of Harvey M. Lifset, formerly a major in the Army of the United States, was considered, ordered to a third reading, read the third time, and passed.

LAWRENCE FONTENOT

The bill (H. R. 691) for the relief of Lawrence Fontenot, was considered, ordered to a third reading, read the third time, and passed.

LOIS E. LILLIE

The bill (H. R. 1023) for the relief of Lois E. Lillie, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, I wonder if the sponsor will answer a question or two with reference to this bill. Is it not true that the Army is opposed to this award?

Mr. McCARRAN. The Department made two recommendations: First, that the bill be rejected; second, that if it should be approved, the amount should not exceed $500.

Notwithstanding these recommendations, the House of Representatives approved an amount of $1,000, and the Senate Committee on the Judiciary, having concluded that the bill was meritorious, preferred to go along with the House of Representatives as to the amount rather than to go along with the Department of the Army and cut the House figures. The committee has always given most careful consideration to reports of the departments and agencies of the Government, but it has never felt it was bound by their reports or recommendations.

Mr. HENDRICKSON. Why is there a second award in this case? I note that the Seventy-ninth Congress made an award to Lois E. Lillie.

Mr. McCARRAN. I have no idea at this time why there was a second award. This case stands on its own feet in regard to an award.

Mr. HENDRICKSON. I am informed, Mr. President, that the Seventy-ninth Congress did not pass such a bill; that the bill passed only one Chamber.

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

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ALBERT BURNS

The bill (H. R. 1069) for the relief of Albert Burns was considered, ordered to a third reading, read the third time, and passed.

HARRY C. METTS

The bill (H. R. 1075) for the relief of Harry C. Metts was considered, ordered to a third reading, read the third time, and passed.

ST. ELIZABETH HOSPITAL, YAKIMA, WASH.

The bill (H. R. 1619) for the relief of St. Elizabeth Hospital, Yakima, Wash., and others, was considered, ordered to a third reading, read the third time, and passed.

JACK PHILLIPS

The bill (H. R. 1672) for the relief of Jack Phillips was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I note that the District Commissioners recommend adverse action on this bill, and I should like an explanation of why they should be overruled by the Congress.

Mr. McCARRAN. The Commissioners of the District of Columbia have opposed this bill on two grounds. First, that there was no negligence on the part of the driver of the fire truck. Second, on the rather amazing ground that it would be an undesirable precedent for the Congress to consider a claim which the Commissioners have rejected.

Taking the second objection first, it seems perfectly clear that the Commissioners of the District of Columbia are in no position to bind the Congress, or foreclose the Congress, or impose their judgment upon the Congress, or substitute their judgment for the judgment of the Congress.

With regard to the matter of negligence, it is unnecessary to decide whether the driver of the truck was negligent. Certainly, the owner of the automobile, who would be the beneficiary of this bill, could not have been negligent. When his automobile was struck by the fire truck, it was parked properly at the side of the street; and he was not even present.

Entirely without regard to the question of negligence, it is clear this damage resulted from governmental operation, and it is not equitable that this single individual should bear the entire expense, rather than having it spread over the entire group of taxpayers who receive the benefits of this governmental operation. This bill charges the damage against the funds of the District of Columbia, and so operates to spread the cost equitably among all taxpayers.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. I object.

The PRESIDING OFFICER. The bill will be passed over.

SAMUEL FADEM

The bill (H. R. 1993) for the relief of Samuel Fadem was considered, ordered to a third reading, read the third time, and passed.

CHARLES W. MILES

The bill (H. R. 2344) for the relief of Charles W. Miles was considered, ordered to a third reading, read the third time, and passed.

FREDA WAHLER

The bill (H. R. 2704) for the relief of Freda Wahler was considered, ordered to a third reading, read the third time, and passed.

IDA HOHEISEL

The bill (H. R. 2925) for the relief of Ida Hoheisel, executrix of the estate of John Hoheisel was considered, ordered to a third reading, read the third time, and passed.

JAMES B. DE HART

The bill (H. R. 3139) for the relief of James B. De Hart was considered, ordered to a third reading, read the third time, and passed.

GEORGE M. BEESLEY, EDWARD D. SEXTON, AND HERMAN J. WILLIAMS

The bill (H. R. 4097) for the relief of George M. Beesley, Edward D. Sexton, and Herman J. Williams was considered, ordered to a third reading, read the third time, and passed.

OPAL HAYES AND D. A. HAYES

The bill (H. R. 3408) for the relief of Opal Hayes and D. A. Hayes was considered, ordered to a third reading, read the third time, and passed.

HERBERT L. HUNTER

The bill (H. R. 4138) for the relief of Herbert L. Hunter was considered, ordered to a third reading, read the third time, and passed.

EVER READY SUPPLY CO. AND HAROLD A. DAHLBORG

The bill (H. R. 4307) for the relief of Ever Ready Supply Co. and Harold A. Dahlborg was considered, ordered to a third reading, read the third time, and passed.

PEARSON REMEDY CO.

The bill (H. R. 4366) for the relief of Pearson Remedy Co. was considered, ordered to a third reading, read the third time, and passed.

MRS. MIRIAM G. WORNUM

The bill (H. R. 4854) for the relief of Mrs. Miriam G. Wornum, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I note that the State Department is opposed to this bill. I think, therefore, we should have an explanation of it.

Mr. McCARRAN. Mr. President, the purpose of the bill is to restore citizenship to a native-born former citizen of the United States who lost her citizenship by voting in British elections.

The beneficiary of the bill was born in San Francisco, Calif., on March 9, 1898, and resided in this country until 1923 when she married Mr. George Grey Wornum, a native and citizen of England. Since her marriage she has resided in England with her husband. She last entered the United States at the port of New York on March 7, 1949, when she was admitted temporarily until September 6, 1949, under section 3 (2) of the Immigration Act of 1924 for business and pleasure.

Mrs. Wornum has stated that she voted in a general election in London, England, in July of 1945 and that she voted in other minor elections before and after that date. On January 3, 1946, she executed an affidavit before the American vice consul at London affirming the fact that she had expatriated herself by voting in the British general elections of July 5, 1945. She further stated that she would not have voted in such elections or used a British passport had she not supposed that she previously lost United States citizenship by reason of her marriage to a British subject.

Mr. Wornum, who is an architect, presently resides in England, but intends to come to the United States and establish himself in business as soon as he can arrange his affairs in England. Mrs. Wornum's aged mother, Mrs. William L. Gerstle, is a patient at the Stanford University Hospital, San Francisco, Calif., where she has been hospitalized for 3 months due to an illness which has resulted in her paralysis. Mrs. Gerstle's physician has stated that her chances of recovery would be enhanced if Mrs. Wornum is permitted to remain with her.

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

Mr. McCARRAN. I yield to the Senator from New Jersey.

Mr. HENDRICKSON. Is it not true that the effect of the bill will be to enable the beneficiary to regain her citizenship without delay by merely taking an oath of allegiance before a diplomatic or consular officer in the United States?

Mr. McCARRAN. That is correct.

Mr. HENDRICKSON. Is it not true that if the bill is not enacted it will not impose any hardship on Mrs. Wornum as to entry or residence?

Mr. McCARRAN. Except that she would be required to leave the country. It is to permit her to remain in the country because of her mother's condition in San Francisco that the bill is presented.

Mr. HENDRICKSON. Is not the British quota undersubscribed?

Mr. McCARRAN. I am not able to answer that at the present moment. I think it is undersubscribed.

Mr. HENDRICKSON. Then no harm could come to Mrs. Wornum from our not enacting the bill; could it?

Mr. McCARRAN. The bill is simply to afford the relief which is set forth, that is, that she be permitted to remain in this country and not be deported.

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

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

POLICING OF UNITED STATES SUPREME COURT

The bill (H. R. 8948) relating to the policing of the building and grounds of the Supreme Court of the United States was considered, ordered to a third reading, read the third time, and passed.

SWAINSBORO JUDICIAL DIVISION, GEORGIA

The bill (H. R. 5287) to amend title 28, United States Code, section 90, to create a Swainsboro division in the southern district of Georgia, with terms of court to be held at Swainsboro, was considered, ordered to a third reading, read the third time, and passed.

MRS. BERTIE GRACE CHEN LEONG

The bill (S. 609) for the relief of Mrs. Bertie Grace Chen Leong was announced as next in order.

Mr. MAGNUSON. Mr. President, I shall object to the consideration of this bill, but I desire to make an explanation as to why I am objecting.

The Senate has been passing bills for many years granting citizenship to members of the Chinese race, and many of the cases are justifiable, but there is pending before the Senate, and there has been for many years, a bill to confer citizenship on a small number of Chinese women who are wives of Chinese merchants, so-called merchants, who were allowed entry into this country with their families under a solemn treaty with the United States ratified many years ago.

I do not know why it is that the Senate is always passing separate bills in cases which are more current—and which may be justifiable—than these cases involving the wives of Chinese merchants, who have been in this country for many years, who have raised their families here, whose husbands are American citizens, but there is always objection made to the bill which has been introduced to take care of those cases. I think that until that matter is settled—and I hope it will be settled—I shall ask that the bill just reached on the calendar go over until the next call of the calendar.

Mr. KNOWLAND. Mr. President, I should like to ask the Senator if he will not withhold his objection. If he will read the report on the bill just called, he will find that this is the case of the widow of an American citizen who has three children in this country. She is beyond the age where she can take care of herself. To send her back to China under the conditions which prevail there now I think would work a great hardship. Her husband and her three children have made a fine contribution to our American way of life, and while I understand the principle which has been enunciated by the Senator from Washington, I certainly hope that in this particular case he will not ask that the bill go over.

Mr. MAGNUSON. I do not say this is not a justifiable case, but the same principle applies to many cases of women who are wives of Chinese merchants who were allowed to come into this country under a solemn treaty, but every time the bill involving those cases has been brought up objection has been made. Some of those women have raised families into the third generation, but we still cannot seem to get the bill through the Congress. However, we do pass bills involving people who are current, and I do not say they are not justifiable cases.

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

Mr. MAGNUSON. I yield to the Senator from North Dakota.

Mr. LANGER. The Senator from Washington undoubtedly alluded to Senate bill 206, introduced by himself and the Senator from California [Mr. DOWNEY], to which I have objected time and again. I shall continue to object unless the sponsors of the bill will amend it so that the wives of these Chinese can come in without being charged to a quota. Representative JUDD, of Minnesota, has introduced a companion bill in the House of Representatives. That bill has been amended. There is in this country, let us say, a Chinese merchant whose wife is in the old country. It has been the universal rule that the wife could come over without being charged to the quotas, so far as the Chinese are concerned. The minute these two Senators, the Senator from California [Mr. DOWNEY] and the Senator from Washington [Mr. MAGNUSON], will amend their bill so that the wives will not be charged to the quota, which is in accordance with the suggestion of Representative JUDD, of Minnesota, who lived in China for a long time, I certainly will withdraw my objection.

Mr. McCARRAN. Mr. President——

Mr. MAGNUSON. Mr. President, I wish to answer the Senator from North Dakota, if the distinguished chairman of the Committee on the Judiciary will permit me. We have no objection to amending it. We will be glad to amend it. No one would like to see the situation referred to taken care of more than the Senator from Washington, because the Senator from Washington was the author of the bill to amend the Exclusion Act. We will be willing to make the amendment suggested in view of the fact that we seem to be reaching some sort of agreement on the matter. I withdraw my objection.

Mr. LANGER. Will the Senator ask unanimous consent for permission to withdraw his objection?

Mr. MAGNUSON. Yes.

Mr. McCARRAN. Mr. President, let me say that the bill to which the Senator refers affects the wives of Chinese merchants who came to the United States under treaty. They are already here. They are persons who are already here and therefore will not affect the quota whatsoever. So if the Senator is objecting to the bill because he believes the individuals in question should be taken from the quota, the Senator is in error, because it will not affect the quota at all.

Mr. LANGER. I may say to the Senator from Nevada that I had a long discussion of this matter with Representative JUDD. He said an amendment was inserted, the effect of which would be just the opposite to what the Senator has said; that, as a matter of fact, the individuals in question are charged to the quota. If they are not charged to the quota I have no objection to the bill.

Mr. McCARRAN. They are not. But the Senator from North Dakota is not the only Senator who has been objecting to the bill. The Senator from Georgia [Mr. RUSSELL] has been objecting to it consistently. I hope the bill now under consideration may be permitted to pass. The individual involved is a widow with three children. To send her back to China would be unconscionable.

Mr. MAGNUSON. Mr. President, I withdraw my objection.

Mr. DOWNEY. Mr. President, in order to complete the history of the slow-dragging but most worthy bill to which reference has been made, I desire to say that the junior Senator from Georgia has objected to the bill several times, but has now announced to me that he will no longer make objection.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 609?

There being no objection, the Senate proceeded to consider the bill (S. 609) for the relief of Mrs. Bertie Grace Chan Leong, which had been reported from the Committee on the Judiciary with an

amendment to strike out all after the enacting clause, and insert:

That, for the purpose of the immigration and naturalization laws, the alien, Mrs. Bertie Grace Chan Leong, the widow of a citizen of the United States, and the mother of three United States citizen children, who arrived at San Francisco, Calif., on November 5, 1945 (was excluded from admission as one not in possession of an immigration visa or passport, but was paroled into the United States pending final disposition of her case) shall, upon the payment of the required head tax and visa fee, be held to have been lawfully admitted to the United States for permanent residence as of November 5, 1945.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Chinese racial quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LEON MOORE

The Senate proceeded to consider the bill (S. 627) for the relief of Leon Moore, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert the following:

That the Attorney General is authorized and directed to cancel forthwith any outstanding warrant of arrest, order of deportation, warrant of deportation, and bond in the case of Leon Moore, and is directed not to issue any further warrants or orders in the case of the alien based upon such alien's membership in the Communist Party prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF THE CITY OF NEEDLES, CALIF., AND CALIFORNIA-PACIFIC UTILITIES CO.

The Senate proceeded to consider the bill (H. R. 559) to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co., which had been reported from the Committee on the Judiciary with an amendment on page 2, line 7, after the numerals "1941", to insert a colon and the following proviso: "*Provided*, That the passage of this act shall not be construed as an inference of liability on the part of the Government of the United States."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 605) for the relief of the estate of James B. Stirling, deceased, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, will the Senator from Nevada please explain why the committee reduced the limitation in the bill from 1 year to 6 months?

Mr. McCARRAN. Mr. President, in connection with this bill, I have been asked why the Committee on the Judiciary allowed only 6 months for the filing of suit. This is because the issues appear clear, and the claimant, already having once sought relief in court, only to be tossed out on the ground that the accident occurred prior to the effective date of the Federal Tort Claims Act, obviously is in a position to refile his complaint immediately, if this bill becomes law.

Mr. HENDRICKSON. The bill is not mandatory in respect to the period of the limitation. I send to the desk an amendment to make the limitation mandatory.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 14, after the word "claim" and before the word "be", it is proposed to strike out the word "may" and insert in lieu thereof the word "shall."

On page 2, line 14, after the word "instituted" it is proposed to strike out "at any"; and on page 2, line 15, it is proposed to strike out the word "time."

Mr. McCARRAN. Mr. President, I do not understand the amendment. There is no line 14.

Mr. HENDRICKSON. There seems to be some confusion respecting the bill, and I ask that it go over temporarily until we can reconsider the amendment.

The PRESIDING OFFICER. The bill will be passed over.

J. W. GREENWOOD, JR.

The Senate proceeded to consider the bill (H. R. 1137) for the relief of J. W. Greenwood, Jr., which had been reported from the Committee on the Judiciary with an amendment on page 1, line 9, after the words "sum of", to strike out "$718.23" and insert "$615.41."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

E. W. EATON COAL CO.

The Senate proceeded to consider the bill (S. 229) for the relief of E. W. Eaton Coal Co., which had been reported from the Committee on the Judiciary with an amendment at the top of page 2, line 1, to strike out "which period was not included in the regulations of the Office of Price Administration"; and in line 2, after the word "on", to strike out "bituminous" and insert "anthracite", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,103.24, to E. W. Eaton Coal Co., of Belfast, Maine, in full settlement of all claims against the United States for reimbursement of transportation cost in excess of normal rates of transportation prevailing prior to January 1, 1942, on coal received on and after April 1, to December 31, 1944, in and around New York Harbor area and in New England, on anthracite coal from district No. 3 in northern West Virginia: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1976) for the relief of Mrs. Juan Antonio Rivera, Mrs. Raul Valle Antelo, Mrs. Jorge Diaz Romero, Mrs. Otto Resse, and Mrs. Hugo Soria, was announced as next in order.

Mr. SCHOEPPEL. By request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2032) for the relief of Willow River Power Co., was announced as next in order.

Mr. TOBEY. Over.

The PRESIDING OFFICER. The bill will be passed over.

C. H. DUTTON CO.

The bill (H. R. 2608) for the relief of C. H. Dutton Co., of Kalamazoo, Mich., was considered, ordered to a third reading, read the third time, and passed.

PUBLIC UTILITY DISTRICT NO. 1, COWLITZ COUNTY, WASH.

The bill (S. 1530) for the relief of public utility district No. 1, of Cowlitz County, Wash., was announced as next in order.

Mr. HENDRICKSON. Mr. President, in view of the fact that a similar bill, House bill 3193, has been passed by the House, I ask the distinguished Senator from Washington if he will move that the House bill be substituted for the Senate bill.

Mr. MAGNUSON. Mr. President, I just entered the Chamber. What bill is under discussion?

The PRESIDING OFFICER. Senate bill 1530, Calendar No. 734. The House has passed a similar bill, H. R. 3193.

Mr. MAGNUSON. Mr. President, if the House bill contains similar language I have no objection to moving to substitute the House bill for the Senate bill.

Mr. President, I ask unanimous consent that the Committee on the Judiciary may be discharged from further consideration of House bill 3193, that the House bill be substituted for the Senate bill, and that the Senate proceed to the consideration of the House bill.

The PRESIDING OFFICER. Without objection, the Committee on the Judiciary will be discharged from further consideration of House bill 3193. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 3193) for the relief of public utility district No. 1, of Cowlitz County, Washington, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1530 is indefinitely postponed.

AMENDMENT OF FEDERAL AIRPORT ACT—BILL PASSED OVER

The bill (S. 1284) to amend section 6 of the Federal Airport Act, was announced as next in order.

Mr. SALTONSTALL. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSON of Colorado. Mr. President, will the Senator who objected withhold his objection until I can make an explanation of the bill?

Mr. SALTONSTALL. Mr. President, I shall gladly withhold my objection, but I must object to the passage of the bill because of a situation existing in Massachusetts. We are trying to perfect language which it is hoped will be offered as an amendment or as a suggested amendment to the bill, for consideration at the next call of the calendar. At that time there will be no objection to the consideration of the bill. But, most respectfully, I may say I would have to object to consideration of the bill at this time.

Mr. JOHNSON of Colorado. Very well.

Mr. McCARRAN. Mr. President, with respect to the bill to which the Senator from Massachusetts objects, may we have a unanimous-consent agreement that it may be considered on the next call of the calendar?

Mr. SALTONSTALL. I have no objection.

Mr. McCARRAN. I ask unanimous consent, Mr. President, that the bill may be considered on the next call of the calendar.

The PRESIDING OFFICER. Without objection, that agreement will be entered into.

BILL PASSED OVER

The bill (H. R. 4050) to authorize advances of pay to personnel of the armed services upon permanent change of station, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, by request, I ask that the bill be passed over.

The PRESIDING OFFICER. Without objection, the bill will be passed over.

AMENDMENT OF UNITED NATIONS PARTICIPATION ACT—BILL PASSED OVER

The bill (H. R. 4708) to amend the United Nations Participation Act of 1945 was announced as next in order.

Mr. SCHOEPPEL. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. LUCAS. Mr. President, may we have the names of the Senators who have requested that the bills be passed over? If we knew the names of Senators who object, we could discuss the points of objection with them.

Mr. TAFT. Mr. President, I objected to the consideration of House bill 4708. It is a bill of great importance. As I read them there is a substantial difference in one section particularly between the Senate bill and the House bill which I should like to have explained. Both bills are on the calendar. It is the provision particularly giving the President, in case the Security Council calls upon him to enforce an embargo, the right to place an embargo on all communications, shipments, or anything else, to other countries, without any reference whatever to Congress. I do not say that I would not agree to that in the end, but it seems to me to be a very vital feature of American foreign policy which should be considered at greater length than is possible under the 5-minute rule.

Mr. LUCAS. I thank the Senator. That answers the query I made a moment ago, and gives some information as to the reason for objecting to the bill.

Mr. TAFT. The Senate bill seems to contain that provision. The House bill does not, so far as I am aware.

The PRESIDING OFFICER. The bill has been passed over.

BILL PASSED OVER

The bill (S. 1681) to prohibit the picketing of courts was announced as next in order.

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

PAY, ALLOWANCES, ETC., FOR MEMBERS OF THE ARMED FORCES—BILL PASSED OVER

The bill (H. R. 5007) to provide pay, allowances, and physical disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the Reserve components thereof, the National Guard, and the Air National Guard, and for other purposes was announced as next in order.

Mr. DOUGLAS. Mr. President, may we have an explanation of the bill?

Mr. KNOWLAND. Mr. President, this is the pay bill for the Army, Navy, and Marine Corps. I rather doubt whether the Senate wants to pass this bill by unanimous consent. I think it is entitled to more discussion than is possible under the 5-minute rule. The Senator from Maryland [Mr. TYDINGS], who is chairman of the Committee on Armed Services, is not present.

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

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN LAND TO THE STATE OF MONTANA

The bill (S. 1891) to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University was announced as next in order.

Mr. HENDRICKSON. Mr. President, this bill is identical with Calendar No. 743, House bill 1720, which passed the House on May 16.

I ask unanimous consent that the House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 1720) to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1891 is indefinitely postponed.

ACQUISITION OF CERTAIN LANDS BY MISSOULA COUNTY, MONT.

The bill (S. 1890) to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes, was announced as next in order.

Mr. MURRAY. Mr. President, Calendar 745, House bill 2197, is an identical bill. I ask unanimous consent that the House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 2197) to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 1, after line 6, to strike out "Southeast quarter northeast quarter, southeast quarter southeast quarter, section 30, township 13 north, range 19 west, Montana principal meridian; south half northeast quarter," and insert "South half northeast quarter, north half."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1890 is indefinitely postponed.

SURVEY OF PROPOSED MISSISSIPPI RIVER PARKWAY—BILL PASSED OVER

The bill (H. R. 1997) to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of the bill, and a statement as to the amount involved?

Mr. ANDERSON. Mr. President, I was about to ask if there was not a committee amendment. As I remember, the bill was ordered to be reported with a committee amendment.

The PRESIDING OFFICER. According to the calendar, it is reported without amendment; and according to the bill, there is no committee amendment in it.

Mr. LUCAS. Mr. President, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PASSED OVER

The bill (S. 1837) to amend the Trading With the Enemy Act, was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

INTERNATIONAL EXPOSITION FOR THE BICENTENNIAL OF THE FOUNDING OF PORT-AU-PRINCE, REPUBLIC OF HAITI

The Senate proceeded to consider the joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of

the Founding of Port-au-Prince, Republic of Haiti 1949, which had been reported from the Committee on Foreign Relations, with an amendment to strike out all after the enacting clause and insert:

Resolved, etc., That the President is hereby authorized, in his discretion and upon the recommendation of the Secretary of State, to appoint or designate a commissioner to represent the United States in connection with participation in the Port-au-Prince Bicentennial Exposition. The Secretary of State may delegate to the commissioner any authority conferred upon him by this joint resolution, and the commissioner shall be responsible to the Secretary of State in carrying out his duties. The commissioner shall receive compensation at a rate not to exceed $12,000 per annum while serving in this capacity, except that any official of the Government designated as commissioner shall serve without additional compensation.

SEC. 2. The Secretary of State is authorized—

(a) to designate as deputy commissioner a Government official, who shall serve without additional compensation and whose duties shall be prescribed by the commissioner;

(b) to secure, either by direct hire or by detail from Government agencies with the consent of the heads of such agencies, such other staff as may be necessary to assist the commissioner;

(c) to erect on land which shall be conveyed in full ownership of the United States of America by the Haitian Government such a building or such a group of buildings as he may deem adequate for effective participation by the United States in the exposition: *Provided*, That, after the close of the exposition, such land and building or group of buildings shall be utilized or disposed of in accordance with the Foreign Service Buildings Act of 1926, as amended;

(d) to contract with the Port-au-Prince Exposition authorities or with any other person or persons for the design and erection of such building or group of buildings;

(e) to maintain such building or group of buildings and the site thereof and to arrange and maintain exhibits and assign space therein and thereon; and

(f) to accept from any source and to use for the purposes designated—

(1) contributions in money to aid in carrying out the purposes of this joint resolution, which contributions shall be placed in a special-deposit account and any unused portions thereof returned to the donors upon the close of the exposition or upon the cessation of United States participation therein; and

(3) contributions of material or aid in the preparation of the exhibits.

SEC. 3. The head of any establishment, department, or agency of the Government is authorized, on request, to assist the Department of State or the Commissioner in carrying out the functions authorized by this joint resolution, including the furnishing of personnel, the procurement, installation, and display of exhibits, and the loan to the exposition authorities of articles, specimens, and exhibits for display.

SEC. 4. There is hereby authorized to be appropriated to the Department of State, out of any money in the Treasury not otherwise appropriated, the sum of $170,000 to remain available until expended for the purposes of this joint resolution including: The salaries, allowances, and expenses of the Commissioner and such staff as may be required, personal services in the District of Columbia or elsewhere, without regard to civil-service laws and the Classification Act of 1923, as amended; employment of aliens; transportation of things; travel expenses without regard to the standardized Government travel regulations, as amended, and the Travel Expense Act of 1949; payment of rentals in advance; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); printing and binding without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); official cards; entertainment; purchase and hire of passenger motor vehicles; stenographic reporting and other services by contract or otherwise; rental of offices and quarters by contract or otherwise without regard to the provisions of section 322 of the act of June 30, 1932 (40 U. S. C. 278a); ice and drinking water; insurance on exhibits; such expenditures as may be necessary for the purpose of obtaining, preparing, maintaining, and disposing of exhibit materials; for the construction of a building or group of buildings and the payment of any expenses incurred in connection with the employment of architects and engineers in connection therewith, including payment of their necessary travel expenses, and for the maintenance of such building or group of buildings and their site and grounds; and such other expenses as may be deemed necessary by the Secretary of State to carry out the purposes of this joint resolution; all without regard to section 3709 of the Revised Statutes (41 U. S. C. 5). Funds authorized to be appropriated herein may be transferred to any executive department or independent office or establishment of the Government with the consent of the heads thereof, for direct expenditure for any purposes of this joint resolution which the Secretary of State may specify.

SEC. 5. The Secretary of State shall transmit to the Congress within 6 months after the close of the exposition a detailed statement of all expenditures together with such other reports as he may deem proper, which reports shall be prepared and arranged with a view to concise statement and convenient reference.

Mr. HENDRICKSON. Mr. President, I offer the amendments, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 11, line 5, in the committee amendment, after the word "commissioner", it is proposed to insert the words "by and with the advice and consent of the Senate."

On page 11, line 7, in the committee amendment, after the word "Exposition", it is proposed to insert "who shall serve for such period prior to such exposition as may be necessary to carry out the purposes of this joint resolution, for the duration of such exposition, and for not more than 6 months after the official closing thereof."

On page 11, line 14, in the committee amendment, it is proposed to strike out "commisisoner" and insert "commissioner", spelled correctly.

On page 15, line 4, in the committee amendment, it is proposed to strike out the period following the word "reference" and insert in lieu thereof a colon and the following: "*Provided*, That this provision shall not be construed to waive the submission of all accounts and vouchers to the General Accounting Office for audit or to permit any obligations to be incurred in excess of the amount authorized to be appropriated herein."

The PRESIDING OFFICER. Does the Senator from New Jersey wish to have the amendments considered en bloc?

Mr. HENDRICKSON. Yes, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New Jersey [Mr. HENDRICKSON] to the committee amendment.

The amendments were agreed to.

The amendment, as amended, was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was amended so as to read:

Whereas there is to be held in the city of Port-au-Prince, capital of Haiti, during the years 1949 and 1950, a world fair commemorating the bicentennial of the founding of Port-au-Prince; and

Whereas the United States has been formally invited by the Republic of Haiti to participate in this exposition; and

Whereas the Republic of Haiti and the city of Port-au-Prince have provided a site and permanent public improvements at an estimated cost of $4,000,000; and

Whereas such international exposition and celebration are worthy and deserving of the support and encouragement of the United States; and the United States has aided and supported such expositions in the past: Therefore be it.

CONVEYANCE OF CERTAIN LANDS TO MILWAUKEE COUNTY, WIS.

The bill (S. 2298) to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis., was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill go over.

Mr. LUCAS. Mr. President, who makes the request with respect to Senate bill 2298?

Mr. HENDRICKSON. The Senator from Oregon [Mr. MORSE].

Mr. WILEY. Mr. President, I have talked with the Senator about this bill, and we have agreed that it should be amended along the lines which he has suggested. Two or three other amendments have been suggested. I would certainly appreciate it if the bill could be passed. It is very important from the standpoint of Milwaukee County, as well as from the standpoint of the veterans, that this bill be passed. I have already spoken to the Senator from Oregon. The mere fact that he is not present should not in any way interfere with the passage of the bill. We agreed on the amendment which should be made.

Mr. HENDRICKSON. Mr. President, in the light of the explanation by the Senator from Wisconsin, I withhold any objection.

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

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to (1) convey by quitclaim deed the lands described in section 2 of this act as parcels I and II, part of the lands of the Veterans' Administration center at Wood, Wis.; and (2)

lease for a period of 20 years the land described in section 2 of this act as parcel III, also part of the lands of such Veterans' Administration center, to Milwaukee County, a municipal subdivision of the State of Wisconsin. Such conveyance and lease shall be made without consideration.

SEC. 2. The parcels of land referred to in the first section of this act, all of which are located in Milwaukee County, Wis., are described as follows:

Parcel I. That tract of land located in the northeast quarter and the southeast quarter of section 35, township 7 north, range 21 east, and more particularly described as follows: Beginning at a point where the east line of South Harnischfeger Avenue crosses the south line of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. right-of-way; running thence south on the east line of South Harnischfeger Avenue to the north line of West National Avenue; thence southwesterly along the north line of West National Avenue a distance of approximately six hundred and ten feet; thence northerly and parellel to the east line of South Harnischfeger Avenue a distance of three hundred feet, more or less; thence northeasterly and parallel to the north line of West National Avenue to a point of curvature of a curve; thence along the arc of the curve the radius of which is two hundred and thirty-three feet, to a point which is two hundred feet west of the east line of South Harnischfeger Avenue; thence northerly on a line parallel to and two hundred feet west of the easterly line of South Harnischfeger Avenue to the south line of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. right-of-way; thence easterly along the south line of said railroad right-of-way to the point of beginning, excepting therefrom that part of South Harnischfeger Avenue previously dedicated for street purposes.

Parcel II. That tract of land located in the northeast quarter of section 35, township 7 north, range 21 east, and more particularly described as follows: Beginning at the intersection of the east line of Forty-fourth Street and the north line of section 35 and running thence west along the north line of section 35 to the northwest corner of the northeast quarter of section 35; thence south along the west line of the northeast quarter of section 35 a distance of four hundred feet, more or less; thence east on a line parallel to and four hundred feet south of the north line of the northeast quarter of section 35 a distance of three hundred and seventy feet, more or less, to a point; thence south thirty degrees east five hundred and forty feet; thence south forty-eight degrees east three hundred and sixty feet, more or less, to the northerly edge of Chrysler Road; thence easterly along the northerly line of Chrysler Road to its point of junction with the easterly line of Red Arrow Drive; thence southeasterly along the easterly line of Red Arrow Drive to a point which is three hundred feet northerly of the north line of the Chicago, Milwaukee, St. Paul & Pacific Railroad right-of-way, measured at right angles to said right-of-way; thence southeasterly parallel to and three hundred feet northerly of the said right-of-way to a point which is six hundred and eighty feet, more or less, west of the east line of section 35; thence southerly on a line parallel to the east line of section 35 to the north line of said railroad right-of-way; thence easterly along the north line of said right-of-way to the east line of section 35; thence north along the east line of section 35 a distance of seven hundred ninety-eight and thirty-eight one-hundredths feet, more or less, to a stone in the east line of Forty-fourth Street; thence northerly along the east line of Forty-fourth Street to the point of beginning. Excepting, however, the four and sixty-eight one-thousandths-acre tract of land in the northeasterly corner, now occupied by the Menominee Valley booster pumping station and further excepting therefrom the area, if any, dedicated for street purposes.

Parcel III. That tract of land located in the southwest quarter of section 26, township 7 north, range 21 east, and the northwest quarter of section 35, township 7 north, range 21 east, and more particularly described as follows: Beginning at the southeast corner of the southwest quarter of section 26, and running thence northerly along the east line of the southwest quarter of section 26 to the south line of West Blue Mound Road; thence westerly along the south line of West Blue Mound Road to the east line of The Milwaukee Electric Railway and Light Co. right-of-way; thence southerly along the east line of said right-of-way to the south line of section 26; thence continuing south on the same line, extended for a distance of four hundred feet, more or less; thence easterly on a line parallel to and four hundred feet south of the south line of section 26, to the west line of the northeast quarter of section 35; thence north along said line to the point of beginning.

SEC. 3. The parcels of land authorized to be transferred and leased by the first section of this act shall be used by said grantee and lessee for civic and recreational purposes. The deed of conveyance of such parcels I and II shall contain the provision that such tracts of land shall be used for the purposes for which they were conveyed and that, in the event such tracts cease to be used for such purposes, or in the event the grantee attempts to alienate all or any part of such tracts, then title thereto shall, at the option of the United States, revert to the United States. The lease of such parcel III shall contain the provision that such tract of land shall be used for the purposes for which it was leased and that, in the event such tract ceases to be used for such purposes, such lease shall be terminated at the option of the United States. Both such conveyance and such lease shall contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator of Veterans' Affairs to be necessary to safeguard the interests of the United States.

Mr. GEORGE. Mr. President, I do not know whether the Senator from Wisconsin proposed to offer an amendment, but the Veterans' Administration has requested that an amendment be made to the bill. I do not think there could be the slightest objection to this amendment, and I therefore offer it.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia will be stated.

Mr. GEORGE. The amendment relates merely to the description of the property.

The LEGISLATIVE CLERK. Following section 3 of the bill, it is proposed to insert the following:

The exact legal descriptions of the land to be conveyed and leased under this act are to be determined by a survey to be made under the supervision of the Veterans' Administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE].

The amendment was agreed to.

Mr. WILEY. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 2, line 8, after the word "and", it is proposed to strike out the words "more particularly" and insert the words "in general."

On page 3, at the beginning of line 8, it is proposed to strike out "more particularly" and insert "in general."

On page 4, line 21, after the word "and" it is proposed to strike out "more particularly" and insert "in general."

The PRESIDING OFFICER. Does the Senator from Wisconsin wish to have the amendments considered en bloc?

Mr. WILEY. Yes, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Wisconsin [Mr. WILEY].

The amendments were agreed to.

Mr. WILEY. Mr. President, I had understood that the Senator from New Jersey [Mr. HENDRICKSON] had before him the amendment which the Senator from Oregon [Mr. MORSE] had in mind. That is the amendment which the Senator from Oregon has insisted be attached to every bill by which the Government conveys property to an individual or a municipality. It provides in substance that the purchaser—in this case Milwaukee County—shall pay one-half the appraised value of the property.

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

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out the sentence beginning in line 1, and insert in lieu thereof the following: *"Provided,* That Milwaukee County pay one-half the appraised market value of parcels 1 and 2 and a fair yearly rental for parcel 3, as determined by the Administrator of Veterans' Affairs."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

USE OF FINNISH DEBT PAYMENTS FOR EDUCATION AND TRAINING OF CITIZENS OF FINLAND

The Senate proceeded to consider the joint resolution (S. J. Res. 3) to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, which had been reported from the Committee on Foreign Relations with amendments on page 1, in the last line of the second whereas, after the word "special", to strike out "fund" and insert "deposit account"; on page 2, line 11, after the word "special", to strike out "fund" and insert "deposit account"; in line 12, after "United States", to insert

"to remain available until expended"; in line 13, before the word "shall", to strike out "fund" and insert "account"; in the same line, after the word "be", to strike out "used" and insert "available to the Department of State"; in line 14, after the word "finance", to insert "by contract, grant, or otherwise"; in line 16, after the word "activities", to strike out "for citizens of the Republic of Finland"; in line 17, after the word "possessions", to insert "(1) for students, professors, other academic persons, and technicians who are citizens of the Republic of Finland and, (2) with the approval of appropriate agencies, institutions, or organizations in Finland, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in Finland"; in line 23, after the word "including", to strike out "payment for" and insert "in both cases"; on page 3, line 1, after the word "travel", to strike out "(together with transportation to and from Finland)," and insert "expenses"; in line 3, after the word "other", to insert "allowances and"; in the same line, after the word "activities", to strike out the comma and "for the purpose of enabling the people of Finland to have the services of a new generation of technical experts to aid them in their efforts to rebuild the shattered economy and destroyed areas of their country"; in line 13, after the name "Finland", to insert "and (3) the interchange of similar Finnish materials and equipment for higher education and research in the United States"; after line 15, to strike out section 2, as follows:

SEC. 2. (a) The board of Foreign Scholarships, appointed pursuant to the act entitled "An act to amend the Surplus Property Act of 1944 to designate the Department of State as the disposal agency for surplus property outside the continental United States, its Territories and possessions, and for other purposes", approved August 1, 1946, shall, on nomination of the Government of the Republic of Finland, select students to receive benefits under clause (a) of the first section from the fund established by this joint resolution. The board, with the approval of the Secretary of State and after conferring with the Government of the Republic of Finland is authorized to make such rules and regulations relating to the granting of benefits from such fund, including allowances for travel, tuition, subsistence, and other expenses necessary to affectuate the purposes of this joint resolution, as it deems advisable.

(b) The Secretary of State, after conferring with the Government of the Republic of Finland, shall provide for the selection, purchase, and shipment of the books and equipment authorized in clause (b) of the first section.

And insert in lieu thereof the following:

SEC. 2. The Secretary of State is hereby authorized to carry out the purposes of this joint resolution in accordance with the applicable provisions of the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.).

On page 4, after line 15, to strike out section 3, as follows:

SEC. 3. Expenditures from the fund shall be made by the Secretary of the Treasury, upon vouchers approved by the Secretary of State, under such rules and regulations as he may prescribe. Such expenditures shall be final and conclusive on all officers, departments, and agencies of the United States.

And insert in lieu thereof the following:

SEC. 3. Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State.

So as to make the joint resolution read:

Resolved, etc., That any sums due or paid on and after the date of enactment of this joint resolution by the Republic of Finland to the United States as interest on or in retirement of the principal of the debt incurred under the act of February 25, 1919, as refunded by the agreement dated May 1, 1923, pursuant to authority contained in the act of February 9, 1922, or of any other indebtedness incurred by that Republic and owing to the United States as a result of World War I, shall be placed in a special deposit account in the Treasury of the United States, to remain available until expended. This account shall be available to the Department of State to finance by contract, grant, or otherwise—

(a) studies, instruction, technical training, and other educational activities in the United States and its Territories and possessions (1) for students, professors, other academic persons, and technicians who are citizens of the Republic of Finland and, (2) with the approval of appropriate agencies, institutions, or organizations in Finland, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in Finland, including in both cases travel expenses, tuition, subsistence, and other allowances and expenses incident to such activities; and

(b) the selection, purchase, and shipment of (1) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of Finland, and (2) American laboratory and technical equipment for higher education and research in Finland, and (3) the interchange of similar Finnish materials and equipment for higher education and research in the United States.

SEC. 2. The Secretary of State is hereby authorized to carry out the purposes of this joint resolution in accordance with the applicable provisions of the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.).

SEC. 3. Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The title was amended so as to read: "Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland."

AMENDMENT OF COMMUNICATION ACT OF 1934—BILL PASSED OVER

The bill (S. 1973) to further amend the Communications Act of 1934 was announced as next in order.

Mr. TOBEY. Over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

Mr. TOBEY. Mr. President, I said "over" just to be sure my friend, the Senator from Arizona was awake and on the job. I withdraw the objection. [Laughter.]

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment to strike out all after the enacting clause, and insert:

That this act may be cited as "Communications Act Amendments, 1949."

SEC. 2. Subsections (o) and (p) of section 3 of the Communications Act of 1934, as amended, are amended to read as follows:

"(o) 'Broadcasting' means the dissemination of radio communications intended to be received directly by the general public.

SEC. 3. Section 3 of such act is further amended by adding after subsection (aa) the following:

"(bb) The term 'license,' 'station license,' or 'radio station license' means that instrument of authorization required by this act or the rules and regulations of the Commission made pursuant to this act, for the use or operation of apparatus for transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission.

"(cc) The term 'broadcast station,' 'broadcasting station,' or 'radio broadcast station' means a radio station equipped to engage in broadcasting as herein defined.

"(dd) The term 'construction permit' or 'permit for construction' means that instrument of authorization required by this act or the rules and regulations of the Commission made pursuant to this act for the installation of apparatus for the transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission.

SEC. 4. (a) Subsection (b) of section 4 of such act, as amended, is amended by striking out the last two sentences thereof and inserting in lieu thereof the following: "Such Commissioners shall not engage in any other business, vocation, profession, or employment but this shall not apply to the preparation of technical or professional publications. Any such Commissioner serving as such after 1 year from the date of enactment of Communications Act Amendments, 1949, shall not during the term for which they are appointed and qualified, irrespective of their term of actual service, engage in any business, vocation, profession, or employment the compensation for which is derived from or paid by any person, including all persons under common control, subject to the provisions of this act. Not more than four members of the Commission shall be members of the same political party."

(b) Subsection (d) of section 4 of such act is amended to read as follows:

"(d) Each Commissioner shall receive an annual salary of $15,000 payable in monthly installments."

(c) Subsection (f) (1) of section 4 of such act is amended to read as follows:

"(f) (1) Without regard to the civil-service laws or the Classification Act of 1923, as amended, (1) the Commission may appoint

and prescribe the duties and fix the salaries of a secretary, a chief engineer and not more than two assistants, a chief accountant and not more than two assistants, a general counsel and not more than two assistants, and counsel temporarily employed and designed by the Commission for the performance of specific special services; and (2) each Commissioner may appoint and prescribe the duties of a legal assistant at an annual salary not to exceed $10,000 and a secretary at an annual salary not to exceed $4,000, except the last-named salary shall not apply so long as the positions are held by the present incumbents. The chief engineer, the chief accountant, and the general counsel shall each receive an annual salary of not to exceed $12,000; the secretary shall receive an annual salary of not to exceed $10,000, and no assistant shall receive an annual salary in excess of $10,000: *Provided*, That the salaries specified in this subsection shall be maximum gross salaries not subject to increases heretofore or hereafter authorized by law, unless such increases shall specify the salaries in this subsection: *And provided further*, That on and after 1 year from the date of enactment of this act the secretary of the Commission, the chief engineer and his assistants, the chief accountant and his assistants, the general counsel and his assistants, and the legal assistants to each Commissioner shall not, for the period of 1 year next following the cessation of their employment with the Commission, represent before the Commission in a professional capacity any person, including all persons under common control, subject to the provisions of this act. The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, to appoint such other officers, engineers, accountants, attorneys, inspectors, examiners, and other employees as are necessary in the execution of its functions."

(d) The first sentence of subsection (g) of section 4 of such act, as amended, is amended to read as follows:

"(g) The Commission may make such expenditures (including expenditures for rent and personal services at the seat of Government and elsewhere, for office supplies, law books, periodicals, and books of reference, for printing and binding, for land for use as sites for radio monitoring stations and related facilities, including living quarters where necessary in remote areas, for the construction of such stations and facilities, and for the improvement, furnishing, equipping, and repairing of such stations and facilities and of laboratories and other related facilities (including construction of minor subsidiary buildings and structures not exceeding $25,000 in any one instance) used in connection with technical research activities), as may be necessary for the execution of the functions vested in the Commission and as from time to time may be appropriated for by Congress."

(e) Subsection (k) of section 4 of such act is amended to read as follows:

"(k) The Commission shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain—

"(1) such information and data collected by the Commission as may be considered of value in the determination of questions connected with the regulation of interstate and foreign wire and radio communication and radio transmission of energy.

"(2) such information and data concerning the functioning of the Commission as will be of value to Congress in appraising the amount and character of the work and accomplishments of the Commission and the adequacy of its staff and equipment: *Provided*, That the first and second annual reports following the date of enactment of Communications Act Amendments, 1949, shall set forth in detail the number and caption of pending applications requesting approval of transfer of control or assignment of a station license, or construction permits for new stations, or for increases in power, or for changes of frequency of existing stations at the beginning and end of the period covered by such reports;

"(3) information with respect to all persons taken into the employment of the Commission during the year covered by the report, including names, pertinent biographical data and experience, Commission positions held and compensation paid, together with the names of those persons who have left the employ of the Commission during such year: *Provided*, That the first annual report following the date of enactment of Communications Act Amendments, 1949, shall contain such information with respect to all persons in the employ of the Commission at the close of the year for which the report is made;

"(4) an itemized statement of all funds expended during the preceding year by the Commission, of the sources of such funds, and of the authority in this act or elsewhere under which such expenditures were made; and

"(5) specific recommendations to Congress as to additional legislation which the Commission deems necessary or desirable, including all legislative proposals submitted for approval to the Director of the Budget."

SEC. 5. Section 5 of such act, as amended, is amended to read as follows:

"ORGANIZATION OF THE COMMISSION

"SEC. 5. (a) The member of the Commission designated by the President as Chairman shall be the chief executive officer of the Commission. It shall be his duty to preside at all meetings and sessions of the Commission, to represent the Commission in all matters relating to legislation and legislative reports, to represent the Commission in all matters requiring conferences or communications with other governmental officers, departments, or agencies, and generally to coordinate and organize the work of the Commission in such manner as to promote prompt and efficient disposition of all matters within the jurisdiction of the Commission. In the case of a vacancy in the office of the Chairman of the Commission, or the absence or inability of the Chairman to serve, the Commission may temporarily designate and appoint one of its members to act as Chairman until the cause or circumstance requiring such service shall have been eliminated or corrected.

"(b) Within 60 days after the enactment of the Communications Act Amendments, 1949, and from time to time thereafter as the Commission may find necessary, the Commission shall organize its legal, engineering, and accounting staff into (1) integrated divisions, to function on the basis of the Commission's principal work-load operations; and (2) into such other divisional organizations as the Commission may deem necessary to handle that part of its work load which cuts across more than one integrated division or which does not lend itself to the integrated-division set-up. Each such integrated division and divisional organization shall include such legal, engineering, accounting, administrative, and clerical personnel as the Commission may determine to be necessary to perform its functions. The general counsel, the chief engineer, and the chief accountant and their respective assistants shall carry out their respective duties under such rules and regulations as the Commission may prescribe. The Commission shall establish a staff, directly responsible to it, which shall include such legal, engineering, and accounting personnel as the Commission deems necessary, whose duty shall be to prepare such drafts of Commission decisions, orders, and other memoranda as the Commission in the exercise of its quasi-judicial duties, may from time to time direct: *Provided*, That no member of such staff shall participate in a hearing or represent the Commission, directly or indirectly, in any prosecutory or investigatory function or proceeding.

"(c) Except as provided in section 409 hereof, the Commission, when necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, is hereby authorized and directed to assign or refer any portion of its work, business, or functions to an individual Commissioner or Commissioners or to a board composed of one or more employees of the Commission, to be designated by such order for action thereon, and by its further order at any time to amend, modify, or rescind any such order or reference: *Provided*, That this authority shall not extend to duties otherwise specifically imposed by this or any other act of Congress. Any order, decision, or report made or other action taken pursuant to any such order or reference shall have the same force and effect and may be made, evidenced, and enforced as if made by the Commission: *Provided, however*, That any person aggrieved by any such order, decision, or report may file a petition for review by the Commission, and every such petition shall be passed upon by the Commission. The secretary and seal of the Commission shall be the secretary and seal of such individual Commissioner or board.

"(d) Meetings of the Commission shall be held at regular intervals, not less frequently than once each calendar month, at which times the functioning of the Commission and the handling of its work load shall be reviewed and such orders shall be entered and other action taken as may be necessary or appropriate to expedite the prompt and orderly conduct of the business of the Commission with the objective of rendering a final decision (1) within 3 months from the date of filing in all original application, renewal, and transfer cases, and (2) within 6 months from the final date of the hearing in all hearing cases; and the Commission shall promptly report to the Congress each such case which has been pending before it more than such 3- or 6-month period, respectively, stating the reasons therefor."

SEC. 6. Subsection (d) of section 307 of such act is amended to read as follows:

"(d) No license granted for the operation of a broadcasting station shall be for a longer term than 3 years and no license so granted for any other class of station shall be for a longer term than 5 years, and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed 3 years in the case of broadcasting licenses and not to exceed 5 years in the case of other licenses if the Commission finds that public interest, convenience, and necessity would be served thereby."

SEC. 7. So much of subsection (a) of section 308 of such act as precedes the second proviso is amended to read as follows: "The Commission may grant instruments of authorization entitling the holders thereof to construct or operate apparatus for the transmission of energy, or communications, or signals by radio or modifications or renewals thereof, only upon written application therefor received by it: *Provided*, That (1) in cases of emergency found by the Commission involving danger to life or property or due to damage to equipment, or (2) during the continuance of any war in which the United States is engaged and when such action is necessary for the national defense or security or otherwise in furtherance of the war effort, the Commission may grant and issue authority to construct or operate apparatus

for the transmission of energy or communications or signals by radio during the emergency so found by the Commission or during the continuance of any such war, in such manner and upon such terms and conditions as the Commission shall by regulation prescribe, and without the filing of a formal application, but no such authority shall be granted for a period beyond the period of the emergency requiring it nor remain effective beyond such period:".

SEC. 8. Section 309 of such act, as amended, is amended to read as follows:

"HEARINGS ON APPLICATIONS FOR LICENSES; FORM OF LICENSES; CONDITIONS ATTACHED TO LICENSES

"SEC. 309. (a) If upon examination of any application provided for in section 308 the Commission shall determine that public interest, convenience, and necessity would be served by the granting thereof, it shall authorize the issuance of the instrument of authorization for which application is made in accordance with said finding.

"(b) If upon examination of any such application the Commission is unable to make the finding specified in subsection (a) of this section, it shall forthwith notify the applicant and other known parties in interest of the grounds and reasons for its inability to make such finding. Such notice, which shall precede formal designation for a hearing, shall advise the applicant and all other known parties in interest of all objections made to the application as well as the source and nature of such objections. Following such notice, the applicant shall be given an opportunity to reply. If the Commission, after considering such reply, shall be unable to make the finding specified in subsection (a) of this section, it shall formally designate the application for hearing on the grounds or reasons then obtaining and shall notify the applicant and all other known parties in interest of such action and the grounds and reasons therefor, specifying with particularity the matters and things in issue but not including issues or requirements phrased generally. The parties in interest, if any, who are not notified by the Commission of its action with respect to a particular application may acquire the status of a party to the proceeding thereon by filing a petition for intervention showing the basis for their interest at any time not less than 10 days prior to the date of hearing. Any hearing subsequently held upon such application shall be a full hearing in which the applicant and all other parties in interest shall be permitted to participate but in which both the burden of proceeding with the introduction of evidence upon any issue specified by the Commission, as well as the burden of proof upon all such issues, shall be upon the applicant.

"(c) When any instrument of authorization is granted by the Commission without a hearing as provided in subsection (a) hereof, such grant shall remain subject to protest as hereinafter provided for a period of 30 days. During such 30-day period any party in interest may file a protest under oath directed to such grant and request a hearing on said application so granted. Any protest so filed shall contain such allegations of fact as will show the protestant to be a party in interest and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. The Commission shall, within 15 days from the date of the filing of such protest, enter findings as to whether such protest meets the foregoing requirements and if it so finds the application involved shall be set for hearing upon the issues set forth in said protest, together with such further specific issues, if any, as may be prescribed by the Commission. In any hearing subsequently held upon such application all issues specified by the Commission shall be tried in the same manner provided in subsection (b) hereof but with respect of all issues set forth in the protest and not specifically adopted by the Commission, both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the protestant. The hearing and determination of cases arising under this subsection shall be expedited by the Commission and pending hearing and decision the effective date of the Commission's action to which protest is made shall be postponed to the effective date of the Commission's decision after hearing, unless the authorization involved is necessary to the maintenance or conduct of an existing service, in which event the Commission shall authorize the applicant to utilize the facilities or authorization in question pending the Commission's decision after hearing.

"(d) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject: (1) The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein; (2) neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this act; (3) every license issued under this act shall be subject in terms to the right of use or control conferred by section 606 hereof."

SEC. 9. Subsection (b) of section 310 of said act is amended to read as follows:

"(b) No instrument of authorization granted by the Commission entitling the holder thereof to construct or to operate radio apparatus and no rights granted thereunder shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation holding such instrument of authorization, to any person except upon application to the Commission and upon finding by the Commission that the proposed transferee or assignee possesses the qualifications required of an original permittee or licensee. The procedure for handling such application shall be that provided in section 309."

SEC. 10. Section 311 of such act, as amended, is amended to read as follows:

"SEC. 311. The Commission is hereby directed to refuse a station license and/or the permit hereinafter required for the construction of a station to any person (or to any person directly or indirectly controlled by such person) whose license has been revoked by a court under section 313."

SEC. 11. Section 312 of such act, as amended, is amended to read as follows:

"REVOCATION OF LICENSES; CEASE-AND-DESIST ORDERS

"SEC. 312. (a) Any station license may be revoked (1) because of conditions coming to the attention of the Commission since the granting of such license which would have warranted the Commission in refusing to grant such license, or (2) for violation or failure to observe any of the restrictions or provisions of a treaty ratified by the United States, or (3) for violation of or failure to observe the terms and conditions of any cease-and-desist order issued by the Commission pursuant to subsection (b) hereof. The Commission may institute a revocation proceeding by serving upon the licensee an order to show cause why its license should not be revoked. Said orders shall contain a statement of the particulars and matters with respect to which the Commission is inquiring and shall call upon the licensee to appear before the Commission at a time and place therein stated, but in no event less than 30 days after receipt of such notice, and give evidence upon the matter specified in said order: *Provided*, That where safety of life or property is involved, the Commission may by order provide for a shorter period of notice. If, after hearing, or a waiver thereof by the licensee, the Commission determines that a revocation order should issue, it shall make a report in writing stating the findings of the Commission and the grounds and reasons therefor and shall cause the same to be served on said licensee, together with such order.

"(b) Where any person (1) has failed to operate substantially as set forth in an instrument of authorization, or (2) has failed to observe any of the restrictions and conditions of this act or of a treaty ratified by the United States, or (3) has violated or failed to observe any rule or regulation of the Commission authorized by this act, the Commission may institute a proceeding by serving upon such person an order to show cause why it should not cease and desist from such action. Said order shall contain a statement of the particulars and matters with respect to which the Commission is inquiring and shall call upon such person to appear before the Commission at a time and place therein stated, but in no event less than 30 days after receipt of such notice, and give evidence upon the matter specified in said order. If, after hearing, or a waiver thereof by such person, the Commission determines that a cease-and-desist order should issue, it shall make a report in writing stating the findings of the Commission and the grounds and reasons therefor and shall cause the same to be served on said person, together with such order.

SEC. 12. Part I of title III of such act is amended by adding the following new section:

"MODIFICATION BY COMMISSION OF CONSTRUCTION PERMITS OR LICENSES

"SEC. 330. (a) Any station license granted under the provisions of this act or the construction permit required thereby may be modified by the Commission either for a limited time or for the duration of the term thereof, if in the judgment of the Commission such action will promote the public interest, convenience, and necessity, or the provisions of this act or of any treaty ratified by the United States will be more fully complied with: *Provided*, That no such order of modification shall become final until the holder of such outstanding license or permit shall have been notified in writing of the proposed action and the grounds and reasons therefor, and shall have been given reasonable opportunity, in no event less than 30 days, to show cause by public hearing, if requested, why such order of modification should not issue: *Provided*, That where safety of life or property is involved, the Commission may by order provide for a shorter period of notice.

"(b) In any case where a hearing is conducted pursuant to the provisions of this section or section 312, both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the Commission."

SEC. 13. Part I of title III of such act is amended by adding the following new section:

"LIMITATIONS ON QUASI-JUDICIAL POWERS

"SEC. 331. No license granted and issued under the authority of this act for the operation of any radio station shall be modified by the Commission, except in the manner provided in section 330 (a) hereof, and no such license may be revoked, terminated, or otherwise invalidated by the Commission, except in the manner and for the reasons provided in section 312 (a) hereof. When application is made for renewal of an existing license, which cannot be disposed of by the Commission under the provisions of section 309 (a) hereof, the Commission shall employ the procedure specified in section 309 (b)

hereof, except that in any hearing subsequently held upon such application the burden of proceeding with the evidence and of substantiating the grounds and reasons specified by the Commission in the formal notice of hearing issued pursuant to section 309 (b) hereof shall be upon the appropriate division established by the Commission under the provisions of section 5 (b) hereof or upon any party or parties who may oppose such renewal; but as a condition precedent to the renewal the Commission shall affirmatively find that the public interest, convenience, and necessity will be served by such renewal. Pending such hearing and final decision pursuant thereto the Commission shall continue such license in effect.

SEC. 14. The heading of section 401 of such act is amended to read:

"JURISDICTION TO ENFORCE ACT AND ORDERS OF COMMISSION; DECLARATORY ORDERS"

and such section is amended by adding at the end thereof a new subsection (e) as follows:

"(e) The Commission is authorized, in its sound discretion and with like effect as in the case of other orders, to issue a declaratory order to terminate a controversy or remove uncertainty. Notwithstanding the provisions of section 5 (d) of the act of June 11, 1946 (60 Stat. 239) declaratory orders shall be issued only upon the petition of, and after notice to and opportunity for hearing by, persons who are bona fide applicants for, or the holders of, construction permits or licenses, or otherwise subject to the jurisdiction of the Commission, and shall not bind or affect the rights of persons who are not parties to such proceedings. Such orders shall be available to declare rights and other legal relations arising under the provisions of any treaty ratified by the United States, under any provision of this act, or under any order, rule, regulation, term, condition, limitation, or requirement issued, promulgated, or adopted by the Commission, whether or not involving failure to comply therewith."

SEC. 15. Section 402 of such act is amended to read as follows:

"SEC. 402. (a) The provisions of the act of June 25, 1948 (62 Stat. 992), as amended, relating to the enforcing or setting aside of orders of the Interstate Commerce Commission are hereby made applicable to suits to enforce, enjoin, set aside, annul, or suspend any order of the Commission under this act (except those appealable under the provisions of subsection (b) hereof), and such suits are hereby authorized to be brought as provided in that act. In addition to the venues specified in that act, suits to enjoin, set aside, annul, or suspend, but not to enforce any such order of the Commission may also be brought in the United States District Court for the District of Columbia.

"(b) Appeals may be taken from decisions and orders of the Commission to the United States Court of Appeals for the District of Columbia in any of the following cases:

"(1) By any applicant for any instrument of authorization required by this act, or the regulations of the Commission made pursuant to this act, for the construction or operation of apparatus for the transmission of energy, or communications, or signals by radio, whose application is denied by the Commission.

"(2) By any applicant for the renewal or modification of any such instrument of authorization whose application is denied by the Commission.

"(3) By any party to an application for authority to assign any such instrument of authorization or to transfer control of any corporation holding such instrument of authorization whose application is denied by the Commission.

"(4) By any applicant for the permit required by section 325 of this act whose application has been denied by the Commission or any permittee under said section whose permit has been revoked by the Commission.

"(5) By the holder of any instrument of authorization required by this act, or the regulations of the Commission made pursuant to this act, for the construction or operation of apparatus for the transmission of energy, or communications or signals by radio, which instrument has been modified or revoked by the Commission.

"(6) By any other person who is aggrieved or whose interests are adversely affected by any order of the Commission granting or denying any application described in paragraphs (1), (2), (3), and (4) hereof.

"(7) By any person upon whom an order to cease and desist has been served under section 312 (b) of this act.

"(8) By any party to a proceeding under section 401 who is aggrieved or whose interests are adversely affected by a declaratory order entered by the Commission.

"(9) By any radio operator whose license has been suspended by the Commission.

"(c) Such appeal shall be taken by filing a notice of appeal with the court within 30 days after the entry of the order complained of. Such notice of appeal shall contain a concise statement of the nature of the proceedings as to which the appeal is taken; a concise statement of the reasons on which the appellant intends to rely, separately stated and numbered; and proof of service of a true copy of said notice and statement upon the Commission. Upon filing of such notice, the court shall have exclusive jurisdiction of the proceedings and of the questions determined therein and shall have power, by order, directed by the Commission or any other party to the appeal, to grant such temporary relief as it may deem just and proper. Orders granting temporary relief may be either affirmative or negative in their scope and application so as to permit either the maintenance of the status quo in the matter in which the appeal is taken or the restoration of a position or status terminated or adversely affected by the order appealed from and shall, unless otherwise ordered by the court, be effective pending hearing and determination of said appeal and compliance by the Commission with the final judgment of the court rendered in said appeal.

"(d) Upon the filing of any such notice of appeal the Commission shall, not later than 5 days after the date of service upon it, notify each person shown by the records of the Commission to be interested in said appeal of the filing and pendency of the same and shall thereafter permit any such person to inspect and make copies of said notice and statement of reasons therefor at the office of the Commission in the city of Washington. Within 30 days after the filing of an appeal, the Commission shall file with the court a copy of the order complained of, a full statement in writing of the facts and grounds relied upon by it in support of the order involved upon said appeal, and the originals or certified copies of all papers and evidence presented to and considered by it in entering said order.

"(e) Within 30 days after the filing of an appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party, together with proof of service of true copies of said notice and statement, both upon appellant and upon the Commission. Any person who would be aggrieved or whose interest would be adversely affected by a reversal or modification of the order of the Commission complained of shall be considered an interested party.

"(f) The record and briefs upon which any such appeal shall be heard and determined by the court shall contain such information and material, and shall be prepared within such time and in such manner as the court may by rule prescribe.

"(g) At the earliest convenient time the court shall hear and determine the appeal upon the record before it in the manner prescribed by section 10 (e) of the act of June 11, 1946 (60 Stat. 243).

"(h) In the event that the court shall render a decision and enter an order reversing the order of the Commission, it shall remand the case to the Commission to carry out the judgment of the court and it shall be the duty of the Commission, in the absence of the proceedings to review such judgment, to forthwith give effect thereto, and unless otherwise ordered by the court, to do so upon the basis of the proceedings already had and the record upon which said appeal was heard and determined.

"(i) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, or other interested parties intervening in said appeal, but not against the Commission, depending upon the nature of the issues involved upon said appeal and the outcome thereof.

"(j) The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States as hereinafter provided—

"(1) an appeal may be taken direct to the Supreme Court of the United States in any case wherein the jurisdiction of the court is invoked, or sought to be invoked, for the purpose of reviewing any decision or order entered by the Commission in proceedings instituted by the Commission which have as their object and purpose the revocation of an existing license or any decision or order entered by the Commission in proceedings which involve the failure or refusal of the Commission to renew an existing license. Such appeal shall be taken by the filing of an application therefor or notice thereof within 30 days after the entry of the judgment sought to be reviewed, and in the event such an appeal is taken the record shall be made up and the case docketed in the Supreme Court of the United States within 60 days from the time such an appeal is allowed under such rules as may be prescribed.

"(2) in all other cases review by the Supreme Court of the United States shall be upon writ of certiorari on petition therefor under section 240 of the Judicial Code, as amended, by the appellant, by the Commission, or by any interested party intervening in the appeal, or by certification by the court pursuant to the provision of section 239 of the Judicial Code, as amended."

SEC. 16. The heading of section 405 of such act is amended to read:

"REHEARINGS BEFORE COMMISSION"

and such section is amended to read as follows:

"SEC. 405. (a) After a decision, order, or requirement has been made by the Commission in any proceeding, any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing. Petitions for rehearing must be filed within 30 days from the entry of any decision, order, or requirement complained of, and, except for those cases in which the decision, order, or requirement challenged is necessary for the maintenance or conduct of an existing service, the filing of such a petition shall automatically stay the effective date thereof until after decision on said petition. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such decision, order, or requirement, except where the party seeking such review was not a party to the proceedings resulting in such decision, order, or requirement, or where the party seeking such review relies on questions of fact or law upon which the Commission has been afforded no opportunity to pass. Rehearings shall be

governed by such general rules as the Commission may establish: *Provided*, That, except for newly discovered evidence or evidence otherwise available only since the original taking of evidence, no evidence shall be taken on any rehearing. The time within which an appeal must be taken under section 402 (b) hereof shall be computed from the date upon which orders are entered disposing of all petitions for rehearing filed in any case, but any decision, order, or requirement made after such rehearing reversing, changing, or modifying the original determination shall be subject to the same provisions with respect to rehearing as an original order."

SEC. 17. Section 409 (a) of such act is amended to read as follows:

"SEC. 409. (a) Notwithstanding the provisions of section 7 (a) of the act of June 11, 1946 (60 Stat. 241), all cases in which a hearing is required by the provisions of this act or by other applicable provisions of law shall be conducted by the Commission or by one or more examiners provided for in section 11 of the act of June 11, 1946 (60 Stat. 244) designated by the Commission. The officer or officers presiding at any such hearing shall have the same authority and duties exercised in the same manner and subject to the same conditions specified in section 7 of that act.

"(b) Notwithstanding the provisions of section 8 of the act of June 11, 1946 (60 Stat. 242), the officer or officers conducting a hearing shall prepare and file an intermediate report. In all such cases the Commission shall permit the filing of exceptions to such intermediate report by any party to the proceeding and shall, upon request, hear oral argument on such exceptions before the entry of any final decision, order, or requirement. All decisions, including the intermediate report, shall become a part of the record and shall include a statement of (1) findings and conclusions, as well as the basis therefor, upon all material issues of fact, law, or discretion, presented on the record; and (2) the appropriate decision, order, or requirement.

"(c) Notwithstanding the provisions of section 5 (c) of the act of June 11, 1946 (60 Stat. 239), no officer conducting a hearing pursuant to (a) and (b) hereof shall, except to the extent required for the disposition of ex parte matters as authorized by law, consult any person or party on any fact or question of law in issue, unless upon notice and opportunity for all parties to participate; nor shall such officer be responsible to or subject to the supervision or direction of any other person engaged in the performance of investigative, prosecuting, or other functions for the Commission or any other agency of the Government. No person or persons engaged in the performance of investigative or prosecuting functions for the Commission or for any other agency of the Government shall participate or advise in the proceedings described in (a) and (b) hereof, except as a witness or counsel in public proceedings. The Commission shall not employ attorneys or other persons for the purpose of reviewing transcripts or preparing intermediate reports of final decisions, except that this shall not apply to the review staff provided by subsection 5 (b) and to legal assistants assigned separately to a Commission member who may, for such Commission member, review such transcripts and prepare such drafts. No intermediate report shall be reviewed either before or after its publication by any person other than a member of the Commission or his legal assistant, as above provided, and no examiner, who conducts a hearing, shall advise or consult with the Commission with respect to his intermediate report or with respect to exceptions taken to his findings, rulings, or recommendations."

(b) Subsections (b), (c), (d), (e), (f), (g), (h), (i), and (j) of section 409 are amended to read subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), respectively.

SEC. 18. Section 414 of such act is amended by adding at the end thereof the following: "Except as specifically provided in this act the provisions of the act of June 11, 1946 (60 Stat. 237) shall apply in all proceedings under this act."

SEC. 19. Amend chapter 63 of the Criminal Code, title 18, by inserting a new section as follows:

"FRAUD BY RADIO

"SEC. 1343. Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, shall transmit or cause to be transmitted by means of radio communication or interstate wire communication, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, or whoever operating any radio station for which a license is required by any law of the United States, knowingly permits the transmission of any such communication, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both."

SEC. 20. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances should not be affected thereby.

Mr. HENDRICKSON. Mr. President, I send to the desk amendments I propose to the committee amendment, and I ask that they be stated.

The PRESIDING OFFICER. The amendments to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 38, in line 1, it is proposed to strike out the period and insert "for which reasonable honorarium or compensation may be paid."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. In the committee amendment on page 53, it is proposed to strike out line 7.

The amendment to the amendment was agreed to.

Mr. McFARLAND. Mr. President, may the last amendment to the committee amendment be stated again? I did not understand it.

The PRESIDING OFFICER. The last amendment to the committee amendment will be restated.

The LEGISLATIVE CLERK. In the committee amendment on page 53, it is proposed to strike out line 7.

Mr. McFARLAND. That is agreeable.

Mr. BUTLER. Mr. President, I had a few remarks which I had intended to make in connection with the bill. I am in favor of its passage. I simply ask unanimous consent that the statement I have prepared be printed at this point in the RECORD.

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

STATEMENT BY SENATOR BUTLER

Mr. President, I hope very much that this bill will be passed today. It contains provisions which will be very beneficial to the radio and television industry. In my judgment, it is a very constructive piece of work.

I am particularly interested in one or two provisions which represent a somewhat new departure in legislation. I refer to the provisions of sections 4 (a) and 4 (c) which place a limitation on the practice of selling influence by former New Deal officials who resign their Government positions and then represent private corporations before the Government agencies in which they were formerly employed.

This bill bars members of the Federal Communications Commission from accepting employment with any corporation subject to the jurisdiction of the Federal Communications Commission during the period of the terms for which they were appointed as members of the Commission. In other words, they cannot resign prior to the expiration of their terms and immediately accept employment with large corporations in the communications field. The bill also prohibits various other officials of the Commission from representing clients before the Commission for a period of 1 year after the cessation of their employment with the Commission.

Mr. President, a few days ago I called attention on the floor of the Senate to the widespread practice of selling influence by former New Deal officials who after serving a period in some Government agency resigned and immediately secured as clients the same corporations which they formerly regulated as Government officials. I particularly mentioned the names of two former Chairmen of the Federal Communications Commission. One was Charles R. Denny, who resigned as Chairman of the Commission and within a very short time was appointed chief counsel for the National Broadcasting Co. If his bill had been in effect a few years ago it would have prohibited Mr. Denny from trading on the influence he acquired as Chairman of the Commission. The other was Paul Porter, also a former Chairman of the FCC, who later became Administrator of the OPA. Mr. Porter, following the end of his employment with the Government, represented various radio companies and the Western Union Co.

Since my former remarks, another name has been called to my attention. James Lawrence Fly, former Chairman of the Federal Communications Commission, left the Commission about 6 years ago and very shortly began to represent clients before the Commission.

This practice of permitting former New Deal officials to sell their influence with their former agencies is far more widespread and far more subject to criticism than "5 percenters" of whom we are hearing so much today. These private individuals who set themselves up as "5 percenters" may or may not have the influence they claim. These former New Deal officials—those I have named and others—actually do have the influence they claimed. There is no doubt about it. They are in position to give their private clients value received. The unfortunate fact is that their activities are carried on at the expense of the Government and the American people.

The officials of the Federal Communications Commission have provided us with a particularly notorious case of this sort of thing, but the FCC is not the only agency where the practice has been common. In my judgment, the Congress should proceed to enact similar legislation applying to all the other agencies.

Mr. SCHOEPPEL. Mr. President, have the amendments been agreed to?

The PRESIDING OFFICER. The amendments proposed to the committee amendment have been agreed to.

The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. SCHOEPPEL. Following that, I wish to interpose objection to the bill, by request. The Senator requesting it is absent from the floor.

Mr. McCLELLAN. May I inquire who is objecting?

Mr. SCHOEPPEL. The Senator from Maine [Mr. BREWSTER].

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

COINAGE OF MEDAL IN RECOGNITION OF SERVICES OF VICE PRESIDENT BARKLEY

The joint resolution (H. J. Res. 188) to provide for the coinage of a medal in recognition of the distinguished services of Vice President ALBEN W. BARKLEY was considered, ordered to a third reading, read the third time, and passed.

PROVISION FOR CERTAIN EDUCATIONAL BENEFITS FOR VETERANS

The bill (S. 672) to amend part VIII of Veterans Regulation No. 1 (a) so as to provide entitlement to educational benefits for those individuals who enlisted or reenlisted prior to October 6, 1945, on a same basis as for those individuals who enlisted or reenlisted within 1 year after October 6, 1945, was announced as next in order.

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

Mr. LUCAS. Mr. President, I think we should have an explanation of the bill from the Senator who in numerous other cases has been asking for explanations and who seems to be the author of this bill. I should like to hear what the bill is about. I do not think I shall oppose the passage of the bill, but I should like to have a full explanation. There is some curiosity in regard to the bill.

Mr. HENDRICKSON. Mr. President, this is only a tie-up bill which will assure equal treatment to all men who enlisted in the armed forces up through October 6, 1945.

As the law now stands, all who joined the armed forces before October 6, 1945, have their educational benefits cease accumulating as of July 25, 1947, the time of the end of the War Powers Act, but Public Law 190 was passed in October of 1940, in an attempt to encourage and stimulate enlistments. Those who enlisted between October 6, 1945, and October 5, 1946, were entitled to maximum benefits under the GI bill of rights law, as passed by the Congress.

At the present time, for example, under the present law, two boys who enlisted—one on October 6, 1945, and served until October 1, 1948, and one enlisting on October 7, 1945, and serving until October 7, 1947—receive different treatment. The one enlisting on October 6, 1945, has his benefits under Public Law 346 cease accumulating on July 25, 1947. The one enlisting on October 7, 1945, has his benefits continue accumulating straight through, and he receives more schooling under the GI bill of rights than does the other man, who served a year longer.

Mr. LUCAS. Mr. President, that is a very clear explanation, and I have no objection.

Mr. HENDRICKSON. I thank the Senator.

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

Mr. HENDRICKSON. I yield.

Mr. ROBERTSON. Under the bill, when will the GI educational program end?

Mr. HENDRICKSON. The present law will govern that.

Mr. ROBERTSON. Does the Senator's bill extend the GI program? Of course under present conditions the veterans have a certain number of years during which educational opportunities are available to them.

Mr. HENDRICKSON. No; the bill does not extend the law at all. It simply corrects an inequity in the present law.

Mr. ROBERTSON. But, as I understand, there is a group of soldiers who have been eligible for GI educational allowances for a certain number of years. After the bill takes effect, for how many additional years will they be able to take advantage of those educational opportunities, and for how many years will the program run?

Mr. HENDRICKSON. I cannot answer that question, Mr. President.

Mr. ROBERTSON. Will the Senator permit me to ask him another question?

Mr. HENDRICKSON. Certainly. I do not have the present law before me, and I am not familiar with the date.

Mr. ROBERTSON. Has any estimate been made of the additional cost of the GI program by reason of the enactment of this bill?

Mr. HENDRICKSON. None that I know of.

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

There being no objection, the bill (S. 672) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraph 12 of part VIII of Veterans Regulation No. 1 (a) is amended to read as follows:

"12. For the purposes of this part, the present war shall not be considered as terminating, in the case of any individual (1) before the termination of such individual's first period of enlistment or reenlistment contracted within 1 year after October 6, 1945, or (2) before the termination of any period of enlistment or reenlistment contracted by such individual on or before October 6, 1945."

DESIGNATION OF UNITED STATES VETERANS' ADMINISTRATION HOSPITAL AS JOHN D. MAGRATH MEMORIAL VETERANS' HOSPITAL

The bill (S. 1387) to provide for designation of the United States Veterans' Administration hospital to be constructed at West Haven, Conn., as the John D. Magrath Memorial Veterans' Hospital was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Veterans' Administration hospital to be constructed at West Haven, Conn., shall be known and designated on the public records as the John D. Magrath Memorial Hospital.

The title was amended so as to read: "A bill to provide for designation of the United States Veterans' Administration hospital to be constructed at West Haven, Conn., as the John D. Magrath Memorial Hospital."

BILL PASSED OVER

The bill (S. 2319) to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to the Republic of Korea was announced as next in order.

Mr. LANGER. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SUITLAND PARKWAY, MARYLAND

The bill (H. R. 2214) to provide for the development, administration, and maintenance of the Suitland Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? Without objection——

Mr. LANGER. Just a moment, please. What will the cost of the bill be? Does anyone know? May we have an explanation of how much it will cost?

Mr. McCLELLAN. Mr. President, I do not understand that it will cost anything. The bill simply provides for a transfer of property to be used for park purposes.

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

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

REPORTS ON PUBLIC WORKS PROJECTS

The resolution (S. Res. 136) calling on certain Government departments and agencies for reports on public-works projects for which funds are not available for construction, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 2, after the comma, it is proposed to insert "in 1950"; in the same line, before the word "a", to insert, "and each year thereafter, not later than the first day of January"; and on page 3, after line 8, to insert a new section, as follows:

SEC. 3. Such schedule shall set forth the statement of the statutory authority for such authorized projects.

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

There being no objection, the Senate proceeded to consider the resolution, which was read, as follows:

Resolved, That each of the following is requested to submit to the Senate not later than January 1, 1950, a full and complete schedule of all public-works projects which are under consideration by his department or agency at the time of adoption of this resolution, but for the construction of which

no funds have heretofore been made available (including all projects to be constructed or planned by, or with the assistance of, such department or agency):

(1) The Secretary of the Interior, with particular regard to irrigation, reclamation, and related water resources projects of the Bureau of Reclamation, and to projects for fish hatcheries and wildlife refuges, park and recreation facilities, and geological surveys.

(2) The Secretary of the Army, with particular regard to river and harbor, flood control, and related water resources projects of the Corps of Engineers.

(3) The Secretary of Agriculture, with particular regard to flood control, soil-erosion control, forestry control, and water flow retardation projects.

(4) The Administrator of Civil Aeronautics, with particular regard to airways and airports.

(5) The Administrator of General Services, with particular regard to projects of the Bureau of Public Roads, to local public works planned or to be planned with Federal aid, and to other projects of types administered, prior to the effective date of the Federal Property and Administrative Services Act of 1949, by the Bureau of Community Facilities and the Public Buildings Administration.

(6) The Federal Security Administrator, with particular regard to hospitals and schools.

SEC. 2. Such schedule shall classify such projects into three group as follows: (1) Authorized projects; (2) as yet unauthorized projects which are considered economically advisable at the time of submission of such schedule; and (3) as yet unauthorized projects which are not considered economically advisable at the time of submission of such schedule, but which may become so in time of economic stress. Each such project shall be designated in such schedule by name and location, and there shall be set out in such schedule with respect to each such project, (1) the estimated cost to the Federal Government of such project, and (2) the estimated cost to the Federal Government of completing plans for such project to the point where construction can begin.

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from New Jersey [Mr. HENDRICKSON] will be considered en bloc. The question is on agreeing to the amendments.

The amendments were agreed to.

The resolution, as amended, was agreed to.

IMPROVEMENT OF POST OFFICE FACILITIES AT LOS ANGELES, CALIF.

The bill (H. R. 1154) to provide authorization for additional funds for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes was considered, ordered to a third reading, read the third time, and passed.

AUTHORIZATION OF PUBLIC WORKS FOR THE TERRITORY OF ALASKA

The Senate proceeded to consider the bill (S. 855) to authorize a program of useful public works for the development of the Territory of Alaska, which had been reported from the Committee on Public Works, with amendments.

Mr. HENDRICKSON. Mr. President, I send to the desk three amendments, which I ask to have stated.

The PRESIDING OFFICER. The Clerk will first state the committee amendments.

The amendments were on page 1, line 11, after the word "The" to strike out "Federal Works"; in the same line, after the word "Administrator", to insert "of General Services"; on page 3, line 22, after the word "cost", to insert "or the actual cost, whichever is the lesser"; on page 5, line 20, before the word "be", to strike out "may" and insert "shall", and on page 6, line 21, after the word "the", to strike out "Federal Works Agency" and insert "General Services Administration", so as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Alaska Public Works Act."

SEC. 2. The Congress hereby declares that the purpose of this act is to foster the settlement and increase the permanent residents of Alaska, stimulate trade and industry, encourage internal commerce and private investment, develop Alaskan resources, and provide facilities for community life, through a program of useful public works.

SEC. 3. The Administrator of General Services (hereinafter referred to as the "Administrator") is hereby authorized to accept applications for public works in the Territory of Alaska from the said Territory or from any city, town, district, or other public body in said Territory (said Territory or other public body submitting an application hereunder being hereinafter referred to as the "applicant"). Each of such applications shall include a statement by the Governor of the Territory respecting the need for the public works requested and the financial ability of the applicant to defray the cost of the public works.

SEC. 4. Whenever the Administrator, with the concurrence of the Secretary of the Interior, given after consultation with such other Federal agencies as have a substantial interest in the public works requested in any such application, concludes that such public works, as requested or as revised by him, will effectuate the purposes of this act and should be provided hereunder, he may include them in the program of public works for the Territory of Alaska.

The Administrator is further authorized to provide, within the limits of the appropriations available therefor, any public works included in such program. The authority to provide public works hereunder shall include the power to acquire, construct, and equip public works, clear and improve sites therefor, improve, extend, alter, rehabilitate, repair, or remodel existing public works, and prepare surveys, drawings, specifications, and contract and other construction documents.

As used in this act, the term "public works" is intended to mean public facilities, such as schools, hospitals, sewer, water and other public-utility facilities, wharf, dock and other harbor facilities, bridges, roads, sidewalks, streets, alleys, and other public thoroughfares, college and institutional buildings and facilities (including dormitories and quarters for students, inmates, and employees), libraries, firehouses and other public buildings, incinerators and garbage-disposal facilities, and other public and community facilities.

SEC. 5. The Administrator, in providing public works for any applicant hereunder, shall enter into an appropriate agreement with the applicant pursuant to which the applicant shall agree, in consideration for such public works, to operate and maintain the public works at its own expense and to pay to the United States at such time or times as may be mutually agreed, a purchase price deemed by the Administrator to be reasonable and in the public interest. Such purchase price shall in no event be less than 25 percent nor more than 75 percent of the estimated cost or the actual cost, whichever is the lesser, to the United States of said public works, as determined by the Administrator, and the aggregate amount agreed to be paid by the applicants under all said agreements shall be sufficient, in the determination of the Administrator, to enable the United States to recover in the aggregate not less than 50 percent of the total estimated cost to the United States of all the public works provided under this act. Upon completion of the public works the Administrator shall transfer to the applicant, in conformity with the provisions of said agreement, possession of and all rights, title, and interest of the United States in and to said public works. Any portion of the purchase price remaining unpaid on the date of such transfer, shall bear simple interest at 2 percent per annum from such date to the date of payment.

SEC. 6. To facilitate carrying out the purposes of this act, any applicant hereunder is authorized to enter into agreements with the United States, perform the obligations assumed thereunder, pay to the United States the amount agreed upon for the public works, out of any funds available to the applicant not otherwise appropriated, and, in connection with any project described in any such agreement, incur indebtedness, issue general obligation or revenue bonds, levy taxes which shall be uniform upon the same class of subjects, impose special assessments, fix and collect charges for services rendered by the public works, operate and maintain public works included in said program, acquire by purchase, condemnation, donation, or otherwise such interests in land as may be necessary to provide public works hereunder, and grant to the United States, without reimbursement, any permit, license, or right to use land and other property in the possession of the applicant as may be necessary to enable the Administrator to carry out his functions hereunder. The powers granted under this section shall be in addition to the powers heretofore granted and may be exercised notwithstanding any other provisions of law.

SEC. 7. For the purpose of carrying out this act, any Federal agency having jurisdiction over any interest in land, whether improved or unimproved, necessary for providing public works hereunder may, in its discretion and subject to such conditions as it may determine, transfer jurisdiction thereof to the Administrator upon his request, notwithstanding any other provisions of law, and the Administrator is authorized to acquire jurisdiction over such land and utilize such land for carrying out his functions under this act. The Administrator may also provide public works upon lands of any applicant made available to him for such purpose.

SEC. 8. Except as hereinafter provided, public works shall be provided under this act by the Administrator through the award of contracts in conformity with the provisions of section 3709 of the Revised Statutes. Work estimated to cost less than $25,000 and repairs, improvements, extensions, and alterations to existing public works may be performed by entering into a written contract with any applicant for the performance of such work upon the basis of the United States reimbursing the applicant for its approved legitimate expenditures in connection therewith. Notwithstanding any other provisions of law, applicants are hereby authorized to enter into such contracts with the United States and in performing such contracts are authorized to utilize their officers and employees, equipment, tools, materials, supplies, and other property, to incur necessary debts, and to make necessary expenditures.

SEC. 9. All moneys received by the Administrator under the provisions of any agreement with an applicant shall be covered into the Treasury as miscellaneous receipts.

SEC. 10. In carrying out the provisions of this act, the Administrator is authorized to

utilize and act through other Federal agencies or through any applicant, with the consent of such applicant, and any funds appropriated pursuant to this act shall be available for transfer to any such agency or for payment to any such applicant in reimbursement for services rendered hereunder. The Administrator may delegate any authority conferred upon him under this act to any officer or unit of the General Services Administration and may prescribe rules and regulations for carrying out the provisions of this act.

SEC. 11. There is hereby authorized to be appropriated, to remain available until expended, such sums as may be necessary to carry out the provisions of this act, and for administrative expenses in connection therewith, including the employment of consultants, such as engineers, architects, and other technical experts, in conformity with Public Law 600, Seventy-ninth Congress, except for the rates of compensation which shall be determined by the Administrator, personal services and rental in the District of Columbia, Alaska, and elsewhere, supplies and equipment, travel expenses, transfer of household goods and effects, purchase, repair, operation, and maintenance of motor-propelled passenger-carrying vehicles, printing and binding, purchase and exchange of lawbooks and other reference books, and such other expenses as may be necessary for carrying out this act.

SEC. 12. The authority of the Administrator under this act to provide public works and to enter into agreements with applicants in connection therewith shall terminate on June 30, 1955.

The amendments were agreed to.

The PRESIDING OFFICER. The Clerk will state the amendments offered by the Senator from New Jersey.

The LEGISLATIVE CLERK. It is proposed to strike out line 24 on page 6, line 1 on page 7, and the words on line 2, up to and including the word "act", and to insert in lieu thereof the following:

SEC. 11. There is hereby authorized to be appropriated the sum of $70,000,000 or so much thereof as may be necessary to carry out the provisions of this act.

On page 7, line 15, to strike out section 12, beginning on line 15, and to insert:

SEC 12. The authority of the Administrator under this act to provide public works and to enter into agreements with applicants in connection therewith shall terminate on June 30, 1955, or on the date he obligates for such purposes the total amount authorized to be appropriated hereunder, whichever occurs first;

And on page 4, line 4, after the word "act", to strike out the period, insert a comma and the following: "it being the intent that the Administrator shall ultimately recover and cover into miscellaneous receipts approximately one-half of the total Federal funds expended for the provision of public works under this act."

Mr. HOLLAND. Mr. President, this is a bill reported unanimously by a subcommittee of the Public Works Committee, and then reported unanimously by the full committee. It is a public works bill for the Territory of Alaska. It is based upon rather exhaustive hearings at which the distinguished Governor of the Territory, the distinguished Delegate of the Territory, and various other Territorial officials, such as the chief school officer and the chief health officer, the mayors of the five principal cities of Alaska, and others were present, in addition to representatives of the Army, the Navy, the Interior Department, and the various public works agencies of the United States Government. The purpose of the bill is to permit an accentuation of the public works construction so greatly needed in Alaska, particularly with reference to schools, hospitals, water systems, sewerage systems, and the like.

A very strong case was made for the bill on the ground that the extensive military work going on in Alaska and other Federal works are such as to have brought there a decided addition to the civilian population, which of itself, the Territory and its various subdivisions is wholly unable to take care of.

The purpose of the bill is to permit over the years, ending with the fiscal year 1955, the expenditure of a total sum of $70,000,000 in public works of the category which I have mentioned, but with the definite requirement that 50 percent thereof shall be returned by the various subdivisions of the Territory, or by the Territory itself, as the case may be, depending upon whether the public works are for the benefit of the whole Territory or of the several subdivisions. I may say a strong showing was made that these pioneer communities in Alaska are going the limit to help themselves.

In many instances they have already voted bond issues, such as for instance issues for the construction of schools and hospitals, and the bill would permit the allocation of Federal funds in such a way as to require the reimbursement to the Federal Government in the amount of from 25 percent of the total to 75 percent of the total, as the case may be, but requiring on the over-all 50 percent of the total to be reimbursed to the Government of the United States.

Mr. President, Alaska is an outpost on the northern Pacific, and is being subjected to very heavy strains in its growing, by reason of the Federal demands for taking care of the civilian population, who are sent to Alaska to help serve the military, naval, and other Federal objectives. It is the unanimous opinion of the committee that the bill is highly meritorious and should be passed expeditiously, and the work allowed to proceed.

The amendments suggested, to which the committee agrees, are these, if I may be allowed to state them: First, that the amount of $70,000,000, which was stated in the hearing and stated in the report to be the scope of the program, but which was not stated in figures in the bill, has been actually written into the bill; second, the requirement that instead of running to the end of the fiscal year 1955, that, in the event the $70,000,000 were wholly allocated or wholly expended prior to that time, the authorization would cease at that date even if it were before June 30, 1955.

We have no objection to the adoption of the amendments. They carry out the original purposes of the bill and safeguard them. I hope the amendments will be adopted, and that the bill as amended will be passed.

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

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. I should like to ask the Senator a question. He said these amounts were going to be reimbursed to the Federal Government by the local agencies involved. Under what terms, or how are they to be reimbursed—in cash, over a period of years, or how?

Mr. HOLLAND. In varying terms, as the communities can do it. In some instances they have already sold bonds and have ready their half of the cost of the project; that has to do with various school districts. I may say the committee was interested to find that the costs of construction are of course vastly greater than they are in continental United States, and that in addition to having to provide for temperatures beyond what we have to guard against, the living conditions are so difficult that in most instances living arrangements for the school teachers have actually to be provided in the building itself where the school courses are taught. These communities are going to the limit, we felt, in taking care of their contribution. The reason it was left flexible, I may say to the Senator, as between a 25-percent contribution and a 75-percent contribution, was that there were varying abilities to pay demonstrated on the part of the several school districts and municipalities, and the like, some being able to pay up to 75 percent of the cost of putting in the needed public works, and some being able only up to 25 percent thereof. Discretion is left in the Public Works Administrator to determine as between those figures. But the over-all limitation is placed upon him that he must require reimbursement of 50 percent of the entire amount.

Mr. BUTLER. Mr. President, I rather think it would be interesting at this place in the RECORD to have inserted an article which appeared in the August 4 issue of the Fairbanks Daily News-Miner, entitled "Alaska To Borrow $1,000,000." The article sets forth some rather vital financial facts regarding the condition in Alaska. I suspect Alaska really needs any benefit it may receive as the result of the enactment of the pending bill. I ask unanimous consent to have the article printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

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

ALASKA TO BORROW $1,000,000—LOAN WOULD BE MADE BY SEATTLE BANK—TERRITORIAL CITIZENS MUST GUARANTEE $15,000 INTEREST

SEATTLE, August 4.—Alaska Territorial Treasurer Henry Roden announced today that a million dollar bank loan for Alaska is virtually assured.

He said the only remaining barrier is getting private guarantors for the 3 percent interest which will be involved.

LEGISLATURE MUST ACT

He said 15 private citizens will be asked to guarantee $1,000 interest each, pending action by the Territorial Legislature. He said there was no doubt that the 15 can be found and he is confident the legislature will vote at its next session to pay the interest and relieve the individuals of their responsibility.

Roden said he would be 1 of the 15.

The Territorial treasurer disclosed that the loan will be from the Seattle Trust and Savings Bank.

AIR-MAILED TO JUNEAU

He said the precedent of Territorial borrowing without advance legislative approval had been set by the Territorial school board.

The legislature, he said, later approved the Territory's assumption of the interest.

The treasurer said he air-mailed an outline of the plan last night to the board of administration, of which Gov. Ernst Gruening and other Territorial officers are members.

RETURNS HOME TOMORROW

"I am certain they will agree to it," Roden asserted.

The treasurer, who has been here for a week seeking funds with which to free the Territory from its pressing financial difficulties, will fly north tomorrow:

MOUNTING DEFICIT

The shortage of cash in the Territory's general fund to meet current operating expenses reached the unprecedented total of $907,004 in the first 6 months of 1949. This was disclosed in a treasury report from Juneau last month.

Cash on hand at the close of business June 30 was $262,907, the treasurer reported, against which there were unpaid bills amounting to $1,169,911.

The deficit when the books were closed May 31 was $879,032. Thus the shortage increased by $27,972 during the month of June. The total of unpaid bills was up for the month by $123,381.

FROZE EXPENDITURES

Acting to meet the Territory's financial crisis, the board of administration in Juneau late in June "froze" a total of $5,645,498 in projected expenditures of the biennium voted at the last session of the legislature. The total included $1,774,063 which had been appropriated for school construction purposes.

The board's order specified that Territorial salaries, relief funds and school maintenance expenditures were not affected by the action. Two years ago, when a similar crisis confronted the Gruening administration, the board froze expenditures amounting to $1,038,000, at that time regarded as a severe economy move.

LAWYERS MAIN PROBLEM

Roden said here today that the court challenge of the new Alaska tax laws was not a major barrier; that he soon convinced bankers that this was not a problem by the trouble was clearing it with the lawyers.

Roden said there would be ample funds available before January 15 for paying off the borrowed sum. He expressed the belief the receipts from liquor, income, and other taxes would be ample.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New Jersey, which, without objection, will be considered en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McFARLAND. Mr. President, a few moments ago when Calendar No. 741, House bill 5007, was called, the Senator from Maine [Mr. BREWSTER] objected. I am now informed that the Senator made a mistake and that he does not object to the consideration of that bill. I therefore ask unanimous consent that the Senate may return to the consideration of the bill.

Mr. LUCAS. Mr. President, I suggest that it should go to the bottom of the calendar, because if we start that practice now, other Senators will request that we do the same thing in connection with bills in which they are interested. I made the suggestion at the beginning that we go through with the calendar and not go back to other bills until the completion of the call of the calendar. I dislike very much to have to take that position, but I object at the moment.

ADVANCE PLANNING OF PUBLIC WORKS—BILL PASSED OVER

The bill (S. 2116) to provide for the advance planning of public works was announced as next in order.

Mr. TAFT. Mr. President, I object to the consideration of this bill under the unanimous-consent rule. It is a bill which authorizes the expenditure of $100,000,000 by the Federal Government, and should not be passed without very serious consideration of its terms. We did something of that kind just after the war. I think it is very doubtful that it is necessary to make an expenditure which will add $50,000,000, apparently, to the budget, this year, when we already have a deficit, and $50,000,000 next year. I think the administration should assume responsibility for bringing it up for consideration.

Mr. HENDRICKSON. Mr. President, will the Senator withhold his objection for a moment?

Mr. TAFT. Yes.

Mr. HENDRICKSON. The bill is obviously to provide for advance planning of public works. I think the title of the bill should be amended so as to read: "A bill to provide for the advance planning of public works on a non-Federal basis."

I have a second amendment which provides:

The Administrator shall print quarterly, and shall submit to the Senate and the House of Representatives (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session) a report of his activities and expenditures under this act. Such reports shall, when submitted, be printed as public documents.

Mr. HOLLAND. I would have no objection to those amendments.

The PRESIDING OFFICER. Will the Senator from Florida yield until the committee amendments have been stated?

Mr. HOLLAND. Will the Senator from Ohio withhold his objection so that the bill may be perfected?

Mr. TAFT. I have withheld my objection.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The amendments of the committee were on page 1, line 11, after the word "the", to strike out "Federal Works Administrator" and insert "Administrator of General Services"; on page 2, line 7, after the word "the", to strike out "Federal Works Administrator" and insert "Administrator of General Services"; in line 22, after the word "the", to strike out "Federal Works Administrator" and insert "Administrator of General Services"; on page 3, line 5, after the word "the", to strike out "Federal Works Administrator" and insert "Administrator of General Services", and in line 19, after the word "The", to strike out "Federal Works Administrator" and insert "Administrator of General Services", so as to make the bill read:

Be it enacted, etc., That in order (a) to encourage States and other non-Federal public agencies to maintain a continuing and adequate reserve of fully planned public works (exclusive of housing) readily available for use so as to permit the immediate commencement of construction of such public works when the economic situation may make such action desirable, (b) to enable the United States, through reference to such reserve of fully planned public works as reflected by records maintained and reports issued by the Administrator of General Services, to adapt, insofar as practical and desirable, the planning and construction of needed Federal public works to the particular public works objectives of individual States and other non-Federal public agencies, and (c) thereby to attain maximum economy and efficiency in the planning and construction of local, State, and Federal public works, the Administrator of General Services is hereby authorized, during the period of 2 years immediately following the date upon which this act becomes effective, to make advances, from funds appropriated for that purpose, to the States, their agencies, and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of public works (exclusive of housing): *Provided*, That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to undertake the construction of any public works so planned.

SEC. 2. Funds appropriated for the making of advances hereunder shall be allocated by the Administrator of General Services among the several States in the following proportion: 75 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available United States census, and 25 percent in accordance with the needs of the States as determined by the said Administrator: *Provided*, That if the Administrator of General Services determines that any funds so allocated to any State cannot promptly be utilized for effectuating the purposes of this act, he may allocate such funds to any other State or States requiring additional allotments.

SEC. 3. No advance shall be made hereunder with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by a competent State, local, or regional authority.

SEC. 4. Advances under this act to any public agency shall be repaid without interest by such agency if and when the construction of the public works is undertaken or started. All sums so repaid shall be covered into the Treasury as miscellaneous receipts.

SEC. 5. The Administrator of General Services is authorized to prescribe rules and regulations to carry out the purposes of this act.

SEC. 6. There are hereby authorized to be appropriated such amounts, not to exceed a total of $100,000,000, as may be necessary to effectuate the purposes of this act. Amounts so appropriated shall remain available until expended.

SEC. 7. As used in this act, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

The amendments were agreed to.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from New Jersey.

The CHIEF CLERK. On page 3 after line 21, it is proposed to add a new section as follows:

SEC. 6. The Administrator shall print quarterly, and shall submit to the Senate and the House of Representative (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session) a report of his activities and expenditures under this act. Such reports shall, when submitted, be printed as public documents.

In section 6, page 3, line 22, to strike out "6" and insert "7"; and to amend the title of the bill by inserting the word "non-Federal" after the word "of" and before the word "public."

The amendments were agreed to.

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

Mr. TAFT. I object.

Mr. HOLLAND. Will the Senator withhold his objection for a moment?

Mr. TAFT. Yes.

Mr. HOLLAND. I have no objection to having the matter heard at length and upon its merits, but I think the Senate should know the nature of the bill, because I think it can be disposed of without full debate.

In the first place, the subcommittee, after study, has unanimously reported the bill; in the second place, the full Public Works Committee has taken the same action. It is an extension of the act referred to by the Senator from Ohio, which was passed in 1944, and under which a considerable backlog of public works was accumulated, some of which has already been realized by actual construction. That backlog is not up to date; it does not take account of the fact that the current recession is on a sort of scattered basis, occurring in some communities and areas of the Nation to a much greater extent than in other such areas.

The purpose of the bill is to expand that program. It will not involve the expenditure of any Federal funds at all, on a long-range basis, because it provides only for advancements, 75 percent of which are to be made among the States on the basis of population, and the other 25 percent to be allocated, depending upon the need, the unemployment, and the recession as it may exist in the period of 2 years covered.

The first of the series of bills referring to public works has already become law, namely, the one for the acquisition of sites and the planning of post offices and other Federal buildings. The Senate has just passed the Alaska public works bill. This measure allows the States and their subdivisions to participate in the planning of public projects. It is highly necessary that the Federal Government take the lead in advancing planning costs, because in most parts of the Nation bond issues are required and elections have to be held before public works can go forward.

It has been found to be not only helpful, but, in many cases, necessary, to have a developed project, with plans already made and the costs already estimated with great certainty, before the public can properly appraise and approve any proposed program in this field. With the present financial situation and the economic condition as it is, this planning was deemed by the committee to be particularly appropriate, and I am sure the members of the other party on the committee feel just as we do about it, and will allow the planning program to go ahead.

I hope the distinguished Senator from Ohio will withdraw his objection and allow the bill to be considered and passed.

Mr. TAFT. I approved the bill at the time of the reconstruction after the war, because there was a tremendous emergency at that time. The effect of this bill is to make the Federal Government assume a responsibility for all local public works. If we want to go into that business, it seems to me this is a substantial step toward the Federal Government's assuming responsibility for everything in the United States. I see no reason why any locality that wants to plan its public works should not do so at its own expense. I see no reason why Federal funds should be called upon by every school district in the United States. They can get schoolhouses planned if they pay an architect on a contingent basis. There is no difficulty about getting money for planning.

This is a proposal to stimulate the construction of more public works. The main purpose is to build up a great backlog of public works. Why? Simply in order that the Federal Government may so manipulate the whole construction program that it may be a part of a general planning program of the Federal Government determined to affect all the economic affairs of the United States by having this weapon by which it can gradually build up construction.

As a matter of fact, construction is at the present moment going forward faster than it has ever done before. It has increased over last year. There is no question that any locality in the United States that wants public works can go ahead and plan for them and get the bonds to construct them, if it wishes to do so.

It is said the money will be paid back. No one knows whether that will be done. Anyone can plan public works at Federal expense and never have to repay the money to the Federal Government. In any event, I feel very strongly that it is a matter which involves the public policy of the United States and it should not be considered under the 5-minute rule.

The PRESIDING OFFICER. The bill will be passed over.

The Secretary will call the next bill on the calendar.

AMENDMENT TO TRADING WITH THE ENEMY ACT

The Senate proceeded to consider the bill (S. 603) to amend the Trading With the Enemy Act, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 8, after the word "deceased", to strike out "persons," and insert "person"; on page 2, line 2, after the word "be", to strike out "made" and insert "made," in line 3, after the word "so", to strike out "designated" and insert "designated,"; in line 4, after the numerals "30", to strike out "1949" and insert "1950"; in line 8, after the word "that", to strike out "it is probable" and insert "there is no basis for reasonable doubt"; in line 16, after the word "gives", to strike out "assurances satisfactory to" and insert "firm and responsible assurance approved by"; in line 18, after the word "will", to insert "sell and dispose of and"; in line 19, after the word "it", to insert "or the proceeds of any such property or interest"; in line 20, after the word "for", to insert "use directly in"; in line 24, after the word "the", to insert "particular"; on page 3, line 1, after the word "member", to insert "and by reason of membership in which such former owner so suffered such deprivation of liberty or so failed to enjoy such rights"; in line 6, after the word "person", to strike out "designated as entitled thereto pursuant to this act by the President or such officer or agency" and insert "whom the President or such officer or agency shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest"; in line 11, after the word "made", to insert "to the President, with a copy to be furnished to the Congress"; in line 12, after the word "reports", to insert "(including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest)"; on page 4, line 4, after the numerals "30", to strike out "1949" and insert "1950", and after line 8, to insert:

SEC. 3. As used in this act, "organization" means only a nonprofit charitable corporation incorporated under the laws of any State of the United States with the power to sue and be sued.

So as to make the bill read:

Be it enacted, etc., That section 32 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended by adding at the end thereof the following subsection:

"(h) The President may designate one or more organizations as successors in interest to deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) hereof. An organization so designated shall be deemed a successor in interest by operation of law for the purposes of subsection (a) (1) hereof. Return may be made, to an organization so designated, (a) prior to April 30, 1950, or 2 years from the vesting of the property or interest in question, whichever is later, if the President or such officer or agency as he may designate determines from all relevant facts of which he is then advised that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest by inheritance, devise, or bequest; and (b) after such later date, if no claim for the return of the property or interest is pending.

"No return may be made to an organization so designated unless it files a claim on or before January 1, 1952, and unless it gives firm and responsible assurance approved by the President that (1) it will sell land dispose of and use the property or interest returned to it or the proceeds of any such property or interest for use directly in the rehabilitation and settlement of persons who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and

(D) of subsection (a) (2) hereof, by reason of their membership in the particular political, racial, or religious group of which the former owner was a member and by reason of membership in which such former owner so suffered such deprivation of liberty or so failed to enjoy such rights; (ii) it will transfer, at any time within 2 years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest; and (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require.

"The filing of a claim by an organization so designated shall not bar the payment of debt claims under section 34 of this act."

SEC. 2. The first sentence of section 33 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended to read as follows:

"SEC. 33. No return may be made pursuant to section 9 or 32 unless notice of claim has been filed; (a) in the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States on or after December 18, 1941, by April 30, 1950, or 2 years from the vesting of the property or interest in respect of which the claim is made, whichever is later: *Provided*, That return may be made to successor organizations designated pursuant to section 32 (h) hereof if notice of claim is filed by January 1, 1952."

SEC. 3. As used in this act, "organization" means only a nonprofit charitable corporation incorporated under the laws of any State of the United States with the power to sue and be sued.

The amendments were agreed to.

Mr. DONNELL. Mr. President, I call the attention of the Senator from Nevada to the fact that it was contemplated in the committee that on page 4, line 11, there should be inserted, after the name "United States", the words "or of the District of Columbia."

Mr. McCARRAN. That is correct.

Mr. DONNELL. I ask unanimous consent that the vote by which the committee amendment was agreed to be reconsidered, and that the amendment may be amended as suggested.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. O'MAHONEY. Mr. President, I should like to ask if any Senator knows, or if the report of the committee indicates, whether this bill involves any cost to the Government of the United States.

Mr. McCARRAN. It does not. It is not intended to involve any cost to the Government.

Mr. O'MAHONEY. I observe that a great many amendments were agreed to, which are committee amendments. We are without copies of the bill. I wonder if the Senator will be good enough to give us an explanation of the purpose and effect of the changes in the Trading With the Enemy Act.

Mr. McCARRAN. Briefly stated, the purpose of the proposed legislation, as amended, is to enable the Government to turn over property which was vested from persecuted persons, not known to have been such at the time of the vesting, who died without heirs, through organizations designed by the President, which will use the property for the rehabilitation and resettlement of the persecuted persons.

The bill was introduced by the Senator from Ohio [Mr. TAFT], it was the subject of long and continued study on the part of a subcommittee, then on the part of the full Committee on the Judiciary. Judge Patterson appeared before the subcommittee, according to my recollection, on two and perhaps three different occasions. He was advocating the bill very ardently. In his presence, and by his suggestion in many instances, and on the suggestion of the members of the subcommittee in other instances, amendments were put into the bill which I believe strengthen it, and make it worth while at the present time. The object of the bill is as I have stated.

I invite Senators to look at the calendar print of the bill and notice the many amendments, which clearly indicate the great care with which this matter was considered by the Committee on the Judiciary. The Senator from Missouri [Mr. DONNELL], the Senator from Michigan [Mr. FERGUSON], and the Senator from Rhode Island [Mr. McGRATH], as well as other members of the committee, all took a very active part in perfecting the bill. Judge Robert Patterson, of New York, appeared before the committee on three occasions, I think, to testify with regard to the bill, and some of the perfecting amendments are his suggestions.

Mr. O'MAHONEY. Mr. President, I thank the Senator for making the explanation. I have been handed a copy of the report, which indicates that the Department of Justice has approved the bill and recommends its enactment.

Mr. McCARRAN. That is correct.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OSMORE H. MORGAN

The Senate proceeded to consider the bill (S. 472) for the relief of Osmore H. Morgan, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 5, after the words "with the", to strike out "Bureau of Employees' Compensation" and insert "Federal Security Administrator"; and to add a section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1946 ed., title 5, secs. 765–770), are hereby waived in favor of Osmore H. Morgan, of Bremerton, Wash., and his claim for compensation for disability resulting from an injury to his right knee sustained on October 10, 1939, while he was engaged in delivering mail in the performance of his duties as a letter carrier in the employ of the postal service, is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Federal Security Administrator not later than 60 days after the date of enactment of this act.

SEC. 2. In considering and acting upon such claim as may be filed under the authority of this act, the Federal Security Administrator is hereby authorized to determine the date upon which compensation found to be due, if any, shall begin to accrue.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 55) favoring the suspension of deportation of certain aliens was considered, and agreed to, as follows:

Resolved, etc., That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-6097022, Alexander, Leonora Fajardo.

A-3059032, Ali, Usman, or Usman John Ali or John Ali or Resman Ali.

A-6438024, Arce Y Castro, Jose Alfonso Villa, or Jose Villa Arce.

A-5403438, Arce, Maria Elena Villa (nee Celic).

A-1847610, Ardito, Maria Rose (nee Maria Rose Ferraris).

A-6153593, Ancheta, Cresenciana (nee Luna, formerly Cala).

A-6261665, Apostolopoulos, Virginia, or Virginia Socrates Apostolopoulos or Virginia Leondaridou (maiden name).

A-6857751, Armendariz, Antonio.

A-6857750, Armendariz, Samuel.

A-5730160, Atwood, Amalie Lena (nee Knauer or Amalie Lena Kasper).

A-5669130, Bertone, Domenico.

A-7766712, Bethel, Verona Malissa Smith.

A-1250900, Boksh, Khuda or Kuda, or Khuda Bakesh or Bokah Normahand or Bokar Noor Morawed.

A-5975651, Bon, Chan, or Chu Bond or Chin Band.

A-5122763, Bourelos, Peter or Panagiotis.

A-5673753, Buchreiter, Wilheim, or Wilheim Buchveiter.

A-5242746, Buzan, Roko Josip, or Joseph Buzan.

A-6001952, Caldeira, Antonio Pedro.

A-5869650, Caltagirone, Angelo Amente.

A-9764548, Candiano, Carmelo.

A-6190180, Cardenas-Valdes, Ernesto.

A-1513767, Chung, Jackson, or Benedict Chung or Chia-Shan Chung.

A-5914483, Chung, Su Min Yang.

A-380351, Conti, Vincent, or Vincenzo Conti.

A-5783561, Creque, Renold Valiston.

A-5664119, Crisalli, Saverio, or Sam Crisalli or Samuel Crisalli.

A-6881280, De Badilla, Abigail Salazar, or Abigail Salazar-Medina or Abigail Salazar-Valenzuela.

A-5545483, Debs, Elias Joseph, or Elias Jose Debs.

A-6242286, De Guevara, Laura Violeta Carrasco (nee Carrasco).

A-6242287, Guevara, Teodoro Ivan.

A-3135984, De Perez, Maria Lazara Del Rosario Nares, or Rosa Nares De Perez or Rosa N. Perez or Rosa Nares.

A-5953936, Donovan, Anghela Belin.

A-3794795, Dukarm, Caspar Michael, or Caspar Dukram or Casper Duckerm.
A-4286237, Dukarm, Elizabeth Marie, or Elisabeth Dukarm or Elizabeth Duckerm (nee Reisinger or Risinger).
A-7768969, Edbom, Yvonne Marie.
A-5755170, Fermo, Libero Valerio, or Larry Libero Fermo or Larry L. Fermo.
A-5334443, Fisher, Janet Stobie (nee Foster, formerly Derane).
A-6363975, Garbi, Elena, or Helen Garbi.
A-6325053, Garbi, Florica, or Mary Garbi.
A-6424158, Garcia, Jose.
A-6424153, Garcia, Juan Manuel.
A-6479673, Garcia-Tunon, Maria Lourdes (alias Maria Lourdes Gil-Borges).
A-6461623, Garcia-Tunon, Diana Maria.
A-5916590, Georgelis, Pantelis.
A-4175824, Gerda, Juraj John, or George John Sable.
A-6919777, Godley, Noel Francis.
A-6238513, Gomez-Franco, Evangelina Alicia.
A-3662017, Gonatas, Panagiotis, or Panagis Gonatas or Panagis Gonatos or Pete Gonatas or Pete Gonatos.
A-1382931, Goureghian, Zakar.
A-4823242, Grabovsky, Ferinand, or Fred Grabovsky.
A-6608775, Guerrero, Dolores, or Dolores Guerrero-Hughes and Dolores Sanchez.
A-2588024, Harmon, Beatrice Grace (nee Vatcher, formerly Chatterton).
A-6213708, Hernandez, Josephine.
A-1418418, Hoogeveen, Henry Peter.
A-7768282, Horasanciyan, Hacik (alias Horasan).
A-5765062, Horlick, David Richard.
A-6587152, Jackson, Susana, or Susana Bohn.
A-7556562, Jaquillard, Lilavati, or Liliavati Tankha or Lilavati Das Verma.
A-2776290, Kahn, Akram, or Mohamed Akram or John Elk or Chief Running Elk.
A-3961261, Karistinos, Michael John, or Michael John Karystinos or Mike Karis.
A-6051253, Kondaks, Della, or Della Epaminondou or Ayton.
A-2898989, Kouvakas, George.
A-2632458, Kouvoutsakis, Nicholas Polychronis, or Nick Ponis Kouboutsakis or Nick Couvoutsakis or Kouvoutsakis.
A-6151550, Lazaga, Robert David.
A-6151557, Lazaga, Leon Maria.
A-6151559, Lazaga, Mario Gregory.
A-6151549, Lazaga, Leon Keene, Jr.
A-5249490, Lindemann, Alexander Maria.
A-5249489, Lindemann, Margit or Grete or Margrete (nee Liebermann).
A-7731189, Lo, Chien-Pen, or Lo Chien-Pen.
A-6008939, Lo, Lucy Ju-Yung Chu.
A-3936200, Marchwinski, Waladslaw or Roy Benson.
A-3669827, Mark, Ho, or Charles Mark.
A-6716138, Martin, Stanley Valentine, or Stanley Valentine Martine.
A-5263015, McChane, Maria, or Mary Dorothea, formerly Veasin or Visn (nee Schakohl).
A-6261591, Michalitsis, Stergiana (nee Stamboule).
A-4179719, Montecalvo, Michele.
A-6861484, Montoya-Juarez, Gregorio, or Gregorio Martinez-Juarez.
A-9769751, Le Moullec, Guillaume.
A-6145873, Murphy, Josefina Balgos.
A-3076753, Navarrete, Guillermo.
A-6171193, Nazon, Maurice Louis.
A-5278106, Neuland, August Peter Waldemar.
A-6344097, Nicolaides, Petros Louisos, or Petros Louisos Brotsis, also known as Peter Louis Brotsis).
A-6005189, Nielsen, Maria Galindo (nee Maria Galindo-Jimeno).
A-5449793, Novo, Antonio Felicio.
A-7054952, Ochoa, Diana.
A-5626245, Oyama, Yaichiro, or Joe Oyama.
A-3790446, Paananen, Helvi Irja (nee Mustaniemi; alias Aili Anderson).
A-6261582, Pappadina, Ourania.
A-5187918, Pattison, Clyde Russell.
A-4331862, Petersen, Kaj Valdemar.
A-6261578, Petkanas, Malamati (nee Masura or Massoura).
A-9670818, Pilostomos, Costas, or Constantinos Pilostomos.
A-5040625, Pinchot, Alexandra, or Alexandra Penchaszadeh.
A-6350819, Rahimi, Bahram, or Bahram Rahimi Nassimi, or Henry Moore.
A-5013124, Reisinger, Elena, or Elene or Ilona or Elien Reisinger (nee Goldmann).
A-6460330, Roberts, Joseph Edward.
A-4746492, Rodriguez, Luz Zamora, or Lucy Zamora Ramirez.
A-5880782, Rogers, Alphaeus Albear.
A-3624174, Romanovich, Xenia or Senka or Xenia or Senka Romanowitz (nee Gurgula Sowa).
A-5707236, Russo, Giovanni Guiseppe, or Giovanni Guiseppe Russi.
A-5171391, Saglimbene, Catino, or Agitano Seglimbene or Roberto or Robert Sessa.
A-4435453, Schauer, Solomon, or Sam Schauer.
A-2686911, Schultz, Anton, or Tony Schmidt.
A-5123434, Sibilio, Leonardo.
A-4174214, Singh, Labn.
A-6329548, Sletner, Doris Lydia.
A-6233014, Spirakis, Angeliki Pantelis (nee Moschouris).
A-4848232, Staudte, Albert George.
A-1704725, Steiner, Eugen.
A-1704797, Steiner, Alzbeta (nee Sedlakova, also known as Alzbeta Stein).
A-6064606, Suarez, Carlos Jesus, or Carlos Jess Suarez.
A-3243346, Sun, Yun Pei.
A-5400331, Tjoitis, Nicolaos A.
A-5887881, Tortoro-Silvi, Vicente, or Vicente Silvi.
A-6345253, Tsuyas, Lefkothea, or Gargatsuya (nee Alexiou).
A-6339279, Valdes-Rodriguez, Julian Evelio, or Evelio Valdes Rodriguez.
A-3492573, Varchola, Jan, or John Varhola.
A-5155933, Weir, Edward, or Edward Weia or John Wilson or "Scotty."
A-2260781, Zauner, Frank.

JOHN JOSEPH McKAY

The bill (S. 212) for the relief of John Joseph McKay was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration laws, and notwithstanding the provisions of section 12 of the Immigration Act of 1924, as amended, John Joseph McKay, of Kimberley, British Columbia, and now temporarily in Deer Lodge, Mont., who was born of Canadian parents in Macao, a colony or dependency of Portugal, shall be deemed to have been born in the Dominion of Canada.

DANIEL GEORGE FISCHER AND LADISLAS (VASILE) TAUB

The bill (S. 296) for the relief of Daniel George Fischer and Ladislas (Vasile) Taub was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Daniel George Fischer and Ladislas (Vasile) Taub, nephews of Dr. Alexander Fischer, of Hamden, Connecticut, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States, upon payment by them of the required head taxes and visa fees.

SEC. 2. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the first available immigration quota for nationals of Rumania.

GABE BUDWEE

The bill (S. 309) for the relief of Gabe Budwee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (e)), Gabe Budwee, the husband of an American-born citizen of the United States, and the father of two minor citizens of the United States, who aided in the war effort by his employment as a civilian by the United States Army in Australia, during World War II, may be admitted to the United States for permanent residence under the Immigration Act of May 26, 1924, if he is found otherwise admissible under the provisions of the immigration laws.

McCORMICK ENGINEERING CO. AND JOHN E. PRICE

The bill (S. 557) for the relief of the McCormick Engineering Co. and John E. Price, an individual doing business as the Okeechobee Construction Co., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the McCormick Engineering Co. and John E. Price, an individual doing business as the Okeechobee Construction Co., the sum of $3,338.20, in full satisfaction of their claim against the United States for reimbursement for deductions made by the United States from payments upon a contract for work in the elimination of flight hazards at Hendricks Field, Fla. (War Department No. W-08-120-eng-195, dated December 6, 1943), which deductions were made for the rental of certain units of equipment obtained by claimants from the United States in reliance upon advice received from the War Department representative in charge to the effect that such equipment would be needed for the performance of additional work which was not in fact performed because of a later change in War Department plans: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CLAIMS IN CONNECTION WITH CONSTRUCTION OF UNITED STATES APPRAISERS BUILDING, SAN FRANCISCO, CALIF.

The bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif., was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, in view of the fact that there are three Government agencies which oppose the

bill, I think we should have an explanation of it.

Mr. McCARRAN. Mr. President, the purpose of the proposed legislation is to pay to the following firms in full satisfaction of their respective claims against the United States for compensation for losses arising out of the performance of contracts or subcontracts in connection with the construction of the United States Appraisers Building, San Francisco, Calif.: Carthage Marble Co., $2,902.33; Herman Lawson Co., $105,286.51; James A. Nelson Co., $40,892.56; George F. Brayer Co., $23,910.04; and American Terrazzo Co., $9,283.

The amounts claimed by the claimants arise out of their performance of subcontracts with the Clinton Construction Co. in the construction of the United States Appraisers Stores and Immigration Station Building in San Francisco, Calif., under contract WA1pb-1476 entered into with the Public Buildings Administration during July 1940. With the advent of war these contractors suffered losses due to a lack of effective priorities and the scarcity and inefficiency of labor. Costs were increased through Government restrictions on the use of specific products and the necessity for increasing the number of workers, with the accompanying overtime in order to attract labor. Despite these difficulties these contractors struggled through to the completion of this building at a time when both labor and materials were almost impossible to secure and when circumstances would have justified a cessation of construction work. Had this contract been discontinued for the duration of the war and completed at this time, the final cost of construction would have greatly exceeded the sum actually spent for the completion of the building during the war years.

Apparently, the present contract, which is the subject of this claim, was entered into when there was no likelihood of war and therefore, of course, there were no provisions entered into that would take care of that possibility. Nevertheless, the claimants completed the contract for the Government admittedly at a loss and when they would have been justified in ceasing construction. It therefore appears that the efforts on the part of the claimants were of a patriotic character and that they should not suffer a loss by reason of their diligence. Under the circumstances, equity should require that these claimants be reimbursed to the extent of the actual losses suffered by them through no fault of their own.

These actual losses were established to the satisfaction of the Committee on the Judiciary by evidence which we thought was competent.

Mr. MORSE. Mr. President, will the Senator from New Jersey withhold his objection so I may make an explanation of the bill?

Mr. HENDRICKSON. Yes.

Mr. MORSE. First, I wish to correct a statement on page 2 of the committee report which says, "The reports of the Federal Works Agency and the Department of Justice, indicate that the claims should not be considered favorably."

The report is in error as to the Federal Works Agency, Mr. President, because the Federal Works Agency wrote this bill. The bill was written by the Federal Works Agency after my consultation with them, on their assurance that it was a legitimate claim, because the Senator from Oregon does not support claims bills which he is not satisfied are not thoroughly legitimate. The Senator from Oregon went down to the Federal Works Agency and discussed this matter, at the request of Oregon constituents and also at the request of individuals in California. After conferences with the Federal Works Agency, there being at the time of the first conference some question as to the original amount, the junior Senator from Oregon said he would not introduce any bill unless the Federal Works Agency would go into the question of the amount due, and would furnish him a statement as to the exact amount due, and an assurance that the claim was a legitimate one and should be paid by the Federal Government. With that assurance, Mr. President, and with the bill being sent to his office from the Federal Works Agency, the bill was introduced.

The Senator from Nevada has, I think, made a very fair statement respecting the equities in this situation, because we are dealing here with equity. Had these companies done what might have been expected of them in the first instance, they would have stopped construction on these Federal works at the very beginning of the war. But it was the Federal Government that urged them to continue, in spite of the shortage of material, in spite of the labor problems with which they were confronted, and they went on with the contract although they could have stopped and have saved themselves from these losses.

Mr. President, although the amounts are large, I do not think that fact should in any way cause the Senate to refuse to grant equity where equity is due. I am satisfied that this is a clear case where equity is due, and it would be very unfair of us to deny to these companies the amount provided for in the bill.

Mr. McCARRAN. Mr. President, let me say that if these contracts had been entered into during the war these contractors would have been entitled, as a matter of law, to these sums under the Lucas Act passed after the war.

Mr. HENDRICKSON. Mr. President, I wonder if the distinguished Senator from Oregon would comment upon that portion of the Department of Justice letter which appears in the report, as follows:

> There is no apparent justification for according special treatment to this group of applicants.

Mr. MORSE. Mr. President, I do not think we are according special treatment to anyone when we are doing equity, when we are paying people what is justly due them from the Government. I simply disagree with the conclusion of the Department of Justice. I want to say with respect to such claim bills that I think we make a great mistake if we permit an adverse report by any Government agency to be controlling of our judgment in these matters. It seems to me that too frequently the mere filing of an adverse report by a Government agency is accepted by the Senate as final in the premises. The reason so many of these matters become claims is because the Department of Justice or some other department feels that under existing rules it cannot do equity, and it is for us to do the equity. When we have the Federal Works Agency, under whose rules the work was done, telling us by actually preparing the bill that we should do equity in this case, I prefer to take the judgment of the Federal Works Agency respecting the equity of the matter to the position taken by the Department of Justice.

Mr. HENDRICKSON. Mr. President, I thank the Senator from Oregon for a very instructive explanation.

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

There being no objection, the bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named firms the sums herein specified, in full satisfaction of their respective claims against the United States for compensation for losses arising out of the performance of contracts or subcontracts in connection with the construction of the United States Appraisers Building, San Francisco, Calif.: Carthage Marble Co., $2,902.23; Herman Lawson Co., $105,286.51; James A. Nelson Co., $40,892.56; George F. Brayer Co., $23,910.04; and American Terrazzo Co., $9,283: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with any such claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ASCANIO COLLODEL

The bill (S. 916) for the relief of Ascanio Collodel, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That in the administration of the immigration laws Ascanio Collodel, of Bridgeport, Conn., who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8.
>
> SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

PERSEPHONE POULIOS

A bill (S. 1145) for the relief of Persephone Poulios was considered, ordered

to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Persephone Poulios. From and after the date of enactment of this act the said Persephone Poulios shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws, the said Persephone Poulios, who was temporarily admitted into the United States on December 17, 1945, shall be considered as having been lawfully admitted for permanent residence as of the date of her last entry into the United States.

SEC. 3. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Greece.

JAMES HUNG LOO

The bill (S. 1446) for the relief of James Hung Loo, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, James Hung Loo, of Washington, District of Columbia, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required visa fee and head tax. Upon enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

DR. LUDOVIT RUHMANN

The bill (S. 1565) for the relief of Dr. Ludovit Ruhmann was announced as next in order.

Mr. SCHOEPPEL. Mr. President, by request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McCARRAN. Mr. President, will the Senator kindly state the Senator who makes the request?

Mr. SCHOEPPEL. The Senator from South Dakota [Mr. MUNDT].

LOUIS ESPOSITO

The bill (H. R. 748) for the relief of Louis Esposito was considered, ordered to a third reading, read the third time, and passed.

JOHN AARON WHITT

The bill (H. R. 1017) for the relief of John Aaron Whitt was considered, ordered to a third reading, read the third time, and passed.

JANSSON GAGE COMPANY

The bill (H. R. 1034) for the relief of Jansson Gage Co. was considered, ordered to a third reading, read the third time, and passed.

AGNESE R. MUNDY

The bill (H. R. 1055) for the relief of Agnese R. Mundy was considered, ordered to a third reading, read the third time, and passed.

MRS. T. A. ROBERTSON

The bill (H. R. 1282) for the relief of Mrs. T. A. Robertson was considered, ordered to a third reading, read the third time, and passed.

E. NEILL RAYMOND

The bill (H. R. 1459) for the relief of E. Neill Raymond was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF JOSEPHINE PEREIRA

The bill (H. R. 1857) for the relief of the estate of Josephine Pereira was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF KENNETH N. PEEL

The bill (H. R. 2095) for the relief of the estate of Kenneth N. Peel was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF W. M. WEST

The bill (H. R. 2239) for the relief of the estate of W. M. West was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF ARTHUR EARL TROIEL, JR., A MINOR

The bill (H. R. 2253) for the relief of the legal guardian of Arthur Earl Troiel, Jr., a minor, was considered, ordered to a third reading, read the third time, and passed.

CHARLIE HALES

The bill (H. R. 2456) for the relief of Charlie Hales, was considered, ordered to a third reading, read the third time, and passed.

PAUL C. JUNEAU

The bill (H. R. 2806) for the relief of Paul C. Juneau, was considered, ordered to a third reading, read the third time, and passed.

LORETTA B. POWELL

The bill (H. R. 2807) for the relief of Loretta B. Powell, was considered, ordered to a third reading, read the third time, and passed.

LESTER B. McALLISTER AND OTHERS

The bill (H. R. 3461) for the relief of Lester B. McAllister and others was considered, ordered to a third reading, read the third time, and passed.

NELSON BELL

The bill (H. R. 3501) for the relief of Nelson Bell was considered, ordered to a third reading, read the third time, and passed.

MRS. DOROTHY VICENCIO

The Senate proceeded to consider the bill (H. R. 631) for the relief of Mrs. Dorothy Vicencio, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 4, after the word "Navy", to strike out "truck. No" and insert "truck: *Provided*, That no part of the amount provided for in this act shall be subject to any claim for reimbursement to any insurance company or compensation insurance fund which may have paid any amount to the claimant herein by reason of the death of Raymond Vicencio: *And provided further*, That no."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LEGAL GUARDIAN OF LENA MAE WEST, A MINOR

The bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor, was announced as next in order.

Mr. TOBEY. Mr. President, I address my remarks to the distinguished Senator from Nevada [Mr. McCARRAN]. With reference to House bill 1285, calendar No. 791, for the relief of the legal guardian of Lena Mae West, a minor, will the Senator kindly inform me if she is any relation to the distinguished Mae West of immortal fame?

Mr. McCARRAN. Mr. President, inasmuch as I am not an expert on relationship, I cannot answer the Senator.

Mr. TOBEY. Is she of the same blood?

Mr. McCARRAN. I do not think she is of the same blood.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 7, after the word "of", where it occurs the first time, to strike out "$5,000" and insert "$1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HARRY WARREN

The Senate proceeded to consider the bill (H. R. 1505) for the relief of Harry Warren which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the words "sum of", to strike out "$1,212" and insert "$576."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CLAIM OF BREINIG BROS., INC.

The Senate proceeded to consider the bill (H. R. 1604) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc., which had been reported from the Committee on the Judiciary with an amendment on page 1, line 8, after the word "claimant", to strike out "for" and insert "from."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

F. DuWAYNE BLANKLEY

The Senate proceeded to consider the bill (S. 1604) for the relief of F. DuWayne Blankley, which had been reported from the Committee on the Judiciary with

an amendment, to strike out all after the enacting clause and insert:

That jurisdiction is hereby conferred upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of F. DuWayne Blankley, of Albuquerque, N. Mex., for compensation for personal injuries and loss of earnings sustained by him and for reimbursement of hospital, medical, and other expenses incurred by him as a result of an accident, which occurred when the motorcycle upon which he was riding collided with a United States Army vehicle at or near the intersection of Mountain Road and North Second Street in the city of Albuquerque, N. Mex., on March 8, 1944.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act. Proceedings for the determination of such claim, and appeals from and payment of any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under the provisions of title 28, United States Code, section 1346.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of F. DuWayne Blankley."

BILL PASSED OVER

The bill (S. 2294) to amend the Contract Settlement Act of 1944, so as to authorize the payment of fair compensation to persons contracting to deliver strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. I ask that the bill go over.

The PRESIDING OFFICER. The bill is passed over.

ADDITIONAL REHABILITATION ASSISTANCE FOR PARALYZED VETERANS

The Senate proceeded to consider the bill (S. 2146) to provide certain additional rehabilitation assistance for veterans paralyzed from service-connected brain injury in order to remove an existing inequality, which has been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That subsection (g) of section 1, title I, Public Numbered 2, Seventy-third Congress, as added by Public Law 702, Eightieth Congress, approved June 19, 1948, is hereby amended to read as follows:

"(g) any person who served in the active military or naval service of the United States who is entitled to compensation under the provisions of Veterans Regulation Numbered 1 (a), as amended, for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, shall be entitled to assistance in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the person's disability, and necessary land therefor, subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part IX."

SEC. 2. Paragraph 1, part IX, of Veterans Regulation Numbered 1 (a), as added by Public Law 702, Eightieth Congress, approved June 19, 1948, is hereby amended to read as follows:

"1. The Administrator of Veterans' Affairs is authorized, under such regulations as he may prescribe, to assist any person (hereinafter referred to as 'veteran') who served in the active military or naval service of the United States, who is entitled to compensation under the provisions of this regulation for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor: *Provided*, That the regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (a) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (b) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (c) that the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality."

ADDITION OF CERTAIN LANDS TO ROCKY MOUNTAIN NATIONAL PARK, COLO.

The Senate proceeded to consider the bill (H. R. 3440) for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, line 18, after the words "average of", to strike out "two" and insert "five."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RADIO LABORATORY BUILDING, BUREAU OF STANDARDS

The Senate proceeded to consider the bill (S. 443) to authorize the construction and equipment of a radio laboratory building for the National Bureau of Standards, Department of Commerce, which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of this measure and a statement as to the probable cost?

Mr. JOHNSON of Colorado. Mr. President, the cost is $4,475,000 for the building, but that does not include the land upon which the building will be constructed.

The purpose of this bill is to promote the study of the characteristics of radiowave propagation. The bill was reported from the Committee on Interstate and Foreign Commerce by a unanimous vote. The Commerce Department, the Treasury Department, the Federal Works Agency, the Federal Communications Commission, and the National Military Establishment are all enthusiastically in favor of the bill. The purpose of the work contemplated is to test the effect of moisture and atmospheric changes on electronics, such as radio and other frequencies which are used, including television. It is of great military and commercial importance. The bill certainly should be enacted.

So far as the site is concerned, there is no determination in the bill as to the specific location. It was recommended by the military and by the Department of Commerce that the building be not located on the present grounds of the Bureau of Standards. It is an important military building. It is not a large building, but it must be built under such specifications that the cost is considerable. The building will have a copper roof, for example. On top of the copper roof there will be a tile roof. It has other important features which will cost a great deal of money. Reading from the report:

For example, it will be necessary to shield electrostatically about one-third of the building above the ground; rooms in this portion would require special temperature and humidity controls; many of the rooms will require elaborate sets of coaxial and waveguide fittings; the entire building will require a copper roof which in turn will have to be covered with a protective tile wearing surface, thus requiring special structural support, a sub-basement will be necessary with specially equipped vaults to house crystal clocks, the latter necessary in radio propagation studies.

At the present time some of this research work on electronics is being done in various buildings at the Bureau of Standards, but the work is so delicate and important, and the facilities now being used for these purposes are so much needed for their original purposes that the recommendation comes to us from all these departments that the building be constructed. I think it is very important militarily.

Mr. SCHOEPPEL. Are not universities and other agencies engaged in a similar type of activity at the present time?

Mr. JOHNSON of Colorado. I think perhaps some of them are, but whether they are able to do as complete a job and as delicate a job as is required in this instance by the military is very questionable. I do not think any university is doing a perfect enough job to make the determination which the military requires. This is a military measure.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The first amendment of the Committee on Interstate and Foreign Commerce was, at the top of page 2, to insert a new section, as follows:

SEC. 2. The Secretary of Commerce is authorized to acquire, by purchase, condemnation, or otherwise (including transfer with or without compensation from Federal agencies), such lands, estates in lands, and appurtenances thereto as may in his opinion be necessary or desirable for the construction of buildings to house activities of the National Bureau of Standards: *Provided*, That

the site therefor shall be selected after consultation with the Director of the National Bureau of Standards.

The amendment was agreed to.

The next amendment was on page 2, line 10, after "SEC.", to strike out "2" and insert "3."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be constructed and equipped for the National Bureau of Standards a suitable radio laboratory building, together with necessary utilities and appurtenances thereto, under a limit of cost of $4,475,000: *Provided*, That such limit of cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in construction costs generally dating from March 1, 1948, as determined by the Federal Works Administrator.

SEC. 2. The Secretary of Commerce is authorized to acquire, by purchase, condemnation, or otherwise (including transfer with or without compensation from Federal agencies), such lands, estates in lands, and appurtenances thereto as may in his opinion be necessary or desirable for the construction of buildings to house activities of the National Bureau of Standards: *Provided*, That the site therefor shall be selected after consultation with the Director of the National Bureau of Standards.

SEC. 3. There are hereby authorized to be appropriated to the Secretary of Commerce, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That such sums so appropriated, except such part thereof as may be necessary for the incidental expenses of the Department of Commerce, shall be transferred to the Public Buildings Administration in the Federal Works Agency.

NIAGARA FALLS BRIDGE COMMISSION

The Senate proceeded to consider the joint resolution (H. J. Res. 208) to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938, which had been reported from the Committee on Foreign Relations with an amendment on page 2, at the beginning of line 6, to strike out "near" and insert "north of."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SICK LEAVE FOR PUBLIC HEALTH OFFICERS

The bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of subsection (c) of section 208 of the Public Health Service Act, as amended (42 U. S. C., ch. 6 A), is amended to read: "In accordance with regulations of the President, commissioned officers of the Regular Corps and officers of the Reserve Corps on active duty may make allotments from their pay."

SEC. 2. Title II of such act is further amended by adding at the end thereof the following new section:

"ANNUAL AND SICK LEAVE

"SEC. 219. (a) In accordance with regulations of the President, commissioned officers of the Regular Corps and officers of the Reserve Corps on active duty may be granted annual leave and sick leave without any deductions from their pay and allowances: *Provided*, That such regulations shall not authorize annual leave to be accumulated in excess of 60 days.

"(b) When an officer described in subsection (a) of this section is absent without leave, he shall forfeit all pay and allowances during such absence, unless such absence is excused as unavoidable.

"(c) Except in cases of emergency, no annual leave shall be granted to an officer described in subsection (a) between the date upon which such officer applies for, or the Service directs, his retirement, separation, or release from active duty, whichever date is the earlier, and the effective date of such retirement, separation, or release from active duty. If such officer is credited with unused accumulated and accrued annual leave on the date of his separation, retirement, or release from active duty, he shall, in the event that his application for such leave is approved by the Surgeon General, be compensated for such leave in a lump-sum payment on the basis of his base and longevity pay, his allowance for subsistence, and the allowance for rental of quarters whether or not he is receiving such allowance on such date: *Provided*, That no lump-sum payment shall be made for such unused leave to an officer whose commission expires or is terminated but who, without a break in active service, accepts a new commission, or to an officer who is retired for age in time of war but who is continued on or recalled to active duty without a break in active service, or to an officer who is transferred to another department or agency of the Government under circumstances where, by other provision of law, such leave is transferable.

"(d) For purposes of this section the term 'accumulated annual leave' means unused accrued annual leave carried forward from one leave year into a succeeding leave year, and the term 'accrued annual leave' means the annual leave accruing to an officer during one leave year."

SEC. 3. The foregoing amendments to the Public Health Service Act shall be effective on July 1, 1949. Any officer who, on June 30, 1949, is credited with more than 60 days of accumulated and accrued annual leave, shall be compensated for such leave in excess of 60 days, but not exceeding 120 days, in a lump-sum payment on the basis of his base and longevity pay, his allowance for subsistence, and the allowance for rental of quarters to which he would be entitled as an officer not assigned to Government quarters, under provisions of law in effect on June 30, 1949, except that the preceding provisions of this sentence shall not be applicable to an officer who has, prior to July 1, 1949, been placed on terminal leave preceding separation, retirement, or release from active duty. All amounts received pursuant to this section shall be exempt from taxation.

SEC. 4. Funds appropriated by the act of August 8, 1946 (60 Stat. 910), to enable the President to carry out the provisions of the Armed Forces Leave Act of 1946, are hereby made available for carrying out the provisions of section 3 of this act and may be allotted to the Public Health Service by transfer to and merger with appropriations thereof or otherwise, in such amounts as may be determined by the Director of the Bureau of the Budget.

SEC. 5. Except insofar as the provisions of this act are inconsistent therewith, leave regulations adopted prior to the enactment of this act, pursuant to the Public Health Service Act, shall remain in effect until repealed, amended, or superseded.

AMENDMENT OF HOSPITAL SURVEY AND CONSTRUCTION ACT

The Senate proceeded to consider the bill (S. 614) which had been reported from the Committee on Labor and Public Welfare with amendments, on page 2, line 11, after the word "Act", to strike out "1949" and insert "1950"; in line 18, after the word "the", to strike out "State's allotment percentage" and insert "Federal share"; in line 20, after the word "Section", to strike out "623" and insert "625"; on page 3, after line 7, to insert:

(c) Section 631 of such act is amended by changing the designation of "(a)" and "(b)" to "(a) (1)" and "(2)", respectively, and by adding a new paragraph (b) to read as follows:

"(b) The Federal share of the cost of a project shall be the State's allotment percentage, but not in excess of 66⅔ percent."

Paragraph (g) of section 631 is amended to read as follows:

"The term 'nonprofit hospital' means any hospital owned and operated by a corporation or association (including cooperatives), no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual."

On page 4, line 1, after the word "plan", to strike out "(which shall be not less than $15,000 or 2 percent of the total funds proposed to be expended during the year under the plan, whichever is the higher)."

On page 6, after line 3, to strike out:

EFFECTIVE DATE

SEC. 7. This act shall take effect upon the date of its enactment except that (1) the amendments made by section 3 (a) shall be effective with respect to projects approved under section 625 of the Public Health Service Act on and after January 1, 1949, and (2) section 5 shall take effect July 1, 1949.

On page 6, after line 10, to insert:

MINIMUM ALLOTMENT

SEC. 7. Section 624 is hereby amended by deleting the figure "$100,000" and substituting therefor "$200,000."

On page 6, after line 13, to insert:

TITLE; FILING OF APPLICATIONS

SEC. 8. (a) Section 625 (a) of such act is amended to read as follows:

"SEC. 625. (a) For each project for construction pursuant to a State plan approved under this part, there shall be submitted to the Surgeon General through the State agency an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such application shall set forth (1) a description of the site for such project; (2) plans and specifications therefor in accordance with the regulations prescribed by the Surgeon General under section 622 (e); (3) reasonable assurance that title, as defined in section 631 (j), to such site is or will be vested in one or more of the agencies filing the application or in a public or other nonprofit agency which is to operate the hospital; (4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when

completed; and (5) reasonable assurance that the rates of pay for laborers and mechanics engaged in construction of the project will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended. The Surgeon General shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Surgeon General finds (a) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing rates of wages; (B) that the plans and specifications are in accord with the regulations prescribed pursuant to section 622; (C) that the application is in conformity with the State plan approved under section 623 and contains assurance that in the operation of the hospital there will be compliance with the applicable requirements of the State plan and of the regulations prescribed under section 622 (f) regarding provision of facilities without discrimination on account of race, creed, or color, and for furnishing needed hospital facilities for persons unable to pay therefor, and with State standards for operation and maintenance; and (D) that it has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the regulations prescribed pursuant to section 622 (d). No application shall be disapproved until the Surgeon General has afforded the State agency an opportunity for a hearing."

(b) Subsection (g) of section 631 of such act is amended to read as follows:

"(g) the term 'nonprofit hospital' means any hospital which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or private individual;".

(c) Such section is further amended by striking out "and" at the end of paragraph (h), by striking out the period at the end of paragraph (i) and inserting in lieu thereof "; and", and by inserting after paragraph (i) the following new paragraph:

"(j) the term 'title' means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 percent of the value of the land) as the Surgeon General finds sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purposes of construction and operation of the project."

And on page 9, after line 4, to insert:

EFFECTIVE DATE

SEC. 9. This act shall take effect upon the date of its enactment.

So as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Hospital Survey and Construction Amendments of 1949."

EXTENSION OF DURATION AND INCREASE IN AUTHORIZED APPROPRIATIONS

SEC. 2. (a) The first sentence of section 621 of the Public Health Service Act is amended to read as follows: "In order to assist the States in carrying out the purposes of section 601 (b), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1950, and for each of the five succeeding fiscal years, the sum of $150,000,000 for the construction of public and other nonprofit hospital; and there are further authorized to be appropriated for such construction the sums provided in section 624."

(b) The paragraph "Grants for hospital construction" under the heading "Public Health Service" in the Federal Security Agency Appropriation Act, 1950, is amended by striking out "$75,000,000" and inserting in lieu thereof "$150,000,000."

ADDITIONAL FEDERAL AID IN CONSTRUCTION OF HOSPITALS

SEC. 3. (a) Sections 624, 625 (a), and 625 (b) of such act are each amended by striking out "33⅓ percent" and inserting in lieu thereof "the Federal share."

(b) Section 625 (e) of such act is amended by striking out "33⅓ percent of the then value of such hospital, as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital is situated" and inserting in lieu thereof the following: "an amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital is situated) of the hospital, or of that portion of the hospital which constituted an approved project, as the amount of the Federal participation bore to the cost of the construction of such project."

(c) Section 631 of such act is amended by changing the designation of "(a)" and "(b)" to "(a) (1)" and "(2)", respectively, and by adding a new paragraph (b) to read as follows:

"(b) The Federal share of the cost of a project shall be the State's allotment percentage, but not in excess of 66⅔ percent."

Paragraph (g) of section 631 is amended to read as follows:

"The term 'nonprofit hospital' means any hospital owned and operated by a corporation or association (including cooperatives), no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;".

SEC. 4. Section 632 (a) of such act is amended by inserting after "under section 625" in clause (4) thereof a comma and the following: "or (5) that adequate State funds are not being provided annually for the direct administration of the State plan.

STUDIES AND DEMONSTRATIONS RELATING TO COORDINATED USE OF HOSPITAL FACILITIES

SEC. 5. Such act is further amended by adding after section 635 the following new section:

"STUDIES AND DEMONSTRATIONS RELATING TO COORDINATED USE OF HOSPITAL FACILITIES

"SEC. 636. In carrying out the purposes of section 301 with respect to hospital facilities, the Surgeon General is authorized to conduct research, experiments, and demonstrations relating to the effective development and utilization of hospital services, facilities, and resources, and, after consultation with the Federal Hospital Council, to make grants-in-aid to States, political subdivisions, universities, hospitals, and other public and private nonprofit institutions or organizations for projects for the conduct of research, experiments, or demonstrations relating to the development, utilization, and coordination of hospital services, facilities, and resources. Any award made under this section for any such project in any fiscal year may include amounts for not to exceed the four succeeding fiscal years, and such amounts for such succeeding fiscal years shall constitute contractual obligations of the Federal Government: *Provided*, That the total of such obligations for all such projects to be paid in any such succeeding fiscal year may not exceed $1,200,000."

PURPOSE OF ACT

SEC. 6. Section 601 of such act is amended to read as follows:

"SEC. 601. The purpose of this title is—

"(a) to assist the several States to inventory their existing hospitals (as defined in section 631 (e)), to survey the need for construction of hospitals, and to develop programs for construction of such public and other nonprofit hospitals as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing adequate hosptal, clinic, and similar services to all their people;

"(b) to assist in the contruction of public and other nonprofit hospitals in accordance with such programs; and

"(c) to authorize the Surgeon General to conduct, and make grants for the conduct of, research, experiments, and demonstrations relating to the effective development and utilization of hospital services, facilities, and resources, and to promote the coordination of such experiments and demonstrations and the useful application of their results."

MINIMUM ALLOTMENT

SEC. 7. Section 624 is hereby amended by deleting the figure "$100,000" and substituting therefor "$200,000".

TITLE; FILING OF APPLICATIONS

SEC. 8. Section 625 (a) of such act is amended to read as follows:

"SEC. 625. (a) For each project for construction pursuant to a State plan approved under this part, there shall be submitted to the Surgeon General through the State agency an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such application shall set forth (1) a description of the site for such project; (2) plans and specifications therefor in accordance with the regulations prescribed by the Surgeon General under section 622 (e); (3) reasonable assurance that title, as defined in section 631 (j), to such site is or will be vested in one or more of the agencies filing the application or in a a public or other nonprofit agency which is to operate the hospital; (4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed; and (5) reasonable assurance that the rates of pay for laborers and mechanics engaged in construction of the project will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended. The Surgeon General shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Surgeon General finds (a) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing rates of wages; (B) that the plans and specifications are in accord with the regulations prescribed pursuant to section 622; (C) that the application is in conformity with the State plan approved under section 623 and contains assurance that in the operation of the hospital there will be compliance with the applicable requirements of the State plan and of the regulations prescribed under section 622 (f) regarding provision of facilities without discrimination on account of race, creed, or color, and for furnishing needed hospital facilities for persons unable to pay therefor, and with State standards for operation and maintenance; and (D) that it has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the regulations prescribed pursuant to section 622 (d). No application shall be disapproved until the Surgeon General has afforded the State agency an opportunity for a hearing."

(b) Subsection (g) of section 631 of such act is amended to read as follows:

"(g) the term 'nonprofit hospital' means any hospital which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the

benefit of any private shareholder or private individual;".

(c) Such section is further amended by striking out "and" at the end of paragraph (h), by striking out the period at the end of paragraph (i) and inserting in lieu thereof "; and", and by inserting after paragraph (i) the following new paragraph:

"(j) the term 'title' means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 percent of the value of the land) as the Surgeon General finds sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purposes of construction and operation of the project."

EFFECTIVE DATE

SEC. 9. This act shall take effect upon the date of its enactment.

So as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Hospital Survey and Construction Amendments of 1949."

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"(b) to assist in the construction of public and other nonprofit hospitals in accordance with such programs; and

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(b) Subsection (g) of section 631 of such act is amended to read as follows:

"(g) the term 'nonprofit hospital' means any hospital which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or private individual;".

(c) Such section is further amended by striking out "and" at the end of paragraph (h), by striking out the period at the end of paragraph (i) and inserting in lieu thereof "; and", and by inserting after paragraph (i) the following new paragraph:

"(j) the term 'title' means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 percent of the value of the land) as the Surgeon General finds sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purposes of construction and operation of the project."

EFFECTIVE DATE

SEC. 9. This act shall take effect upon the date of its enactment.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WILEY. Mr. President, I ask unanimous consent to revert to Calendar No. 732, Senate bill 2031. The Senator who objected has withdrawn his objection.

The PRESIDING OFFICER. The Chair calls attention to the fact that earlier in the day it was agreed that the Senate would not return to any bills until the call of the calendar had been completed. Since that time other similar requests have been made, which have been denied.

Mr. WILEY. I suppose that settles it, but the Senator who objected happens to be present, and I thought it would be wise to make the request in his presence.

The PRESIDING OFFICER. The clerk will state the next business on the calendar.

EXTENSION OF UNEMPLOYMENT ALLOWANCE BENEFITS UNDER SERVICEMEN'S READJUSTMENT ACT OF 1944—BILL PASSED OVER

The Senate proceeded to consider the bill (S. 1741) to extend the unemployment allowance benefits of the Servicemen's Readjustment Act of 1944 for a period of 2 years, which had been reported from the Committee on Labor and Public Welfare with an amendment, to strike out all after the enacting clause and insert in lieu thereof the following:

That subsection (a) of section 700 of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended by striking out "(2) occurs not later than 2 years after discharge or release or the termination of war, whichever is the later date:" and inserting in lieu thereof "(2) occurs not later than 3 years (2 years in the case of self-employment allowances under section 902) after discharge or release or the termination of the war, whichever is the later date:".

SEC. 2. Section 900 (b) of the Servicemen's Readjustment Act is amended by adding at the end thereof the following proviso: "*Provided further,* That the total amount of allowances to which an individual is determined to be entitled under this section shall be reduced by the amount of unemployment compensation (not to exceed $20) received by such individual under any other Federal or State unemployment compensation law during any week subsequent to September 30, 1949. The Administrator shall require any individual to file a claim for unemployment compensation under a Federal or State law as a condition for receipt of allowances, if it appears to him that there is a likelihood that such individual may be eligible to unemployment compensation under such law with respect to the same period of unemployment for which he is claiming an allowance; and no allowance under this title shall be payable to such individual if he fails to file such claim. No allowance under this title shall be payable for any week which is a waiting week as defined in the State law."

The amendment was agreed to.

Mr. GEORGE. Mr. President, I should like to have an explanation of the bill.

Mr. TAYLOR. Mr. President, the bill provides for continuation of payment of unemployment compensation to veterans. In the original act there was a provision for compensation for self-employed veterans. Hearings brought out the fact that that provision had been abused, and it was eliminated from the extension of the benefits; also, an amendment was inserted making it mandatory upon all veterans to exhaust all other benefits, such as State benefits or social-security benefits. Those benefits must be exhausted. If those payments do not amount to $20 a week, whatever amount the veteran receives from the State or under social security is deducted from the unemployment-compensation payment, and he gets the difference between $20 and whatever he can get from the State or under social security.

The purpose of this bill is simply to continue payments for another 2 years. Veterans who collected such payments immediately after the war, during a period of high employment when people should have been able to get jobs if they ever could, have benefited, and veterans who worked during that time and now, in this period of comparative unemployment, find themselves out of work are denied benefits which others who were probably not so worthy as they have received. The President has asked for continuation of the benefits, and with the amendments I think the abuses have been removed.

Mr. GEORGE. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill is passed over.

ADVANCED TRAINING OF CERTAIN CIVIL AERONAUTICS ADMINISTRATION PERSONNEL

The bill (S. 4) authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration was announced as next in order.

Mr. HENDRICKSON. Mr. President, I object.

Mr. JOHNSON of Colorado. Mr. President, will the Senator withhold his objection so that I may make an explanation of the bill?

Mr. HENDRICKSON. Gladly.

Mr. JOHNSON of Colorado. Mr. President, this bill provides that annually the Civil Aeronautics Administration may have 25 of its employees take special training. The Civil Aeronautics Administration has a great responsibility for the safety of aeronautics. For instance, whenever a new plane or a new design comes out, the Civil Aeronautics Administration must assign pilots to the plane, and they must travel with it and observe it in all its particulars.

If the Senator has been in a modern airplane lately, has looked at what I call the dashboard, and has seen all the gadgets and other things the pilots or the navigators have to look at, I think he will be convinced that this is a very important assignment which Congress has given the Civil Aeronautics Administration. They must be familiar with all the new developments. They have to examine them, study them, and know about them. It is not always possible to hire men who are sufficiently informed regarding the new developments, so they send some of their employees to the technical schools, perhaps for only a brief course, because the men in their employment are technicians to begin with. But often they need additional instruction, so they are sent to the special schools.

The Senator from Nevada [Mr. McCARRAN] introduced the bill, and I am sure he will agree with me that it is a matter of very great importance in regard to aeronautical safety.

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

Mr. JOHNSON of Colorado. I yield.

Mr. SALTONSTALL. As one who has listened, while serving on the Appropriations Committee in the last 3 years, to the testimony of the representatives of the Civil Aeronautics Administration, I concur most heartily in what the Senator has said. One of the great difficulties in making appropriations for that Administration is that it gets behind in its work, and as new inventions are made, the Administration does not have sufficient trained personnel adequately to look into such matters.

Mr. JOHNSON of Colorado. Yes. All kinds of advances are being made in aeronautics, and the Civil Aeronautics Administration must keep up with all the new developments and inventions.

Mr. HENDRICKSON. Mr. President, there are no limitations in the bill as to how much money will be expended or as to how long the activities may be carried on. Of course it involves the principle of subsidizing Government employees for education, which is a new principle.

Mr. JOHNSON of Colorado. There is a limit as to the number of persons who may be assigned for these special studies. That is about the only limitation the Congress could impose at the present time, because the science of aeronautics does not stand still. New inventions which make civil aeronautics safe are being made all the time. No one can predict now what the need will be next year. It may be very much greater than could be met by the detailing of not to exceed 25 employees, as provided by the bill.

Mr. HENDRICKSON. Mr. President, if the sponsors of this measure would agree to amendments limiting the time of the period of training or education and establishing some ceiling on the cost, I should be glad to withhold any objection I may have .

Mr. JOHNSON of Colorado. Mr. President, this bill is not an educational bill at all. It is not a bill by which 25 persons are going to be sent to school for a full course in aeronautical engineering or anything else; but, under the bill, 25 persons may be sent to school for certain additional information which they may need. They go for only 2 weeks, or for only 6 weeks.

Mr. HENDRICKSON. Mr. President, I withdraw my objection.

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

There being no objection, the bill (S. 4) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 307 of the Civil Aeronautics Act of 1938, as amended, is amended to read as follows:

"SEC. 307. (a) The Administrator is empowered and directed to make plans for such orderly development and location of landing areas, airways, and all other aids and facilities for air navigation, as will best meet the needs of, and serve the interest of safety in, civil aviation.

"(b) The Administrator is empowered to detail annually not to exceed 25 employees of the Civil Aeronautics Administration engaged in technical or professional duties for training at Government expense, either at civilian or other institutions not operated by the Administrator. Such courses of instructions shall include, but not be limited to, aerodynamics, engineering mechanics, aircraft design and construction, and related subjects dealing with the scientific problems of aeronautics, such as advanced engineering techniques and practices, training in celestial navigation, advanced flight and flight test methods and procedures, application of medical and legal science to problems of aviation, and the use of radio in aviation.

"(c) The Administrator is empowered to conduct a school or schools for the purpose

of training employees of the Civil Aeronautics Administration in those subjects necessary for the proper administration of the aircraft, airmen, and air operation safety standards authorized under this act."

APPLICATION OF CIVIL AIR NAVIGATION LAWS AND REGULATIONS RELATING TO ANIMAL AND PLANT QUARANTINE

The bill (S. 442) to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Air Commerce Act of 1926 (44 Stat. 568), as amended, is hereby further amended by adding to section 7, after paragraph (d) thereof, a new paragraph reading as follows:

"(e) The Secretary of Agriculture is authorized by regulation to provide for the application to civil air navigation of the laws and regulations related to animal and plant quarantine, including the importation, exportation, transportation, and quarantine of animals, plants, animal and plant products, insects, bacterial and fungus cultures, viruses, and serums, to such extent and upon such conditions as he deems necessary."

SEC. 2. Section 11 (b) of the said Air Commerce Act of 1926, as amended, is hereby further amended by inserting, between the third and fourth sentences thereof, a new sentence reading as follows: "Any person violating any provision of the laws and regulations relating to animal and plant quarantine made applicable to civil air navigation by regulation in accordance with section 7 (e) of this act shall be subject to the same penalties as those provided by the said laws for violations thereof."

BASIC AUTHORITY FOR CERTAIN FUNCTIONS AND ACTIVITIES OF NATIONAL BUREAU OF STANDARDS

The bill (S. 2201) amending section 2 of the act of March 3, 1901 (31 Stat. 1449), to provide basic authority for the performance of certain functions and activities of the National Bureau of Standards, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act of March 3, 1901 (31 Stat. 1449), as amended, be, and the same hereby is, further amended so as to read in full as follows:

"SEC. 2. The functions of the Bureau shall be the following:

"(a) The custody, maintenance, and development of the national standards of measurement, and the provision of means and methods for making measurements consistent with those standards, including the comparison of standards used in scientific investigations, engineering, manufacturing, commerce, and educational institutions with the standards adopted or recognized by the Government.

"(b) The determination of physical constants and properties of materials when such data are of great importance to scientific or manufacturing interests and are not to be obtained of sufficient accuracy elsewhere.

"(c) The development of methods for testing materials, mechanisms, and structures, and the testing of materials, supplies, and equipment, including items purchased for use of Government departments and independent establishments.

"(d) Cooperation with other governmental agencies and with private organizations in the establishment of standard practices, incorporated in codes and specifications.

"(e) Advisory service to Government agencies on scientific and technical problems.

"(f) Invention and development of devices to serve special needs of the Government.

"In carrying out the functions enumerated in this section, the Bureau is authorized to undertake the following activities and similar ones for which need may arise in the operations of Government agencies, scientific institutions, and industrial enterprises:

"(1) the construction of physical standards;

"(2) the testing, calibration, and certification of standards and standard measuring apparatus;

"(3) the study and improvement of instruments and methods of measurements;

"(4) the investigation and testing of railroad track scales, elevator scales, and other scales used in weighing commodities for interstate shipment;

"(5) cooperation with the States in securing uniformity in weights and measures laws and methods of inspection;

"(6) the preparation and distribution of standard samples such as those used in checking chemical analyses, temperature, color, viscosity, heat of combustion, and other basic properties of materials; also the preparation and sale or other distribution of standard instruments, apparatus, and materials for calibration of measuring equipment;

"(7) the development of methods of chemical analysis and synthesis of materials, and the investigation of the properties of rare substances;

"(8) the study of methods of producing and of measuring high and low temperatures; and the behavior of materials at high and at low temperatures;

"(9) the investigation of radiation, radioactive substances, and X-rays, their uses, and means of protection of persons from their harmful effects;

"(10) the study of the atomic and molecular structure of the chemical elements, with particular reference to the characteristics of the spectra emitted, the use of spectral observations in determining chemical composition of materials, and the relation of molecular structure to the practical usefulness of materials;

"(11) the broadcasting of radio signals of standard frequency;

"(12) the investigation of the conditions which affect the transmission of radio waves from their source to a receiver;

"(13) the compilation and distribution of information on such transmission of radio waves as a basis for choice of frequencies to be used in radio operations;

"(14) the study of new technical processes and methods of fabrication of materials in which the Government has a special interest; also the study of methods of measurement and technical processes used in the manufacture of optical glass and pottery, brick, tile, terra cotta, and other clay products;

"(15) the determination of properties of building materials and structural elements, and encouragement of their standardization and most effective use, including investigation of fire-resisting properties of building materials and conditions under which they may be most efficiently used, and the standardization of types of appliances for fire prevention;

"(16) metallurgical research, including study of alloy steels and light metal alloys; investigation of foundry practice, casting, rolling, and forging; prevention of corrosion of metals and alloys; behavior of bearing metals; and development of standards for metals and sands;

"(17) the operation of a laboratory of applied mathematics;

"(18) the prosecution of such research in engineering, mathematics, and the physical sciences as may be necessary to obtain basic data pertinent to the specified functions of the Bureau; and

"(19) the compilation and publication of general scientific and technical data resulting from the work of the Bureau or from other sources when such data are of importance to scientific or manufacturing interests or to the general public, and are not available elsewhere, including demonstration of the results of the Bureau's work by exhibits or otherwise as may be deemed most effective."

SEC. 2. The act of March 3, 1901 (31 Stat. 1449), as amended, be, and the same hereby is, further amended by inserting at the end thereof the following sections:

"SEC. 11. For all services rendered for other Government agencies by the National Bureau of Standards, the Bureau may be reimbursed in accordance with section 601 of the Economy Act of June 30, 1932.

"SEC. 12. In the absence of specific agreement to the contrary, equipment, purchased by the National Bureau of Standards from transferred or advanced funds in order to carry out an investigation for another Government agency shall become the property of the National Bureau of Standards for use in subsequent investigations.

"SEC. 13. (a) The Secretary of Commerce is authorized to accept and utilize gifts or bequests of real or personal property for the purpose of aiding and facilitating the work of the National Bureau of Standards.

"(b) For the purpose of Federal income, estate, and gift taxes, gifts and bequests accepted by the Secretary of Commerce under the authority of this act shall be deemed to be gifts and bequests to or for the use of the United States."

ACCEPTANCE BY COAST GUARD AND PUBLIC HEALTH SERVICE PERSONNEL OF GIFTS OF FOREIGN GOVERNMENTS

The bill (S. 2240) to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Commander John R. Kurcheski, United States Coast Guard, is hereby authorized to accept such gift as has been tendered him as of the date of the approval of this act by the Greenland administration in appreciation of services rendered certain distressed motor schooners of the Greenland administration; and that the following-named members and former members of the United States Coast Guard and United States Public Health Service are hereby authorized to accept such gifts as have been tendered them as of the date of approval of this act by the Government of Great Britain in appreciation of services rendered in removing an injured seaman from the British vessel *Silver Sandal* for treatment ashore: Lt. (jg) Charles Ethelbert Mac Dowell, United States Coast Guard; Lt. (jg) Rufus Sizer Drury, United States Coast Guard; Senior Assistant Surgeon (Reserve) Pasquale Joseph Ciccone, United States Public Health Service; Ralph Oscar Douglas, chief aviation machinist's mate, United States Coast Guard; Leo Ira Thompson, chief aviation machinist's mate, United States Coast Guard; Richard Lewis Hall, aviation electronicsman, first class, United States Coast Guard; Quincy Carl Frazier, aviation electronicsman, first class, United States Coast Guard; Jack Henry McElyea, aviation ordnanceman, second class, United States Coast Guard; Walter Lamar Pierce, aviation structural mechanic, second class, United States Coast Guard; and Wade Columbus Midkiff, seaman, United States Coast Guard. The Department of State is hereby authorized to

deliver to the above-mentioned persons the gifts tendered them by the administration of Greenland and the Government of Great Britain, respectively.

BACHELOR OF SCIENCE DEGREES FOR GRADUATES OF MERCHANT MARINE ACADEMY

The bill (H. R. 242) to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4829) to authorize the President to appoint Paul A. Smith as representative of the United States to the Council of the International Civil Aviation Organization without affecting his status and perquisites as a commissioned officer of the Coast and Geodetic Survey, was announced as next in order.

Mr. JOHNSON of Colorado. Mr. President, I ask that the bill be passed over. I have been informed that further exploration of this matter must be made. So I ask that the bill be passed over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

TRANSFER OF THE VESSEL "BLACK MALLARD" TO THE STATE OF LOUISIANA

The bill (H. R. 5365) to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State, was considered, ordered to a third reading, read the third time, and passed.

SETTLEMENT OF CERTAIN CLAIMS AGAINST FOREIGN GOVERNMENTS—BILL PASSED OVER

The bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, was announced as next in order.

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

Mr. SCHOEPPEL. Mr. President, I should like to have the bill passed over.

The PRESIDING OFFICER. Objection is heard; the bill will be passed over.

Mr. GREEN. Mr. President, before the Senator who objected insists upon his objection, I should like to have an opportunity to explain the bill.

Mr. SCHOEPPEL. I shall be delighted to withhold my objection, to permit an explanation to be made.

Mr. GREEN. This bill was introduced in the House of Representatives, and a similar bill was introduced in the Senate. The Senate bill was referred to the Foreign Relations Committee, and by it was referred to a special subcommittee which held hearings. At the hearings not a single objection was raised. Everyone seemed to agree regarding the desirability of the enactment of the bill. However, in the full committee, to which the bill was favorably reported unanimously by the special committee, an amendment was suggested and adopted, and it is included in the bill as now reported.

With the exception of that amendment and some minor amendments, to which I think there could be no possible objection—for instance, amendments which would substitute the name of the President for the name of the Secretary of State, in regard to the making of appointments, and other similar minor corrections—the bill is reported as it was originally introduced.

The State Department had negotiated with the Yugoslav Government for the settlement of claims, some of them occurring before the war, but most of them resulting from the war and in the postwar period, such as claims arising from the nationalization of lands and claims resulting from measures affecting small business. It would be almost impossible for American citizens to press their claims in that country under the laws of that country. The State Department adjusted all the claims in one lump sum for $17,000,000.

Now it is necessary to provide for the distribution of the $17,000,000 among the American citizens who have such claims, and of course they are very anxious to get their money. The basis of setting up the proposed commission within the State Department is similar to the arrangement previously used, based on the experience had with the Mexican claims, for which a lump sum payment was made, and then distributed.

It is a great advantage to American citizens to be able to press their claims before such a commission in America, rather than to be required to go to Yugoslavia and press their claims there. All these claimants are anxious to press their claims and get their money; and the arrangement proposed by the bill seems to be an admirable way of handling the matter.

Another part of the bill provides for a like procedure in the case of similar claims against other countries, such as Czechoslovakia, and so forth, so that the United States Government, after negotiating a lump-sum payment, may have a means of distributing the money as payments to American citizens located in the United States.

Inasmuch as the only objection which was raised has been obviated by the amendment which was inserted in favor of citizens now in America, but who were not citizens at the time of the taking, although they are citizens at the time of the settlement, and inasmuch as that amendment is proposed against all future adjustments of this sort, I do not believe there will be objections to the bill.

So, Mr. President, unless there are other objections about which we have never heard, I hope the Senator will not press his objection.

Mr. SCHOEPPEL. Mr. President, in view of the controversial nature of the bill and the serious objection to it which was manifested in the House of Representatives, which prompted inquiries when the matter reached the Senate, I feel that I must ask that the bill be passed over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

The Senate proceeded to consider the bill (S. 450) to amend the Civil Aeronautics Act of 1938, as amended, by providing for the delegation of certain authority of the Administrator, and for other purposes which had been reported from the Committee on Interstate and Foreign Commerce, with amendments on page 1, line 8, after the word "assign", to insert "subject to such regulations, supervision, and review as the Administrator may prescribe"; on page 2, line 2, after the word "section", to insert "and any function delegated to him by the Civil Aeronautics Board or the Secretary of Commerce"; in line 9, after the word "counsel", to strike out "an assistant administrator,"; in line 10, after the word "an", where it first occurs, to strike out "inspector" and insert "agent"; on page 3, line 20, after the word "Act", to strike out "and by section 6 (c) of the Air Commerce Act of 1926 (44 Stat. 568–576), as amended (45 Stat. 933; 49 U. S. C. Supp. V, 176)"; in line 23, after the word "Administrator", to strike out "may" and insert "subject to such regulations, supervision, and review as the Administrator may prescribe"; on page 4, line 4, after the word "to", to strike out "(a)", and in line 5, after the word "Act", to strike out "and (b) the issuance of a foreign aircraft permit under section 6 (c) of the Air Commerce Act of 1926", so as to make the bill read:

Be it enacted, etc., That title III of the Civil Aeronautics Act of 1938, as amended, is amended by adding thereto two new sections, as follows:

"ASSIGNMENT OF WORK, BUSINESS, OR FUNCTIONS

"Assignment to employees

"SEC. 1. (a) The Administrator may assign, subject to such regulations, supervision, and review as the Administrator may prescribe, any of his work, business, or functions under any provision of law (except functions vested in him under this section) and any function delegated to him by the Civil Aeronautics Board or the Secretary of Commerce, to any eligible employee or employees under his supervision for action thereon. The Administrator may at any time amend, modify, supplement, or rescind any such assignment. An employee shall be an eligible employee for purposes of this subsection if he is the Deputy Administrator, the general counsel, a service director, a division or section chief, an agent, or an employee having responsibilities of comparable importance.

"Performance of assignments

"(b) Individuals to whom assignments are so made shall have authority to perform the work, business, or functions assigned to them under this section and for such purpose shall have the jurisdiction and powers conferred by this act upon the Administrator, and be subject to the same duties and obligations. Except as otherwise provided in this section, any action of any such individual or individuals with respect to any matter assigned to him or them shall have the same force and effect and may be made, evidenced, and enforced in the same manner as if taken by the Administrator.

"Reconsideration by Administrator

"(c) Any person affected by any action taken by any such individual or individuals with respect to any matter assigned to him or them may apply for reconsideration by

the Administrator of such action subject to such reasonable limitations as may be established by the Administrator and such application shall be passed upon by the Administrator. The Administrator, upon his own initiative, may reconsider the action of such person or persons either before or after it has become effective. If, upon reconsideration by the Administrator, it shall appear that the action in question is in any respect unjust or unwarranted, the Administrator shall reverse, change, or modify the same accordingly; otherwise the Administrator shall affirm such action: *Provided*, That nothing in this subsection shall be construed as modifying, amending, or repealing any provisions of the Administrative Procedure Act.

"DELEGATION OF POWERS AND DUTIES TO PRIVATE PERSONS

"SEC. 2. In exercising and performing the powers and duties vested in him by this act, the Administrator, subject to such regulations, supervision, and review as the Administrator may prescribe, delegate to properly qualified private persons the function of performing any of such powers and duties respecting (1) the examination, inspection, and testing necessary to the issuance of certificates under title VI of this act, and (2) the issuance of such certificates in accordance with standards established by the Administrator or the Civil Aeronautics Board. The Administrator may establish the maximum fees which such private persons may charge for their services and he may rescind any such delegation at any time and for any reason which he deems appropriate."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF PHILIPPINE REHABILITATION ACT OF 1946

The Senate proceeded to consider the bill (S. 1033) to further amend the Philippine Rehabilitation Act of 1946, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause, and insert:

That the Philippine Rehabilitation Act of 1946 be, and the same is hereby, further amended by inserting the following under title I to follow section 113:

"SEC. 114. (a) In the case of nonprofit educational or welfare institutions in the Philippines, which institutions are affiliated with similar educational or welfare institutions in the United States, and which suffered loss or damage to their schools, colleges, universities, hospitals, dispensaries, or orphanages, with respect to their land, buildings, furniture, and fixtures, or contents of the same, the Philippine War Damage Commission, within the limits of the appropriations allocated to it for carrying out the provisions of this act, is authorized and directed to compensate such affiliates in the Philippines for such loss or damage: *Provided*, That such loss or damage occurred after December 7, 1941, and before October 1, 1945, as a result of the perils listed in section 102 (a) hereof: *And provided further*, That such nonprofit institutions in the Philippines have been continuously since December 7, 1941, affiliates of institutions in the United States engaged in one or more of the above-mentioned activities.

"(b) That such compensation shall be payable to such affiliates in the Philippines and all claims heretofore filed for any loss or damage shall be subject to amendments to be filed by them on or before November 30, 1949, to enable such affiliates to make claims in accordance with the provisions of this amendment.

"(c) That the claims filed under this section shall be approved in an aggregate amount and determined upon the basis of the cost of repairing, rebuilding, or replacing the destroyed or damaged property, as of the time the Commission makes payment to such affiliates.

"(d) That the aggregate amount of the claims approved in favor of such affiliates shall be immediately paid in full and not subject to any provisions in this act reducing or delaying the payment of approved claims, or requiring replacement of property before payments are actually made."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PARTICIPATION OF DISTRICT OF COLUMBIA BOARD OF EDUCATION IN FOREIGN TEACHER EXCHANGE PROGRAM

The Senate proceeded to consider the bill (S. 2028) to permit the Board of Education of the District of Columbia to participate in the foreign teacher exchange program in cooperation with the United States Office of Education, which had been reported from the Committee on the District of Columbia, with amendments, on page 3, line 3, after the word "from", to strike out "the Board of Education of", and in line 4, after the word "Columbia", to insert "or any agency thereof", so as to make the bill read:

Be it enacted, etc., That the Board of Education of the District of Columbia is authorized to participate in the teacher foreign exchange program in cooperation with the United States Office of Education.

Any employee of the Board of Education of the District of Columbia who is subject to the provisions of the District of Columbia Teachers' Salary Act of 1947 (Public Law 163) shall, with the approval of the Board of Education, be eligible to participate in such program, and shall if accepted for such foreign assignment serve for a period not to exceed one calendar year, and shall at the conclusion of such service be returned to the position which he held before the exchange was effected.

SEC. 2. The Board of Education of the District of Columbia is authorized to pay the full salary of the educational employee of said Board during the time such employee is performing teaching duties in a foreign country under such exchange program, in the same manner and to the same extent as if such educational employee were actually performing his teaching duties in his regularly assigned position in the public schools of the District of Columbia, and any such educational employee participating in such program shall for purposes of promotion, computation of annual increment, computation of service for pension credit, including salary contributions to the pension fund, and leave of absence credits, be considered as performing teaching duties in the schools of the District of Columbia.

SEC. 3. (a) Each professionally qualified person from a foreign country exchanged under the provisions of this act with an educational employee of the Board of Education of the District of Columbia shall during the period of such exchange serve as a substitute for the exchanged teacher and shall be assigned in the public schools of the District of Columbia as the Board of Education shall determine. Such exchange teacher shall serve without compensation for such service from the District of Columbia or any agency thereof: *Provided further*, That the term of such assignment or exchange shall not exceed one calendar year.

(b) Notwithstanding any other provision of law, any foreign teacher, instructor, or professor assigned to duties in the public schools of the District of Columbia under the provisions of this act shall not be required to take an oath of office or any oath of allegiance or loyalty to the United States, but shall satisfy the Board of Education of the District of Columbia as to his personal, moral, and professional fitness to teach in the public schools of Washington, D. C.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF THE DISTRICT OF COLUMBIA BOILER INSPECTION ACT

The Senate proceeded to consider the bill (S. 1126) to amend the Boiler Inspection Act of the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments on page 1, line 8, after the word "any", to strike out "boiler or", and in line 9, after the word "inch", to insert "or boiler", so as to make the bill read:

Be it enacted, etc., That section 4 of the Boiler Inspection Act of the District of Columbia, approved June 25, 1936, is amended to read as follows:

"SEC. 4. No person shall use or cause to be used, without first having obtained a certificate of inspection from the boiler inspector, any pressure vessel operating at a pressure in excess of 15 pounds per square inch or boiler, except (1) boilers in single-family dwellings, (2) such heating boilers as may be exempted from inspection pursuant to regulations prescribed by the Commissioners by reason of the limited occupancy of the buildings in which such heating boilers are located, and (3) such nondangerous pressure vessels as may be exempted from inspection pursuant to regulations prescribed by the Commissioners."

SEC. 2. The Boiler Inspection Act of the District of Columbia, approved June 25, 1936, is amended by striking out the words "steam" and "unfired" wherever they appear therein, except in section 15.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KILLING OF STARLINGS IN THE DISTRICT OF COLUMBIA—BILL PASSED OVER

The Senate proceeded to consider the bill (H. R. 2886) to provide for the killing of starlings in the District of Columbia, which had been reported from the Committee on the District of Columbia, with amendments, on page 1, line 7, after the word "starling", to insert "and striking out the period and quotation mark after the word 'premises', inserting a colon and the words '*Provided further*, That no starling shall be killed except after capture by means of trapping'"; on page 2, line 11, after the word "premises", to insert a colon and "*Provided further*, That no starling shall be killed except after capture by means of trapping", and on page 2, after line 13, to strike out:

SEC. 2. That section 3 of said act is amended by adding a comma and the word "starling" after the word "sparrow" wherever such word appears in such section so that the said section will read as follows:

"SEC. 3. That no person in the District of Columbia shall kill any English sparrow, starling, or any wild animal suffering from injury or disease, by means of any gun, air gun, rifle, air rifle, parlor rifle, pistol, revolver, or other firearm, without a special written permit so to do from such official as the Commissioners of the District of Columbia may, by regulation or order, from time to time charge with that duty, under a penalty of five dollars or imprisonment in the workhouse for not more than thirty days, or both,

for each sparrow, starling, or animal so killed."

The amendments were agreed to.

Mr. TAFT. Mr. President, I wonder if the author of the bill can inform us as to the usefulness of starlings in the destruction of Japanese beetles, of which we have recently read in the newspapers.

Mr. ANDERSON. Mr. President, reserving the right to object, I was about to suggest that if we later have a bill designed to destroy Japanese beetles, we shall then be undoing what we have done today. The starling is of very definite benefit in the control of the Japanese beetle. One reason why the beetles are as scarce as they are in this city is because the starling is so prevalent. When we first started upon legislation to provide for the killing of starlings, we found that while it would eliminate certain things, it would also destroy certain other things in the balance of nature. I hope the authors of the bill are in position to provide something, when this is done, to take the place of the starling in the natural balance.

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. TAFT. I object to the bill, for the present.

The PRESIDING OFFICER. The bill, as amended, will go over.

TAX EXEMPTION FOR PROPERTY OF NATIONAL SOCIETY OF THE COLONIAL DAMES OF AMERICA

The bill (S. 973) to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia, was announced as next in order.

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

Mr. CAIN. Mr. President, reserving the right to object, I wonder whether any member of the committee can tell us whether a policy covering the exemption of educational, charitable, and religious organizations located within the District of Columbia has been adopted? Perhaps the Senator from Maine [Mrs. SMITH] could supply the answer.

Mr. HENDRICKSON. Mr. President, I think I can answer the question. There is no fixed policy. All these exemptions have been granted, as I understand, by special legislation.

Mr. CAIN. I have raised the question only because in the Eightieth Congress the committee went on record as indicating they would recommend no further individual exemptions, until they had an opportunity to study the problem in a comprehensive way.

Mr. HENDRICKSON. I think the committee, in reporting this bill, felt very definitely that there should be a policy, there should be a study made of this whole situation, and that other exemptions of this special type should not be granted.

Mr. CAIN. May we safely assume, then, that this special exemption will probably be the last of its kind, until a comprehensive policy has been formulated?

Mr. HENDRICKSON. So long as the membership of the Committee on the District of Columbia remains as it is today, I think it is a safe assumption.

Mr. CAIN. I have no objection.

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

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That certain property in the District of Columbia described as lot numbered 801, in square numbered 1285, together with the improvements thereon, known as premises No. 2715 Q Street Northwest, and the furnishings therein, owned by the National Society of the Colonial Dames of America, a corporation organized and existing under the laws of the District of Columbia, be exempt from taxation, national and municipal, so long as the same is used for nonprofit purposes

PROMOTIONS IN MAIL EQUIPMENT SHOPS

The bill (S. 1825) to amend the Postal Pay Act of 1945, approved July 6, 1945, so as to provide promotions for temporary employees of the mail equipment shops, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (f) of section 18 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended, is amended to read as follows:

"(f) Temporary employees in the mail equipment shops paid on an annual basis shall be paid at the rates of pay of grade 1 of the position in which employed and shall, at the beginning of the quarter following the completion of 1 year's satisfactory service in each pay status, be advanced successively to the rates of pay of the next higher grade of such position: *Provided*, That no temporary employee shall be paid at a rate higher than that provided herein for the highest automatic grade of the position in which he is employed: *Provided further*, That when a temporary employee is appointed to a regular position in the mail equipment shops, the employee shall be assigned to a salary grade corresponding to his salary as a temporary employee at the time of such appointment. Any fractional part of a year's temporary service accumulated since the last compensation increase as a temporary shall be included with the regular service of a regular employee in determining eligibility for promotion to the next higher grade following appointment to a regular position."

SEC. 2. Any period of continuous satisfactory service as a temporary employee in the mail equipment shops performed by any such temporary employee prior to the effective date of this act shall be creditable for a promotion to the rates of pay of grade 2 of the position in which such temporary employee is employed.

SEC. 3. This act shall become effective at the beginning of the quarter following the date of enactment.

RESEARCH AND DEVELOPMENT PROGRAM IN THE POST OFFICE DEPARTMENT

The bill (H. R. 91) to provide for a research and development program in the Post Office Department, was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF WHALING

The Senate proceeded to consider the bill (S. 2080) which had been reported from the Committee on Interstate and Foreign Commerce, with amendments on page 1, line 3, before the word "That", to insert "Sec. 1."; on page 6, line 6, after the word "by", to strike out "him" and insert "the Secretary"; on page 8, line 11, after the word "section", to strike out "7" and insert "8"; in line 14, after "Sec. 8." to insert "(a)"; in the same line, after the word "Except", to strike out "as provided in section 6" and insert "as to violations defined in clause 3 of subsection (a) of section (5)"; on page 9, after line 2, to strike out:

(b) All procedures of law relating to the seizure, judicial forfeiture, and condemnation of a vessel for violation of the customs laws and the disposition of such vessel or the proceeds from the sale thereof shall apply to seizures, forfeitures, and condemnations incurred, or alleged to have been incurred, under the provisions of this act insofar as such provisions of law are applicable and are not inconsistent with this act.

On page 10, at the beginning of line 1, to strike out "an officer or trial before a court of competent jurisdiction" and insert "a justice or judge or any other official designated in section 3041 of title 18 of the United States Code"; in line 17, after "United States", to strike out "court" and insert "district courts"; on page 11, after line 3, to strike out:

(b) In cases where the person authorized to make an arrest or seizure or any court of competent jurisdiction finds that the immediate arrest of the person or seizure of whales or whale products would impose an unreasonable hardship he or it may issue a citation requiring such person to appear before the proper official of the court having jurisdiction thereof within a specified time; or in the case of property, post such citation upon said property and require its delivery to such court within such specified time. Upon the issuance of such citation and the filing in writing or by any other available means of communication, of a notice thereof with the clerk of the appropriate court the person so cited and the property so seized and posted shall thereupon be subject to the jurisdiction of the court to answer the order of the court in such cause.

In line 19, after the words "order of", to strike out "such court" and insert "a court of competent jurisdiction"; in line 20, after the word "subsection", to strike out "(c)" and insert "(b)"; in line 21, after the word "section", to insert "or, if perishable, in the manner prescribed by regulations of the Secretary of the Interior"; in line 23, before the word "Notwithstanding", to strike out "(c)" and insert "(b)"; in the same line, after the word "of", to strike out "28 United States Code 2464," and insert "section 2464 of title 28 of the United States Code"; on page 12, line 1, after the word "rem", to strike out "including that specified in subsection (b) of this section,"; in line 2, after the word "cause", to strike out "of admiralty jurisdiction"; in line 6, after the word "a", to strike out "band" and insert "bond"; in the same line, after the word "stipulation", to insert "for

double the value of the property"; in line 7, after the word "sufficient", to strike out "sureties or" and insert "surety to be"; in line 8, after the word "approved", to strike out "corporate surety in such sum as the court shall order" and insert "by a judge of the district court having jurisdiction"; on page 13, line 15, after the word "enforce", to strike out the comma and "through the Fish and Wildlife Service,"; on page 14, line 6, after the word "Treasury", to strike out the comma and "through the United States Coast Guard,"; on page 15, line 3, after the word "including", to insert "(1)"; in line 6, after the word "governments", to insert "and (2)"; in line 7, after the word "including", to insert "(a)"; in line 10, after the word "amended", to insert "(b)"; in line 11, after the word "the", to strike out "Standardized Government Travel Regulations, as amended, the Subsistence Expense Act of 1926, as amended," and insert "Travel Expense Act of 1949"; in line 14, after "(U. S. C., title 5, sec. 73b)", to insert "(c)"; in line 15, after the word "services", to insert "(d)"; in the same line, after the word "offices", to insert "(e)."

The amendments were agreed to.

Mr. TOBEY. Mr. President, what bill are we working on now? What calendar number is it?

The PRESIDING OFFICER. It is Calendar 820, Senate bill 2080.

Mr. TOBEY. I merely want to make the observation that we have to take a good deal on faith, sitting here as we are, agreeing to a great many amendments. It seems to me it is not the way to write legislation. The import of the amendments is not known to Senators. I think it is a dangerous procedure.

Mr. JOHNSON of Colorado. Mr. President, the bill, of course, was considered by the committee, of which the Senator is a member. The object of the bill is to implement an international agreement.

Mr. TOBEY. I appreciate what the purpose of the bill is, but 20 or 30 amendments are being added, of which none of the Members have any knowledge at all.

Mr. JOHNSON of Colorado. They are more or less technical amendments which are being proposed to the bill, but they are all in accord with the international agreement.

Mr. TOBEY. I have such respect for the chairman of the committee that I give him blanket power, but I submit to Senators we are following a dangerous procedure, when we sit here as a body of Senators passing on these matters willy nilly, including 20 or 30 amendments, without knowing their import. I think it should bring to our attention some need of a change.

Mr. JOHNSON of Colorado. Of course, it would take a long time if we had to explain each one of these technical amendments. The purpose of the bill is, of course, obvious, and I can say with full assurance that none of the amendments is out of line with the objectives of the bill. They are all entirely in line with the objectives. The purpose of the bill is to carry out an international agreement so as to protect animals and fish which are rapidly becoming extinct.

Mr. TOBEY. I merely submit to the chairman that it would have been far better if a new bill containing the changes but not appearing as amendments, had been reported by the committee, instead of having all these amendments which no one knows anything about.

The PRESIDING OFFICER. The clerk will continue stating the committee amendments.

The next amendments were on page 15, line 19, after "(U. S. C., title 41, sec. 5)", to insert "(f)"; in line 21, after "(U. S. C., title 41, sec. 5)", to insert "(g)"; in line 22, after the word "materials", to insert "(h)"; in the same line, after the word "equipment", to insert "(i)", and on page 16, line 6, after the word "The", to insert "Whaling Treaty."

The amendments were agreed to.

The bill, as amended, reads as follows:

Be it enacted, etc., SECTION 1. That this act may be cited as the "Whaling Convention Act of 1949."

SEC. 2. When used in this act—

(a) Convention: The word "convention" means the International Convention for the Regulation of Whaling signed at Washington under date of December 2, 1946, by the United States of America and certain other governments.

(b) Commission: The word "Commission" means the International Whaling Commission established by article III of the convention.

(c) United States Commissioner: The words "United States Commissioner" mean the member of the International Whaling Commission representing the United States of America appointed pursuant to article III of the convention and section 3 of this act.

(d) Person: The word "person" denotes every individual, partnership, corporation, and association subject to the jurisdiction of the United States.

(e) Vessel: The word "vessel" denotes every kind, type, or description of water craft or contrivance subject to the jurisdiction of the United States used, or capable of being used, as a means of transportation.

(f) Factory ship: The words "factory ship" mean a vessel in which or on which whales are treated or processed, whether wholly or in part.

(g) Land station: The words "land station" mean a factory on the land at which whales are treated or processed, whether wholly or in part.

(h) Whale catcher: The words "whale catcher" mean a vessel used for purpose of hunting, killing, taking, towing, holding onto, or scouting for whales.

(i) Whale products: The words "whale products" mean any unprocessed part of a whale and blubber, meat, bones, whale oil, sperm oil, spermaceti, meal, and baleen.

(j) Whaling: The word "whaling" means the scouting for, hunting, killing, taking, towing, holding onto, and flensing of whales, and the possession, treatment, or processing of whales or of whale products.

(k) Regulations of the Commission: The words "regulations of the Commission" mean the whaling regulations in the schedule annexed to and constituting a part of the convention in their original form or as modified, revised, or amended by the Commission from time to time, in pursuance of article V of the convention.

(l) Regulations of the Secretary of the Interior: The words "regulations of the Secretary of the Interior" mean such regulations as may be issued by the Secretary of the Interior, from time to time, in accordance with sections 11 and 12 of this Act.

SEC. 3. (a) The United States Commissioner shall be appointed by the President, on the concurrent recommendations of the Secretary of State and the Secretary of the Interior, and shall serve at the pleasure of the President.

(b) The President may appoint a Deputy United States Commissioner, on the concurrent recommendations of the Secretary of State and the Secretary of the Interior. The Deputy United States Commissioner shall serve at the pleasure of the President and shall be the principal technical adviser to the United States Commissioner, and shall be empowered to perform the duties of the Commissioner in case of the death, resignation, absence, or illness of the Commissioner.

(c) The United States Commissioner and Deputy Commissioner, although officers of the United States Government, shall receive no compensation for their services.

SEC. 4. The Secretary of State is authorized, with the concurrence of the Secretary of the Interior, to present or withdraw any objections on behalf of the United States Government to such regulations or amendments of the schedule to the convention as are adopted by the Commission and submitted to the United States Government in accordance with article V of the convention. The Secretary of State is further authorized to receive on behalf of the United States Government reports, requests, recommendations, and other communications of the Commission, and to act thereon either directly or by reference to the appropriate authority.

SEC. 5. (a) It shall be unlawful for any person subject to the jurisdiction of the United States (1) to engage in whaling in violation of the convention or of any regulation of the Commission, or of this act, or of any regulation of the Secretary of the Interior; (2) to ship, transport, purchase, sell, offer for sale, import, export, or have in possession any whale or whale products taken or processed in violation of the convention, or of any regulation of the Commission, or of this act, or of any regulation of the Secretary of the Interior; (3) to fail to make, keep, submit, or furnish any record or report required of him by the convention, or by any regulation of the Commission, or by any regulation of the Secretary of the Interior, or to refuse to permit any officer authorized to enforce the convention, the regulations of the Commission, this act, and the regulations of the Secretary of the Interior, to inspect such record or report at any reasonable time.

(b) It shall be unlawful for any person or vessel subject to the jurisdiction of the United States to do any act prohibited or to fail to do any act required by the convention, or by this act, or by any regulation adopted by the Commission, or by any regulation of the Secretary of the Interior.

SEC. 6. (a) No person shall engage in whaling without first having obtained an appropriate license or scientific permit. Such licenses shall be issued by the Secretary of the Interior or such officer of the Department of the Interior as may be designated by him: *Provided*, That the Secretary, in his discretion and by appropriate regulation, may waive the payment of any license fee or the requirement that a license first be obtained, in connection with the salvage of any "Dauhval" or unclaimed dead whale found floating or stranded.

(b) The following licenses and fees shall be required for each calendar year or any fraction thereof and shall be nontransferable except under such conditions as may be prescribed by the Secretary:

(1) Land-station license for primary processing of whales, $250.

(2) Land-station license for secondary processing of parts of whales delivered to it

by a land station licensed as a primary processor, $100.

(3) Factory-ship license for primary processing of whales delivered by whale catchers, $250.

(4) License for any vessel used exclusively for transporting whale products from a factory ship to a port during the whaling season, $100.

(5) Whale-catcher license, $100.

(c) All moneys derived from the issuance of whaling licenses shall be covered into the Treasury of the United States, and no license fee shall be refunded by reason of the failure of any person to whom a license has been issued to utilize the facility in whaling for which such license was issued.

(d) Any person, in making application for a license to operate a whale catcher, must furnish evidence or affidavit satisfactory to the Secretary of the Interior that, in addition to conforming to other applicable laws and regulations, (1) the whale catcher is adequately equipped and competently manned to engage in whaling in accordance with the provisions of the convention, the regulations of the Commission, and the regulations of the Secretary of the Interior; (2) gunners and crews will be compensated on some basis that does not depend primarily on the number of whales taken; and (3) no bonus or other partial remuneration with relation to the number of whales taken shall be paid to gunners and crews in respect of the taking of any whales, the taking of which is prohibited.

(e) Any person, in making application for a license to operate a land station or a factory ship must furnish evidence or affidavits to the satisfaction of the Secretary of the Interior that, in addition to conforming to other applicable laws and regulations, such land station or factory ship is adequately equipped to comply with provisions of the convention, of the regulations of the Commission, and of the regulations of the Secretary of the Interior with respect to the processing of whales or the manufacture of whale products.

SEC. 7. Any person who fails to make, keep, or furnish any catch return, statistical record, or any report that may be required by the convention, or by any regulation of the Commission, or by this act, or by a regulation of the Secretary of the Interior, or any person who furnishes a false return, record, or report, upon conviction, shall be subject to such fine as may be imposed by the court not to exceed $500, and shall in addition be prohibited from whaling, processing, or possessing whales and whale products from the date of conviction until such time as any delinquent return, record, or report shall have been submitted or any false return, record, or report shall have been replaced by a duly certified correct and true return, record, or report to the satisfaction of the court. The penalties imposed by section 8 of this act shall not be invoked for failure to comply with requirements respecting returns, records, and reports.

SEC. 8. Except as to violations defined in clause 3 of subsection (a) of section (5) of this act, any person violating any provision of the convention, or of any regulation of the Commission, or of this act, or of any regulation of the Secretary of the Interior upon conviction, shall be fined not more than $10,000 or be imprisoned not more than 1 year, or both. In addition the court may prohibit such person from whaling for such period of time as it may determine, and may order forfeited, in whole or in part, the whales taken by such person in whaling during the season, or the whale products derived therefrom or the monetary value thereof. Such forfeited whales or whale products shall be disposed of in accordance with the direction of the court.

SEC. 9. (a) Any duly authorized enforcement officer or employee of the Fish and Wildlife Service of the Department of the Interior; any Coast Guard officer; any United States marshal or deputy United States marshal; any customs officer; and any other person authorized to enforce the provisions of the convention, the regulations of the Commission, this act, and the regulations of the Secretary of the Interior, shall have power, without warrant or other process but subject to the provisions of the convention, to arrest any person subject to the jurisdiction of the United States committing in his presence or view a violation of the convention or of this act, or of the regulations of the Commission, or of the regulations of the Secretary of the Interior and to take such person immediately for examination before a justice or judge or any other official designated in section 3041 of title 18 of the United States Code; and shall have power, without warrant or other process, to search any vessel subject to the jurisdiction of the United States or land station when he has reasonable cause to believe that such vessel or land station is engaged in whaling in violation of the provisions of the convention or this act, or the regulations of the Commission, or the regulations of the Secretary of the Interior. Any person authorized to enforce the provisions of the convention, this act, the regulations of the Commission, or the regulations of the Secretary of the Interior shall have power to execute any warrant or process issued by an officer or court of competent jurisdiction for the enforcement of this act, and shall have power with a search warrant to search any vessel, person, or place at any time. The judges of the United States district courts and the United States commissioners may, within their respective jurisdictions, upon proper oath or affirmation showing probable cause, issue warrants in all such cases. Subject to the provisions of the convention, any person authorized to enforce the convention, this act, the regulations of the Commission, and the regulations of the Secretary of the Interior may seize, whenever and wherever lawfully found, all whales or whale products taken, processed, or possessed contrary to the provisions of the convention, of this act, of the regulations of the Commission, or of the regulations of the Secretary of the Interior. Any property so seized shall not be disposed of except pursuant to the order of a court of competent jurisdiction or the provisions of subsection (b) of this section, or, if perishable, in the manner prescribed by regulations of the Secretary of the Interior.

(b) Notwithstanding the provisions of section 2464 of title 28 of the United States Code, when a warrant of arrest or other process in rem, is issued in any cause under this section, the marshal or other officer shall stay the execution of such process, or discharge any property seized if the process has been levied, on receiving from the claimant of the property a bond or stipulation for double the value of the property with sufficient surety to be approved by a judge of the district court having jurisdiction, conditioned to deliver the property seized, if condemned, without impairment in value or, in the discretion of the court, to pay its equivalent value in money or otherwise to answer the decree of the court in such cause. Such bond or stipulation shall be returned to the court and judgment thereon against both the principal and sureties may be recovered in event of any breach of the conditions thereof as determined by the court.

SEC. 10. (a) In order to avoid duplication in scientific and other programs, the Secretary of State, with the concurrence of the agency, institution, or organization concerned, may direct the United States Commissioner to arrange for the cooperation of agencies of the United States Government, and of State and private institutions and organizations in carrying out the provisions of article IV of the convention.

(b) All agencies of the Federal Government are authorized, on request of the Commission, to cooperate in the conduct of scientific and other programs, or to furnish facilities and personnel for the purpose of assisting the Commission in the performance of its duties as prescribed by the convention.

SEC. 11. Nothing contained in this act shall prevent the taking of whales and the conducting of biological experiments at any time for purposes of scientific investigation in accordance with scientific permits and regulations issued by the Secretary of the Interior or shall prevent the Commission from discharging its duties as prescribed by the convention.

SEC. 12. (a) The Secretary of the Interior is authorized and directed to administer and enforce all of the provisions of this act and regulations issued pursuant thereto and all of the provisions of the convention and of the regulations of the Commission, except to the extent otherwise provided for in this act, in the convention, or in the regulations of the Commission. In carrying out such functions he is authorized to adopt such regulations as may be necessary to carry out the purposes and objectives of the convention, the regulations of the Commission, this act, and with the concurrence of the Secretary of State, to cooperate with the duly authorized officials of the government of any party to the convention.

(b) Enforcement activities under the provisions of this act relating to vessels engaged in whaling and subject to the jurisdiction of the United States primarily shall be the responsibility of the Secretary of the Treasury in cooperation with the Secretary of the Interior.

(c) The Secretary of the Interior may authorize officers and employees of the coastal States of the United States to enforce the provisions of the convention, or of the regulations of the Commission, or of this act, or of the regulations of the Secretary of the Interior. When so authorized such officers and employees may function as Federal law-enforcement officers for the purposes of this act.

SEC. 13. Regulations of the Commission approved and effective in accordance with section 4 of this act and article V of the convention shall be submitted for appropriate action or publication in the Federal Register by the Secretary of the Interior and shall become effective with respect to all persons and vessels subject to the jurisdiction of the United States in accordance with the terms of such regulations and the provisions of article V of the convention.

SEC. 14. There is hereby authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of the convention and of this act, including (1) contributions to the Commission for the United States share of any joint expenses of the Commission agreed by the United States and any of the other contracting governments, and (2) the expenses of the United States Commissioner and his staff, including (a) personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended; (b) travel expenses without regard to the Travel Expense Act of 1949 and section 10 of the act of March 3, 1933 (U. S. C., title 5, sec. 73b); (c) transportation of things, communication services; (d) rent of offices; (e) printing and binding without regard to section 11 of the act of March 1, 1919 (U. S. C., title 44, sec. 111), and section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); (f) stenographic and other services by contract, if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); (g) supplies and materials; (h) equipment; (i) purchase, hire, operation, maintenance,

and repair of aircraft, motor vehicles (including passenger-carrying vehicles), boats, and research vessels.

SEC. 15. If any provision of this act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

SEC. 16. The Whaling Treaty Act of May 1, 1936 (49 Stat. 1246; 16 U. S. C. 901-915), is hereby repealed and the Secretary of the Interior is authorized to refund any part of a license fee paid under said act that is in excess of the license fee required under this act.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VERMEJO RECLAMATION PROJECT, NEW MEXICO

The bill (S. 1382) to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, I should like to have a brief explanation of the bill.

Mr. ANDERSON. Mr. President, there is on the calendar order No. 837, House bill 3788, with reference to the same subject, and I ask unanimous consent that it be substituted for the Senate bill and be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. SCHOEPPEL. Reserving the right to object, I should like an explanation of the bill.

Mr. ANDERSON. This is a bill to rehabilitate the Vermejo Dam, which, had it been previously reconstructed, probably would not be in such bad condition. It was constructed in approximately 1886. The expenditure involved is fully reimbursable. Had the dam been built within the past 20 or 30 years it would have been somewhat different in design.

Mr. SCHOEPPEL. I have no objection.

There being no objection, the bill (H. R. 3788) to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1382 is indefinitely postponed.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The resolution (S. Con. Res. 58) favoring the suspension of deportation of certain aliens was considered and agreed to as follows:

Resolved, etc., That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-6492271, Alcantar, Raymundo.

A-3721543, Almida, Leandro or Leandro Rodriguez Almida or Leandro Armeida.

A-6495123, Alvarez, Maria Arias or Maria Arias.

A-6261669, Anastasiadou, Theodora or Theodora Anastasiandes.

A-5988380, Arias-Preciado, Cipriano.

A-6846914, Atilano, Juana or Juana Atilano de la Rosa.

A-5839718, Bacica, Sime Fran or Sam Frank Bacica.

A-5109817, Barreira, Joao Domingues.

A-6546518, Bartley, Anthony Charles.

A-5333848, Beinner, Leah or Leah or Lillian Stein or Leie Staigrud.

A-1650494, Bouza y Franco, Luciano or Luciano Bouza Franco or Luciano Boyza Franco or Luciano Bouza or Bonza.

A-4739891, Cackowski, Joseph John.

A-6200602, Callaghan, June (nee Tipping).

A-5587493, Carlson, Charles Eglert or Charles Karlson.

A-6852439, Cervantes, Feliciano Zavala or Antonio Zavala Cervantes or Feliciano Cervantes-Zavala or Antonio Cervantes.

A-6767387, Chaghlassian, Hagop.

A-6339958, Chesimard, Paule Bertrand (nee Saffache).

A-9530561, Choi, Juam or Choi Jum or Chan Choy or Chui Cham.

A-3536893, Chu, Philip Mei.

A-3536891, Chu, Esther Li Tang.

A-5549658, Cioch, John or Jan.

A-6006860, Clarke, Alton Hiott Alva.

A-6261654, Coukos, Maria (nee Varberidou).

A-2907854, Cox, Thomas or Tom Cox.

A-5796775, Critikos, Anthony Alexander.

A-6038532, Czaplicki, Dominika (nee Lojewska).

A-5207949, Dagnino, Giuseppe.

A-3296513, Da Silva, Manuel Henriques.

A-5340066, Davidian, Azneve or Azneve Yeghazarian or Egazarian or Azneve Kuderian.

A-5570904, De Gonzalez, Rafaela Lozoya.

A-6852437, De La Rosa, Eleno or Eleno De La Rosa-Cervantes or Elano De La Rosa.

A-4359977, De Meo, Raffaele Joseph or Ralph (or Joe) de Meo.

A-7759673, Donohue, Alicia Margarita (nee Barrales).

A-6212825, Dornhelm, Kurt or Kenneth Dorn.

A-9559586, Emcken, Carl Christian.

A-5280548, Evanoff, George Demo.

A-6160996, Evans, Leslie Anthony or Leslie Anthony Legg.

A-6712268, Fagundes, Helio Avelar or Helio Da Silva.

A-3878487, Falkner, Mabel (nee Cowan).

A-6445935, Firth-Hand, John Frederick.

A-5627404, Floris, Theodore (alias Gust Panos).

A-6719403, Freeman, Terence (alias Terence Maduro).

A-6261624, Georgiades, Kalliroe George (nee Kalliroe Kakoutis).

A-5341034, Goes, Jacinto or Jacinto De Goes or Jesse Goes.

A-5244395, Halkias, Michael Thomas.

A-6706836, Hanson, James Alfred or James A. Hanson or James Hanson.

A-9671376, Heckman, Anders August.

A-7538664, Hernandez, Junior, Alfred William or Alfredo Guillermo Del Corazon De Jesus or Hernandez Y Sariol or Alfred Hernandez, Junior.

A-6572460, Hernandez-Navarro, Jose.

A-6808580, Janczewski, Marian or Marian Jackowski or Jancio Grom.

A-5452645, Jenkins, Edward or Isidore Dubrofsky.

A-6142586, Jensen, Pascuala Aguinaldo.

A-7595300, Junghans, Carl Friedrich Walter.

A-6207397, Kaufman, Ray nee Radowitz or Ray Radowitz Kaufman.

A-3184268, Konstantinos, Constantinos Psarelles or Gust Psarelis.

A-6261607, Koukoltsios, Constantine.

A-5587049, Lahm, Ludwig or Ludvig Lahm or Louis Lahm.

A-6834450, Lapadat, Julian.

A-9686520, Lau, Chik or Chick or Lau Kan.

A-6091756, Lau, Chok, also known as Harry Chok or Harry Chok Lau.

A-6301469, Lau, Lai Yung Wong also known as Lau Wong Yung Lai or Lai Yong (Yung) Wong or Wong Lae Yung or Daisy Wong.

A-4693214, Lau, Wai Chuen Lillian.

A-6262000, Lind, Egil Frode or Frode Lind or E. Frode Lind.

A-6727225, Lind, Signe Marie or Signe Marie Soerlie or Sorlie.

A-5722312, Lopez, Alejo or Alejo Lopez Lopez or Jose Guvarra.

A-5100890, Lorenz, Agnes (nee De Freitas).

A-1443403, Luciano, Carlo.

A-6844307, Magallanes-Perez, Julio.

A-5247053, Mancuso, Francesco.

A-5688547, Manning, Raymond Fred or Raymond Frederick Leaford Manning or Raymond or Ray Frederick Manning.

A-5128723, Marrale, Antonino or Antonio Marrale.

A-6208487, Masongsong, Buenaventura Garcia.

A-6208562, Masongsong, Luisa Lopez or Maria Luisa Lopez Masongsong, or Maris Luisa Moreno.

A-9695404, Mercier, Louis Lucien.

A-5156871, Mielke, Willy Paul or William Paul Mielke.

A-6783385, Mitchell, Pamela Lillian.

A-6783386, Mitchell, Peter John.

A-4335098, Molaro, Luigi.

A-5069586, Moldenhauer, Christian Henry (alias Christ Moldenhauer).

A-4341326, Monarez-Granados, Alfredo or Alfred Monje.

A-6701884, McCornack, Vera Noelle.

A-5678670, Nicholoff, Petra (nee Stoyanoff).

A-9695884, Olsen, Erling Stoltenberg.

A-6171443, Palmer, Chrysanthe or Chrysanthe Coulouvari (nee Menti).

A-6827646, Papamanolakis, Aristides or Aristides Demitrios Papamanolakis.

A-6245751, Paul, Evdoxia or Evdoxia Sitapolous, Evdoxia Sotopoulou.

A-5894675, Prado-Ruiz, Ramon or Ramon Prado or Raymond Prado.

A-5665013, Racanelli, Michelangelo (Michael Angelo) or Michael Angelo Ragnelle.

A-6844310, Rivera-Marquez, Andres or Andres Marquez-Rivera.

A-7735232, Rivera-Ortiz, Jose Jesus Pedro, or Pedro Rivera-Ortiz.

A-6752701, Robiolle, Jean (John) Georges.

A-5149179, Rosellini, Guido (alias James Roll).

A-6245749, Saragiotis, Despina (nee Despina Ioannis Demarelis).

A-6248901, Savrides, Sophia (nee Sophia Kritharides).

A-1802003, Schraps, Paul Kurt.

A-6432281, Shang, Ting Lin.

A-3652526, Shang, Lily Wen Shun Tang (nee Wen Shun Tang or T'ang or Talitha).

A-5226632, Shee, Tom, or Tom Tiu Gook.

A-5974147, Shimizu, Teisuki Taro, or Taro Smeesu or Frank Shimizer or William Smeesu or William Sato or William T. Smeesu.

A-6287437, Slater, Gerald Frederick.

A-6138457, Snook, Eugene Mayton.

A-5728144, Sobek, Tomas Juraj, or Thomas George Sobek.

A-4687618, Soong, Ts An, or Tsau A. Soong.

A-7580708, Soong, Ji Ing, or Ji Ing Woo Soong (nee Woojih Iung).

A-6393393, Soto, Apolonio.

A-3316850, Soto, Dolores.

A-6295306, Soto-Arvizu, Jorge, or Juan Carrion-Gonzalez.

A-6861483, Soto-Patino, Felisiano, or Feliciano Patino-Soto.

A-5897131, Sucic, Ferdinand.

A-3309754, Sutcliffe, Daisy Elizabeth (nee Sewell).

A-4860775, Ting, Johannes, or John Ting.

A-3659501, Torrisi, Pietra Giovanna.

A-3356915, Tsao, Makepeace Uho.

A-6887120, Tsembeli, Nicholas John.

A-6605104, Ungar, Theodore.

A-6108968, Urrutia, Elmer, or Elmer Urrutia Y Herrera or Elmer Urrutia Herrera.

A-5279822, Valdes, Maria Luisa (nee Gutierrez or Luisa M. Valdes or Valdis nee Maria Luisa Gutierrez or Maria Luisa Valdes or Guiterrez or Gutierrez or Luisa Maria Valdes

or Maria L. Valdes or Maria L. Vda De Valdes or Maria Luisa Gutierrez Vda De Valdes or Ma Luisa Gutierrez Valdis, and others).

A-6595198, Valladaves, Roberto Ignacio.

A-9042913, Vallianos, Georgios, or George Vallianos.

A-5194404, Vasquez, Adolfo Duarte, or Adolfo Vasquez.

A-3101808, Uasu, George Elay.

A-6844271, Vera, Eusebio.

A-6844272, Vega, Ramon.

A-6403040, Velasquez-Rapia, Jesus.

A-3868924, Vrahnas, George Andrew (alias Harry Panos).

A-6357987, Vrakas, Galliroe Constentine or Kalliroy Vrakas or Mangas (nee Zahariadou).

A-6064645, Watters, Luz Costales or Luz Abraham or Luz Costales.

A-6063022, Weidmann, Emilia Santos or Emilia Santos.

A-5554370, Yager, Henry or Hyman Yager and Henry William Yager.

A-6274068, Yang, Ju Chin.

A-5202493, Young, Kenneth Chung Kuen or Yeung Pak Chi or Kai Chong Yeung.

A-6677869, Ziebell, Detlev Guenter.

A-6453741, Ziemak, Marian Cybulski.

REIMBURSEMENT FOR CERTAIN OFFICIAL TRAVEL IN PRIVATELY OWNED AUTOMOBILES

The bill (S. 51) to amend title 28, United States Code, section 962, so as to authorize reimbursement for official travel by privately owned automobiles by officers and employees of the courts of the United States and of the administrative office of the United States courts at a rate not exceeding 7 cents per mile was announced as next in order.

Mr. McCARRAN. Mr. President, this bill was reported favorably, without amendment, on August 1, by the subcommittee, consisting of the junior Senator from Rhode Island [Mr. McGRATH], the junior Senator from Maryland [Mr. O'CONOR], and the junior Senator from Indiana [Mr. JENNER]. It was unanimously approved by the full committee on the same date. This action was taken on the theory that the enactment of the bill was necessary to bring the mileage allowed to officers and employees of United States courts in line with the allowances of other employees of the Government. I find that these particular employees are covered by the provisions of another law which was recently enacted, and I therefore ask unanimous consent that Senate bill 51 be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

MRS. HARRIETT PATTERSON ROGERS

The bill (H. R. 637) for the relief of Mrs. Harriett Patterson Rogers was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 48) to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges traveling while attending court or transacting official business at places other than their official stations, and to authorize reimbursement for such travel by privately owned automobiles at the rate of 7 cents per mile, was announced as next in order.

Mr. TOBEY. Over.

The PRESIDING OFFICER. The bill will be passed over.

ELZA FRIEDRYCH

The Senate proceeded to consider the bill (S. 874) for the relief of Elza Friedrych, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert in lieu thereof the following:

That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to permit Elza Friedrych, who was admitted temporarily into the United States on January 31, 1948, at St. Albans, Vt., to reside in the United States as a temporary visitor for a period not to exceed 2 years from the date of enactment hereof. If during such period the Attorney General finds that the said Elza Friedrych has been adopted in the United States by a responsible citizen or citizens of the United States, he is hereby authorized and directed to record her lawful admission for permanent residence as of the date of her lawful temporary entry into the United States on January 31, 1948, if she is found to be admissible under the provisions of the immigration laws other than those relating to quotas and upon payment of head tax and visa fee. When the Attorney General records the lawful admission for permanent residence of the said Elza Friedrych as herein provided, he shall communicate that fact to the Secretary of State who shall thereupon instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota for Poland for the first year that said quota is available.

SEC. 2. In the event that the Attorney General finds that the said Elza Friedrych has not been adopted in the United States by a responsible citizen or citizens of the United States during the aforesaid period, he shall direct her to depart from the United States and upon her failure to do so she shall be deported in the same manner as provided for in sections 19 and 20 of the Immigration Act of February 5, 1917, as amended (8 U. S. C., 155, 156).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

The bill (S. 938) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, I wonder if the sponsor of this bill will explain to the Senate why section 982 of the bill limits the appraisal of bankrupt property to one appraisal, whereas, under section 75 of the existing law, more than one appraisal can be had through the court, in its discretion. This bill seems to be a departure from the well-established principle of the bankruptcy law.

Mr. McCARRAN. It was a matter of serious consideration by the committee whether there should be one or two appraisals. The committee decided on one appraisal. It was a matter of policy established by the committee. That was after long and very serious and studious consideration.

Mr. HENDRICKSON. What was the reason for the decision of the committee?

Mr. McCARRAN. I cannot give any more reason than the establishment of a policy by the subcommittee and by the committee.

Mr. HENDRICKSON. Mr. President, under section 1008 of the bill, at page 35, it is provided that the debtor shall pay 4 percent interest on unpaid balances, rather than rent, when redeeming his property. This also is a departure from the fixed practice under the bankruptcy law. I wonder if the Senator from Nevada will explain that.

Mr. McCARRAN. That was the other big question involved in the study of this bill, and out of it came the establishment of the policy announced by the committee.

Mr. HENDRICKSON. I thank the Senator.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 16, line 4, after the word "the", to strike out "doctor's" and insert "debtor's" so as to make the bill read:

Be it enacted, etc., That subdivision (c) of section 75 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is hereby amended and incorporated as chapter XVI of such act to read as follows:

"CHAPTER XVI—FARMER-DEBTOR RELIEF

"ARTICLE I—CONSTRUCTION

"SEC. 901. The provisions of this chapter shall apply exclusively to proceedings under this chapter.

"SEC. 902. The provisions of chapters I to VII, inclusive, of this act shall, insofar as they are not inconsistent or in conflict with the provisions of this chapter, apply in proceedings under this chapter. For the purposes of such application, provisions relating to 'bankrupts' shall be deemed to relate also to 'debtors,' and 'bankruptcy proceedings' or 'proceedings in bankruptcy' shall be deemed to include proceedings under this chapter. For the purposes of such application, the date of the filing of the petition in bankruptcy shall be taken to be the date of the filing of an original petition under section 922 of this act, and the date of adjudication shall be taken to be the date of approval of a petition filed under section 921 or 922 of this act, except where an adjudication had previously been entered.

"ARTICLE II—DEFINITIONS

"SEC. 906. For the purposes of this chapter, unless inconsistent with the context—

"(1) 'claims' shall include all claims of whatever character against the debtor or his property, whether or not such claims are provable as debts under section 63 of this act, and whether secured or unsecured, liquidated or unliquidated, fixed or contingent;

"(2) 'creditor' shall mean the holder of any claim;

"(3) 'debtor' shall mean a farmer who files a petition under this chapter;

"(4) 'debts' shall include all claims;

"(5) 'executory contracts' shall include unexpired leases of real property;

"(6) 'farmer' shall mean an individual primarily bona fide engaged in producing products of the soil, or in dairy farming, or in the production of poultry or livestock, or

in the production of poultry or livestock products in their unmanufactured state, and the principal part of whose gross income is derived from any one or more of such operations, whether so engaged personally or as a tenant or by tenants, and shall include the executor, administrator, or personal representative of the estate of any such deceased person so engaged at the time of his death in one or more of the foregoing operations. The provisions of this chapter shall be held to apply also to partnerships, to common, entirety, joint, or community ownerships, or to farming corporations where at least 75 percent of the stock is owned by actual farmers;

"(7) 'petition' shall mean a petition filed in a court of bankruptcy or with its clerk, by a debtor praying for the benefits of this chapter;

"(8) 'period of redemption' shall include any State moratorium, whether established by legislative enactment or executive proclamation, or where the period of redemption has been extended by judicial decree or as provided elsewhere in this chapter;

"(9) 'plan' shall mean a plan for a composition or extension, or both, proposed in a proceedings under this chapter; and

"(10) 'property' of a debtor shall include all his property, real or personal, wherever located, of every kind and nature, including but not limited to his interests in contracts for purchase, contracts for deed, conditional sales contracts, rights or equities of redemption, right under trust deeds given as security, rights within a period of redemption which has not expired, rights under trust deeds which have not become absolute, rights existing in case of sale which has not been confirmed or where a deed pursuant to sale has not been delivered.

"SEC. 907. Creditors or any class of them shall be deemed to be 'affected' by a plan only if their or its interests shall be materially and adversely affected thereby. In the event of controversy, the court shall, after hearing upon notice, summarily determine whether any creditor or class of creditors is so affected.

"ARTICLE III—JURISDICTION, POWERS, AND DUTIES OF THE COURT

"SEC. 911. Where not inconsistent with the provisions of this chapter, the court in which the petition is filed shall, for the purposes of this chapter, have exclusive jurisdiction of the debtor and his property, wherever located.

"SEC. 912. Prior to the approval of a petition, the jurisdiction, powers, and duties of the court and of its officers, where not inconsistent with the provisions of this chapter, shall be the same as in a bankruptcy proceeding before adjudication.

"SEC. 913. Upon the approval of a petition, the jurisdiction, powers, and duties of the court and of its officers, where not inconsistent with the provisions of this chapter, shall be the same as in a bankruptcy proceeding upon adjudication.

"SEC. 914. Upon the approval of a petition under this chapter, the court may, in addition to the jurisdiction, powers, and duties hereinabove and elsewhere in this chapter conferred and imposed upon it—

"(1) permit the rejection of executory contracts of the debtor, upon notice to the parties to such contracts and to such other parties in interest as the court may designate; and

"(2) upon cause shown before the expiration of any time which under this chapter the court is required or permitted to fix for any purpose, extend such time upon such terms as the court may deem proper: *Provided, however,* That is no circumstances shall the court extend the period prescribed in section 947, 986, 996, 1006, or 1007 of this act.

"SEC. 915. Whenever notice is to be given under this chapter, if not otherwise specified hereunder, the court shall designate the time within which, the persons to whom, the form and manner in which the notice shall be given, and the contents of the notice. Any notice to be given under this chapter may be combined, whenever feasible, with any other notice or notices to be given under this chapter.

"SEC. 916. The judge may transfer a proceeding under this chapter to a court of bankruptcy in any other district, regardless of the residence of the debtor, if the interests of the parties will be best served by such transfer.

"SEC. 917. Where a petition is filed by the executor, administrator, or personal representative of the estate of a deceased debtor, the consent of the court in which such estate is pending shall not be required.

"SEC. 918. Where not inconsistent with the provisions of this chapter, the jurisdiction of appellate courts shall be the same as in a bankruptcy proceeding.

"ARTICLE IV—PETITION, APPROVAL, AND STAY

"SEC. 921. A debtor may file a petition under this chapter in a pending bankruptcy proceeding either before or after his adjudication.

"SEC. 922. If no bankruptcy proceeding is pending, a debtor may file an original petition under this chapter with the court in whose territorial jurisdiction he has resided or the principal part of his farming operations have occurred for the preceding 6 months or for a longer portion of the preceding 6 months than in any other jurisdiction. The filing of such petition shall be accompanied by payment to the clerk of a filing fee of $45, to be distributed by him as in the case of a bankruptcy proceeding.

"SEC. 923. A petition filed under this chapter shall state—

"(1) that the debtor is insolvent or unable to pay his debts as they mature and that he desires to avail himself of the benefits of this chapter; and

"(2) the nature and status of all pending proceedings affecting the property of the debtor known to him and the courts in which they are pending.

"SEC. 924. The petition shall be filed in triplicate and be accompanied in triplicate by—

"(1) a statement of the executory contracts of the debtor;

"(2) the schedules and statement of affairs, if not previously filed, including a statement of rights of redemption which have not expired and rights under trust deeds which have not become absolute, and of deeds which have not been confirmed or delivered, and the property affected thereby; and

"(3) where a petition is filed by the legal representative of the estate of a deceased debtor, copies of his appointment by the probate court, of which the original shall be certified.

"SEC. 925. Upon the filing of a petition by a debtor the judge shall enter an order approving the petition if satisfied that it complies with the requirements of this chapter or, if not so satisfied, dismissing it for want of jurisdiction.

"SEC. 926. A petition shall not be dismissed under section 925 of this act because of the distressed financial conditions of the debtor, or because there is no reasonable expectation of his financial rehabilitation, or because he may have no equity in his property above the encumbrances and other liens against it, or because of any other ground of like nature.

"SEC. 927. In addition to the applicable relief of section 11 of this act and the relief elsewhere provided under this chapter, the filing of a petition by a debtor shall, for the purposes of a proceeding under this chapter, operate as a stay of a prior pending bankruptcy, mortgage foreclosure or equity receivership proceeding and of any act or other proceeding to enforce a lien against any of the debtor's property, including the sale of any of the debtor's property under the terms of any mortgage, pledge, or deed of trust, and of the commencement or continuation of any act, suit, or proceeding against the debtor or his property until dismissal of the petition under section 925 of this act, or, if not dismissed, then until final decree dismissing or closing the proceeding under this chapter: *Provided, however,* That in the case of any property of a debtor not retained in his possession or not redeemed by him, as provided under this chapter, or being administered by his trustee appointed under this chapter, upon the application of a creditor holding an encumbrance on such property, lawfully enforceable except for the foregoing stay, the court may, after hearing upon notice to the debtor, the trustee, the creditor holding the encumbrance and such other parties as the court may designate, vacate the stay affecting such property, upon such terms and conditions as the court, in its opinion, may deem proper with a view to the rights of the creditor holding the encumbrance and the interests of the estate.

"SEC. 928. Where as to any property of the debtor, the period of redemption has not expired or the right under a deed of trust has not become absolute or a sale has not been confirmed or the deed has not been delivered, at the time of the filing of the petition, the period of redemption shall be extended, the confirmation of sale shall be stayed or the delivery of the deed shall be withheld for the period necessary for the purpose of carrying out the provisions of this chapter.

"ARTICLE V—PROCEEDINGS SUBSEQUENT TO APPROVAL OF PETITION

"SEC. 931. Upon approval of a petition, the judge may refer the proceeding to a referee.

"SEC. 932. Upon approval of a petition, the court shall promptly appoint three competent and disinterested appraisers, who shall be residents of the county where the principal part of the debtor's property is located, who shall inventory separately, as far as practicable, all of the items of real and personal property belonging to the debtor and appraise each item at its then fair and reasonable market value.

"SEC. 933. The appraisers shall file with the court a report of their inventory and appraisal, under oath, within 10 days after the date of receipt of notice of their appointment, or within such further time as the court may, for cause shown, allow.

"SEC. 934. Within 10 days after filing of such report, or within such further time as the court may for cause shown allow, the debtor shall file with the court—

"(1) his claim of exemption;

"(2) a statement of the unexempt property, or such integral part or parcel thereof, and of the encumbered exempt property, possession of which he desires to retain for the purposes of the proceeding under this chapter; and

"(3) the offer of, and the terms of, payments to be made by him on the appraised value of such property.

"SEC. 935. Upon compliance by the debtor with the provisions of section 934 of this act, the court shall promptly call a meeting of creditors upon at least 10 days' notice by mail to the debtor and all creditors.

"SEC. 936. The notice of such meeting shall specify the purposes of the meeting, which shall include consideration of the report of the appraisers, the setting apart of the debtor's exemptions and the fixing of the amount and the terms of payments to be paid by the debtor upon the appraised value of the property to be retained by him.

"SEC. 937. The notice of such meeting shall also be accompanied by—

"(1) a summary of the scheduled liabilities;

"(2) a list of the names of the 10 largest general unsecured creditors and the 10 largest secured creditors, their addresses, and the scheduled amount owing to each of them,

and, in the case of the secured creditors, the nature of the security held by each of them;

"(3) a list of the names of the unsecured creditors, entitled to priority, their addresses, and the nature and amount of the priority owing to each of them, as scheduled;

"(4) a brief summary of the report of the appraisers;

"(5) a brief summary of the debtor's claim of exemptions; and

"(6) a brief summary of the property, possession of which is requested to be retained by the debtor, the valuation of such property as fixed by the report of the appraisers, and the terms of payment thereof offered by the debtor.

"SEC. 938. At such meeting of creditors and at all adjournments thereof, and at all hearings under this chapter, the judge or referee shall preside.

"SEC. 939. At such meeting of creditors or at any adjournment thereof—

"(1) the court shall examine the debtor or cause him to be examined, and hear witnesses on any matters relevant to the proceedings;

"(2) the creditors, exclusive of the creditors disqualified to vote for a trustee under section 44 of this act, such grounds of disqualification to apply also to the secured creditors, may appoint a committee of not less than three creditors, which committee may consult and advise with the court and submit any question in connection with or affecting any matter relevant to the proceedings; and

"(3) the court may, at any time before the entry of the order under section 947 of this act, enter an order temporarily retaining the debtor in possession of his property, or any integral part or parcel thereof, and shall fix the payments to be paid on the appraised value by the debtor during such period.

"SEC. 940. At such meeting of creditors, or at any adjournment thereof, the creditors, exclusive of the creditors disqualified as provided in paragraph (2) of section 939 of this act, may appoint a trustee. No individual shall be eligible to appointment as a trustee unless he is (a) a resident of the county where the principal part of the debtor's property is located; (b) familiar with agricultural conditions therein; (c) not engaged in the farm-mortgage business, the business of financing farmers or transactions in agricultural commodities, or of furnishing agricultural supplies; and (d) not a relative of, or associated in business with, any creditor. If the creditors do not appoint a trustee, or if the trustee so appointed fails to qualify as provided in this act, the court shall make the appointment. Such trustee shall—

"(1) administer the unexempt property of the debtor, possession of which is not retained or continued to be retained by the debtor under this chapter;

"(2) receive all moneys under this chapter paid by the debtor or coming into the estate and disburse and distribute the same as provided in this chapter; and

"(3) when so authorized by the court as provided in section 968 of this act, supervise the farming operations of the debtor.

"SEC. 941. At such meeting of creditors, or at any adjournment thereof, the court shall set apart the exemptions of the debtor: *Provided, however,* That the court shall supervise and control the encumbered exempt property to be retained by the debtor for the purposes of the proceedings under this chapter.

"SEC. 942. At such meeting of creditors, or at any adjournment thereof, the court shall hear and determine the objections, if any, to the report of the appraisers and shall enter an order approving, modifying, or disapproving such report. In case of disapproval, the court shall, after hearing, upon notice to the debtor and all creditors, enter an order, in accordance with the proof, determining the then fair and reasonable market value of the property. A person aggrieved by the order entered by a referee may, within 20 days after the entry of the order, file a petition to review the same in the manner provided in this act.

"SEC. 943. The order establishing or determining the value of the property as provided in section 942 of this act, when it has become final, shall be a conclusive determination of the valuation of the property and be binding upon all parties affected.

"SEC. 944. At such meeting of creditors, or at any adjournment thereof, the court shall fix, pursuant to the provisions of this chapter, fair and reasonable installment payments to be paid by the debtor on the appraised value of such property, including encumbered exempt property, possession of which he requests to retain under paragraph (2) of section 934 of this act, and shall fix the periods of payment thereof, either quarterly, seminannually, or annually, and how payable, either in advance or at the end of such period.

"SEC. 945. a. In fixing such payments, the court shall—

"(1) apportion and allocate, so far as practicable, the amount of the payment to the integral parts or parcels of the property, subject to specific liens;

"(2) give due consideration to the appraised value of the debtor's property, the customary rental value of property of the same general character located in the community in which the debtor's property is located, the actual net income and earning capacity of the debtor's property, its depreciation or deterioration by reason of use or age, and such other factors which the court may consider essential in arriving at fair and reasonable installment payments; and

"(3) give due consideration, in fixing the periodic payments, to the debtor's ability to pay, whether quarterly, semiannually, or annually, in advance or at the end of such period.

"b. Such payments, and payments made under sections 948 and 949 shall be used, first, for the payment of taxes, insurance, and upkeep of the property from which the income was derived, and the remainder shall be distributed as provided in sections 1028 and 1029 of this chapter, any distribution to creditors to be applied on the value established as provided in this chapter.

"SEC. 946. The court may, during the period of retention of the property by the debtor, increase or decrease the amount of the installment payments on the appraised value or change the period or terms of payment, or both, where it shall be made to appear, after hearing upon at least 10 days' notice by mail to the debtor and all creditors, that the circumstances of the debtor so warrant or require.

"SEC. 947. Upon fixing the installment payments, as provided in section 944 of this act, the court shall forthwith thereupon enter an order continuing the debtor in possession of the property for which the installment payments are fixed, with authority to manage and operate the same in connection with the farming operations, for a period of 3 years from the date of the entry of such order or such further time as provided in sections 996 and 1007 of this act, subject, however, at all times to the supervision and control of the court and to such terms and conditions as the court may from time to time prescribe pursuant to the provisions of this chapter. The court may require the debtor to file reports of the farming operations at such intervals as it may designate and in such form and containing such information as it may prescribe.

"SEC. 948. Upon its own motion or upon application of any creditor, the court may, after hearing upon at least 10 days' notice by mail to the debtor and all creditors, require the debtor to make payments in addition to the fixed installment payments as provided in section 944 of this act and, in fixing the amount and periods of such payments, the court shall give due consideration to the interests of creditors and to the debtor's ability to pay, with a view to his financial rehabilitation.

"SEC. 949. The court may at any time during the proceedings, either upon its own motion or upon application of the debtor or any creditor, at a hearing upon at least 10 days' notice by mail to the debtor and all creditors, order the trustee to sell any unexempt perishable products of the farm if it appears necessary to protect the estate from loss, and any unexempt personal or real property not reasonably necessary to the farming operations of the debtor, except heirlooms and personal gifts in the discretion of the court, despite any order of the court retaining the debtor in possession thereof: *Provided, however,* That in the case of perishable property, the court may, upon cause shown, shorten the period of notice or order the sale without notice.

"ARTICLE VI—TITLE, RIGHTS, DUTIES, AND POWERS OF DEBTOR

"SEC. 956. Except as provided in this chapter, and for the purposes of this chapter, a debtor shall with respect to the property retained by him under section 947 of this act, and during the period of its retention by him, have all the title and exercise all the powers of a trustee appointed under section 44 of this act, subject, however, at all times to the supervision and control of the court and to such terms and conditions as the court may from time to time prescribe for the protection of the property or the conservation of the security. A debtor may manage and operate such property in the manner and subject to the conditions as provided in this chapter.

"SEC. 957. Where not inconsistent with the provisions of this chapter, the rights, privileges, and duties of the debtor shall be the same, before the approval of the petition, as in a bankruptcy proceeding before adjudication and, upon the approval of the petition, as in a bankruptcy proceeding upon adjudication.

"SEC. 958. Except as provided in this chapter, a debtor shall not be adjudged a bankrupt under this chapter without his consent in writing filed with the court.

"SEC. 959. Where a debtor has defaulted in a payment required by any order entered under this chapter, the court may, upon cause shown at a hearing upon such notice to the creditors as the court may designate, allow the debtor to cure the default upon such terms and conditions as the court may prescribe, giving due consideration to the financial circumstances of the debtor and the interests of the creditors.

"SEC. 960. The court may, upon the written application of a debtor, at a hearing upon at least ten days' notice by mail to all his creditors, and upon cause shown, transfer the proceeding upon a petition filed under section 922 of this act, to a proceeding under chapters I to VII, inclusive, of this act.

"ARTICLE VII—TITLE, POWERS, AND DUTIES OF TRUSTEE

"SEC 966. A trustee, upon his appointment and qualification, shall administer all of the unexempt property of the debtor, or property belonging to his estate, other than the property possession of which the debtor is permitted to retain under section 947 of this act: *Provided, however,* That whenever under this chapter the debtor's right to retain possession of any integral part or parcel or all of such property shall cease or be terminated, then in any such case the trustee shall administer also such property.

"SEC. 967. A trustee, upon his appointment and qualification, shall, as to all property administered by him as provided in section 966 of this act, be vested with the title

of a trustee appointed under section 44 of this act.

"SEC. 968. Where not inconsistent with the provisions of this chapter, a trustee, upon his appointment and qualification, with respect to the property administered under section 966 of this act, shall be vested with the rights, be subject to the duties, and exercise the powers of a trustee appointed under section 44 of this act, and shall, if authorized by the court, after a hearing upon at least 10 days' notice by mail to the debtor and all creditors, supervise and control the property and the farming operations of the debtor, subject at all times to the control of the court and to such limitations, restrictions, terms, and conditions as the court may from time to time prescribe.

"SEC. 969. A trustee, upon his appointment and qualification, shall receive all moneys paid by the debtor under this chapter and other moneys coming into the estate, and shall promptly deposit the same in a depository designated pursuant to the provisions of this act.

"SEC. 970. The trustee shall disburse moneys only by check or draft upon the depository, signed by him and, unless otherwise directed by the judge, countersigned by the referee.

"ARTICLE VIII—CREDITORS AND CLAIMS

"SEC. 976. After approval of the petition, the court shall prescribe the manner in which and fix a time within which the proofs of claim of the secured and unsecured creditors may be filed and allowed.

"SEC. 977. For the purposes of the proceedings and of any plan and its acceptance under this chapter, the court may fix the division of secured and unsecured creditors, including priority creditors, into classes according to the nature of their respective claims.

"SEC. 978. The court shall classify as unsecured any amount in excess of the value, established under this chapter, of the security held by a secured creditor.

"SEC. 979. Where not inconsistent with the provisions of this chapter, the rights, duties, and liabilities of creditors and of all other persons with respect to the property of the debtor shall be the same, before the approval of the petition, as in a bankruptcy proceeding before adjudication and, upon the approval of the petition, as in a bankruptcy proceeding upon adjudication.

"SEC. 980. In case an executory contract shall be rejected pursuant to the provisions of a plan or to the permission of the court given in a proceeding under this chapter, or shall have been rejected in a prior pending proceeding, any person injured by such rejection shall, for the purpose of this chapter and of any plan, its acceptance and confirmation, be deemed a creditor. The claim of a landlord for damages for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be governed by the provisions of clause (9) of subdivision a of section 63 of this act.

"SEC. 981. If the time for filing claims in a pending bankruptcy proceeding has expired prior to the filing of a petition under this chapter, unsecured claims provable under section 63 of this act, and not filed within the time prescribed by subdivision n of section 57 of this act, shall not be allowed in the proceedings or participate in a plan under this chapter, and shall not be allowed in the bankruptcy proceeding when reinstated as provided in this chapter.

"SEC. 982. Upon the entry of an order under the provisions of this chapter directing that bankruptcy be proceeded with, only such claims as are provable under section 63 of this act shall be allowed and, except as provided in section 981 of this act, claims not already filed, including claims of the United States or of any State or subdivision thereof, may be filed within 6 months after the first date set for the first meeting of creditors, held pursuant to section 55 of this act, or, if such date has previously been set, then within 3 months after the mailing of notice to creditors of the entry of the order directing that bankruptcy be proceeded with.

"ARTICLE IX—PLAN

"SEC. 986. Upon compliance by a debtor with the provisions of this chapter and with all orders of the court made pursuant thereto, the debtor, not later than 2 years after the date of the entry of the order provided for in section 947 of this act, may file under this chapter a plan offering terms of composition or extension, or both, to his secured or unsecured creditors, or both.

"SEC. 987. Upon the filing of a plan, the court shall promptly fix a hearing thereon upon at least 10 days' notice by mail to the debtor and all creditors.

"SEC. 988. A plan under this chapter—

"(1) shall include provisions altering or modifying the rights of creditors generally or of a class of them, secured or unsecured, upon any terms or for any consideration;

"(2) may include provisions for the treatment of unsecured debts on a parity one with the other, or for the division of such debts into classes and the treatment thereof in different ways or upon different terms;

"(3) may include provisions for the treatment of secured debts generally, or for the division of such debts into classes according to their nature and the treatment thereof in different ways or upon different terms;

"(4) may deal with all or any integral part or parcel of a debtor's property;

"(5) shall specify what debts, if any, are to be paid in cash in full and the creditors or any class of them not to be affected by the plan and the provisions, if any, with respect to them;

"(6) may provide for the rejection of executory contracts;

"(7) may provide for priority of debts incurred after the filing of the petition and during the pendency of the proceeding under this chapter, over the debts affected by the plan;

"(8) may provide for priority of payment during the period of extension provided by the plan as between secured and unsecured debts affected by the plan;

"(9) shall provide for the payment of costs and expenses of administration and other allowances which may be approved and made by the court;

"(10) may, for the period of extension, provide for the operation of the farm and the management of the property with or without supervision or control by a trustee, a committee of creditors or otherwise;

"(11) may provide for termination, under specified conditions, of any period of extension provided by the plan;

"(12) may provide for specific undertakings of the debtor during the period of extension provided by the plan, including provisions for payments on account;

"(13) may provide for retention of jurisdiction by the court until the provisions of the plan, after its confirmation, have been performed;

"(14) shall provide for any secured creditor or, where the secured creditors are divided into classes, for any class of them, affected by and not accepting the plan as provided in this chapter, adequate protection for the realization of the values of his or their debts against the property dealt with by the plan and affected by such debts, either as provided in the plan or in the order confirming the plan, (a) by the retention by the debtor of such property subject to such debts, up to the amount of but not to exceed the appraised value of the security as established under this chapter; or (b) by payment in cash of such appraised value; or (c) by such method as will, under and consistent with the circumstances of the particular case, adequately and fairly provide for such protection;

"(15) may provide that the court may from time to time increase or reduce the amount of any installment payments provided by the plan, or extend or shorten the period of any such payments, where it shall be made to appear, after hearing upon at least 10 days' notice by mail to the debtor and all creditors affected, that the circumstances of the debtor so warrant or require;

"(16) shall provide adequate means for the execution of the plan, which may include the satisfaction or modification of liens, the curing or waiver of defaults, the extension of maturity dates and changes in interest rates and other terms of outstanding liens; and

"(17) may include any other appropriate provisions not inconsistent with the provisions of this chapter.

"SEC. 989. A plan which has been accepted in writing by all creditors affected thereby, whether or not their claims have been proved, shall be confirmed by the court when the debtor shall have deposited with the trustee the moneys or other consideration required by the plan, and if the court is satisfied that the plan and its acceptance are in good faith and have not been made or procured by means, promises, or acts forbidden by this act.

"SEC. 990. If a plan has not been so accepted, an application for its confirmation may be filed with the court within such time as the court shall have fixed in the notice of the hearing prescribed by section 987 of this act, or at or after such hearing, and after but not before—

"(1) it has been accepted in writing, filed in court, by creditors who are affected by the plan and whose claims have been proved and allowed before the conclusion of the hearing, exclusive of creditors for whom payment or protection has been provided in accordance with paragraph (14) of section 988 of this act: (a) with respect to unsecured creditors, by a majority in number generally, or, if divided into classes, by a majority in number of each class of them, which number shall represent a majority in amount of such claims generally or of each class of them; and (b) with respect to secured creditors, by each of the secured creditors, or, if the secured creditors are divided into classes, by a majority in number of each class of them, which number shall represent a majority in amount of the claims of each class of them; and

"(2) the debtor has deposited with the trustee the moneys or other consideration required to be deposited by him under the plan.

"SEC. 991. The court shall, at such hearing or any adjournment thereof, receive and determine the written acceptances of creditors on the proposed plan, which acceptances may be obtained by the debtor before or after the filing of a petition under this chapter.

"SEC. 992. Upon compliance with the requirements of section 990 of this act, the court shall promptly fix the last day for filing objections to the confirmation of the plan and a hearing upon confirmation of the plan and any objections filed to the confirmation, of which notice by mail shall be given to the debtor and all creditors at least 10 days before the last day fixed for filing objections and at least 20 days before the time fixed for the hearing.

"SEC. 993. After a plan has been accepted by creditors, alterations, or modifications of the plan may, with leave of court, be proposed in writing by the debtor.

"SEC. 994. Unless the court finds that the proposed alteration or modification does not materially and adversely affect the interest of any creditor who has not in writing assented thereto, the court shall adjourn the hearing prescribed by section 987 of this act or, if closed, reopen the hearing, and may enter an order that any creditor who accepted the plan and who fails to file with

the court, within such reasonable time as shall be fixed in the order, a rejection of the altered or modified plan, shall be deemed to have accepted the alteration or modification and the plan so altered or modified, unless the previous acceptance provides otherwise.

"SEC. 995. At least 10 days' notice by mail of the adjourned or reopened hearing, together with a copy of the order, if entered, and of the proposed alteration or modification, shall be given to the debtor and all the creditors.

"SEC. 996. If a plan is pending and not confirmed at the end of the 3-year period provided in section 947 of this act, the debtor shall be continued in possession until the plan has been confirmed or rejected and during such continuation shall pay the rental fixed pursuant to the provisions of this act.

"SEC. 997. The court shall confirm a plan if satisfied that—

"(1) the provisions of this chapter have been complied with;

"(2) it is for the best interests of the creditors;

"(3) it will result in the financial rehabilitation of the debtor;

"(4) the proposal and its acceptance are in good faith and have not been made or procured by any means, promises, or acts forbidden by this act; and

"(5) the debtor has not been guilty of any of the acts or failed to perform any of the duties which would be a bar to the discharge of a bankrupt: *Provided, however,* That the confirmation of a plan shall not be refused because of a prior discharge granted or a prior composition or extension confirmed under this act.

"SEC. 998. Upon confirmation of a plan—

"(1) the plan and its provisions shall be binding upon the debtor and all creditors of the debtor, whether or not they are affected by the plan or have accepted it or have filed their claims, and whether or not their claims have been scheduled or allowed, or are allowable;

"(2) the debtor shall comply with the provisions of the plan and with the orders of the court relative thereto and shall take all action necessary to carry out the plan;

"(3) the moneys deposited for priority debts, for payments which by the provisions of the plan are to be made in cash, and for the costs and expenses, shall be disbursed to the persons entitled thereto;

"(4) the consideration, if any, shall be disbursed and the rights provided by the plan shall inure to the creditors affected by the plan, as their interests may appear, whose claims are not barred by the provisions of section 981 of this act, and (a) have been proved prior to the date fixed by the court and are allowed, or (b) whether or not proved, have been scheduled by the the debtor as fixed liabilities, liquidated in amount and are not disputed: *Provided, however,* That where such debts are objected to by any party in interest, the objections shall be heard and summarily determined by the court;

"(5) the property dealt with by the plan shall be free and clear of all debts affected by the plan, except such debts as may otherwise be provided for in the plan or in the order confirming the plan; and

"(6) the court may direct any lienholder to execute and deliver or join in the execution and delivery of such instruments as may be requisite to effect the retention in the debtor of the property dealt with by the plan which has been confirmed, and to perform such other acts, including the satisfaction of liens, as the court may deem necessary for the consummation of the plan.

"SEC. 999. During the period of extension, if so provided in the plan or in the order confirming the plan, the court—

"(1) shall retain jurisdiction of the debtor and his property for all purposes of the plan and its consummation, and shall supervise or control the operation of the farm and the management of the property of the debtor; and

"(2) may issue such orders as may be requisite to effectuate the provisions of the plan.

"SEC. 1000. The confirmation of a plan shall discharge a debtor from all of his debts and liabilities provided for by the plan, except as provided in the plan or the order confirming the plan, including the claims specified in section 981 of this act, but excluding such debts as, under section 17 of this act, are not dischargeable.

"SEC. 1001. After consummation of a plan confirmed under this chapter, the court shall enter a decree making such provisions, by way of injunction or otherwise, as may be equitable, and after complete administration enter a final decree discharging the trustee and closing the case.

"SEC. 1002. If, before the expiration of the period of 3 years after the entry of the order continuing the debtor in possession as provided by section 947 of this act, a plan is withdrawn or abandoned prior to its acceptance or is not accepted at the hearing fixed by the court or any adjournment thereof, or if the money or other consideration required to be deposited is not deposited or the application for confirmation is not filed within the time fixed by the court, or if confirmation of the plan is refused, the court shall enter an order terminating that part of the proceeding relating to the plan.

"SEC. 1003. If, upon the application of any party in interest filed at any time within 6 months after a plan has been confirmed, it shall be made to appear that fraud was practiced in the procuring of such plan and that knowledge of such fraud has come to the petitioner since the confirmation of such plan—

"(1) if the debtor has been guilty of or has participated in the fraud or has had knowledge thereof before the confirmation and has failed to inform the court of the fraud, the court may set aside the confirmation and thereupon, (a) where the petition was filed under section 921 of this act, reinstate the pending bankruptcy proceeding, adjudge the debtor a bankrupt, if he has not already been so adjudged, and direct that the bankruptcy proceeding be proceeded with, or (b) where the petition was filed under section 922 of this act, reinstate the proceeding, adjudge the debtor a bankrupt, and direct the bankruptcy be proceeded with pursuant to the provisions of this act; or

"(2) the court may set aside the confirmation, reinstate the proceeding under the petition filed under this chapter, and hear the determine applications for leave to propose, within such time as the court may fix alterations or modifications of the plan for the purpose of correcting the fraud; or

"(3) the court may reinstate the proceeding under the petition filed under this chapter and modify or alter the plan for the purpose of correcting the fraud, but may not materially modify or alter the plan adversely to the interests of any party who did not participate in the fraud and does not consent to such modification or alteration, or to the prejudice of any innocent person, who, for value, subsequent to the conformation, acquired rights in reliance upon it.

"ARTICLE X—REDEMPTION OF PROPERTY

"SEC. 1006. Unless, at the time of filing the application to redeem, a debtors plan under this chapter is either pending or has been confirmed, and where not otherwise inconsistent with the provisions of this chapter, the debtor may, at any time before the expiration of 3 years after the entry of the order retaining the debtor in possession as provided by sections 947 and 1007 of this act, file an application to redeem the property, or any integral part or parcel thereof, retained in his possession under the provisions of sections 947 and 1007 of this act.

SEC. 1007. If at the end of 3 years the farmer-debtor has paid at least one-half of the value of his property established as provided in this chapter into court, and the court finds that such farmer-debtor has substantially and in good faith complied with the provisions of this chapter then it may extend the period of the stay ordered under section 947 from year to year, not to exceed two additional years, upon such terms and conditions as to the court seems just.

"SEC. 1008. The debtor shall, within the time fixed by the court, pay to the trustee for the unexempt property sought to be redeemed by the debtor and for the encumbered exempt property, sought to be cleared by the debtor, the valuation thereof established by the appraisal, as reported and finally approved under this chapter, plus 4 percent interest on unpaid balances, including the amount of encumbrances on his exemptions, up to the amount of the appraisal, less all additional payments made by the debtor under the provisions of this act.

"SEC. 1009. Upon such payment of redemption having been made—

"(1) title to the redeemed property shall become vested absolutely in the debtor, free and clear of all encumbrances; and

"(2) the debtor shall be discharged of all debts and liabilities, excepting only such as are not dischargeable under section 17 of this act.

"ARTICLE XI—DISMISSAL AND ADJUDICATION

"SEC. 1016. If, subsequent to the expiration of the period of 3 years after the entry of the order continuing the debtor in possession as provided by sections 947 and 1007 of this act, a debtor's plan proposed under this chapter is not effected for any reason specified in section 1002 of this act, or if where the court has retained jurisdiction after confirmation of a plan, the debtor defaults in any of the terms of the plan or the plan terminates by reason of the happening of a condition specified in the plan, or if at any time the debtor fails to comply with any of the provisions of this chapter or with any lawful orders of the court made pursuant to this chapter, or if the debtor fails within the period of 3 years after the entry of the order retaining the debtor in possession as provided by section 947 of this act, to redeem all or any integral part or parcel of the property retained in his possession under this chapter, the court shall—

"(1) where the petition was filed under section 921 of this act, enter an order dismissing the proceeding under this chapter and directing that bankruptcy be proceeded with pursuant to the provisions of this act; or

"(2) where the petition was filed under section 922 of this act, enter an order, upon hearing after notice to the debtor, the creditors, and such other persons in interest as the court may direct, either adjudging the debtor a bankrupt and directing that bankruptcy be proceeded with pursuant to the provisions of this act or dismissing the proceeding under this chapter, whichever in the opinion of the court may be in the interest of creditors.

"SEC. 1017. Upon the entry of an order directing that bankruptcy be proceeded with—

"(1) in the case of a petition filed under section 921 of this act, the bankruptcy proceeding shall be deemed reinstated and thereafter shall be conducted, so far as possible, as if such petition under this chapter had not been filed;

"(2) in the case of a petition filed under section 922 of this act, the proceeding shall be conducted, so far as possible, in the same manner and with like effect as if a voluntary

petition in bankruptcy had been filed and a decree of adjudication had been entered on the day when the petition under this chapter had been filed; and

"(3) (1) the trustee shall, upon his appointment and qualification, be vested with the title to all the property of the debtor as of the date of the entry of the order directing that bankruptcy be proceeded with;

"(2) the unsecured debts incurred by the debtor after the confirmation of the plan and before the date of the entry of the final order directing that bankruptcy be proceeded with shall, unless and except as otherwise provided in the plan or in the order confirming the plan, share on a parity with the prior unsecured debts of the same classes, provable in the ensuing bankruptcy proceeding, and for such purpose the prior unsecured debts shall be deemed to be reduced to the amounts respectively provided for them in the plan or in the order confirming the plan, less any payment made thereunder; and

"(3) the provisions of chapters I to VII, inclusive, of this act shall, insofar as they are not inconsistent or in conflict with the provisions of this section, apply to the rights, duties, and liabilities of the creditors holding debts incurred by the debtor after the filing of the petition or confirmation of the plan and before the date of the final order directing that bankruptcy be proceeded with, and of all persons with respect to the property of the debtor, and, for the purposes of such application, the date of the entry of the order directing that bankruptcy be proceeded with.

"SEC. 1018. Upon the dismissal of a proceeding originating by a petition filed under section 922 of this act, the court shall enter a final decree discharging the trustee and closing the estate.

"ARTICLE XII—COMPENSATION AND ALLOWANCES; PRIORITIES AND DISTRIBUTION AMONG CREDITORS

"SEC. 1021. The court shall, in the order appointing appraisers under this chapter, fix the amount of their compensation, or the rate or measure thereof, payable out of the estate, as full compensation for their services after they are rendered.

"SEC. 1022. A trustee shall receive out of the estate as full compensation for his services after they are rendered—

"(1) such reasonable sum as the court may allow, not to exceed 2 percent upon the moneys disbursed or turned over by him to any persons, including the lienholders; and

"(2) when directed by the court to supervise the farming operations of the debtor, such additional sum as may be allowed by the court: *Provided, however,* That in no event shall the total compensation to a trustee for all services rendered by him exceed 5 percent upon all moneys received and disbursed by him to any persons, including lienholders.

"SEC. 1023. The court may allow the trustee reimbursement for the actual and necessary costs and expenses incurred by him in a proceeding under this chapter.

"SEC. 1024. The court may allow reasonable compensation for the actual and necessary professional services rendered and reimbursement for the actual and necessary costs and expenses incurred by the attorney for a debtor or a trustee in a proceeding under this chapter.

"SEC. 1025. Where a petition is filed under secton 921 of this act, the court may allow, if not already allowed, reasonable compensation for services rendered and reimbursement for proper costs and expenses incurred in such superseded bankruptcy proceeding, as authorized and prescribed in this act.

"SEC. 1026. Upon the dismissal of a proceeding under this chapter or the entry of an order directing that bankruptcy be proceeded with as provided in this chapter, the court may allow reasonable compensation for services rendered and reimbursement for proper costs and expenses incurred in such proceeding prior to such dismissal or the entry of such order, by any persons entitled thereto, as authorized and prescribed in this chapter, and shall make provision for the payment thereof and for the payment of all proper costs and expenses incurred by officers in such proceeding.

"SEC. 1027. The court shall fix a time of hearing for the consideration of applications for allowances, of which hearing notice by mail shall be given to the debtor and all creditors.

"SEC. 1028. The fees, costs, and expenses incurred and allowed in a proceeding under this chapter shall be paid in full in advance of distribution to creditors, secured and unsecured, to be shared by them pro rata according to their respective interests in the fund subject to distribution, and the order of payment shall be—

"(1) the costs and expenses of the referee as provided in clause (d) of paragraph (2) of subdivision (c) of section 40 of this act;

"(2) the costs and expenses of the trustee;

"(3) the compensation of the referee as provided in clause (d) of paragraph (2) of subdivision (c) of section 40 of this act;

"(4) the compensation, costs, and expenses of the appraisers;

"(5) the compensation of the trustee;

"(6) the compensation, costs, and expenses of the attorney for the debtor in connection with the proceeding under this chapter; and

"(7) also, in advance of distribution to the unsecured creditors, in the case of a pending bankruptcy proceeding superseded by a proceeding under this chapter, the fees, costs, and expenses and other debts entitled to priority in the superseded proceeding, and, in the case of an original petition filed under section 922 of this act, the debts entitled to priority, and the order of their priority, shall be as provided in subdivision (a) of section 64 of this act.

"SEC. 1029. The net funds of the estate, after payment of the allowances as provided in section 1028 of this act, shall be disturbuted, from time to time as may be ordered by the court, among the secured and unsecured creditors as their interests may appear. Where partial distributions occur, proper adjustment shall be made in the final distribution, or sooner when practicable, so as to carry out the basis of apportionment of the fees, costs, and expenses, as provided in section 1028 of this act.

"SEC. 1030. Upon the entry of an order in a proceeding under this chapter directing that bankruptcy be proceeded with, the actual and necessary fees, costs, and expenses thereafter incurred and allowed in the ensuing bankruptcy proceeding shall be given priority over all unpaid fees, costs, and expenses incurred prior to the entry of such order.

"ARTICLE XIII—PRIOR PROCEEDINGS

"SEC. 1036. A petition may be filed under this chapter notwithstanding the pendency of a prior mortgage foreclosure, equity, or other proceeding in a court of the United States or of any State in which a receiver or trustee of all or any part of the property of a debtor has been appointed or for whose appointment an application has been made.

"SEC. 1037. A debtor, upon approval of his petition, shall become vested with the rights, if any, of such prior receiver or trustee in such property and with the right to immediate possession thereof, and shall also have the right to immediate possession of his property in the possession of a trustee under a deed of trust, a mortgagee under a mortgage, or a pledgee under a pledge, subject, however, at all times to the supervision and control of the court and to such terms and conditions as the court may from time to time prescribe: *Provided,* That the trustee, appointed and qualified under this chapter, shall become vested with all such rights as to any such property not included in the order retaining the debtor in possession entered under section 947 of this act.

"SEC. 1038. The judge shall make such provision as may be equitable for the protection of the obligations incurred by a receiver or trustee in such prior proceeding and for the payment of the reasonable costs and expenses incurred therein as may be allowed by the judge.

"SEC. 1039. Upon a dismissal of a proceeding under this chapter, such prior proceeding shall become reinstated, and the judge shall allow the reasonable costs and expenses under this chapter, including the allowances provided for in article XII of this chapter, and shall make appropriate provision for the retransfer of such property to the person or persons entitled thereto upon such terms as may be equitable for the protection of the obligations incurred in the proceeding under this chapter with respect to such property, and for payment of the costs and expenses of the proceeding.

"ARTICLE XIV—GENERAL PROVISIONS

"SEC. 1041. All statutes of limitations affecting claims provable under this chapter and the running of all periods of time prescribed by this act in respect to the commission of acts of bankruptcy, the recovery of preferences and the avoidance of liens and transfers shall be suspended while a proceeding under this chapter is pending and until it is finally dismissed.

"SEC. 1042. Unless otherwise directed by the court, all notices required by this chapter may be given by mail to the parties entitled thereto to their addresses ascertained in the manner prescribed for other notices in section 58 of this act.

"SEC. 1043. A previous discharge or confirmation of an arrangement or plan of a debtor under other provisions of this act shall not be ground for denying him the benefits of this chapter.

"SEC. 1044. No income or profit, taxable under any law of the United States or of any State now in force or which may hereafter be enacted, shall, in respect to the adjustment of the indebtedness of a debtor in a proceeding under this chapter, be deemed to have accrued to or to have been realized by a debtor by reason of a modification in or cancellation in whole or in part of any such indebtedness in a proceeding under this chapter: *Provided, however,* That if it shall be made to appear that the plan had for one of its principal purposes the evasion of any income tax, the exemption provided by this section shall be disallowed.

"SEC. 1045. Until the Supreme Court of the United States has promulgated general orders and official forms governing this chapter, general order 50, and the official forms heretofore made shall, insofar as not inconsistent or in conflict with the provisions of this chapter, be applicable to procedure under this chapter.

"ARTICLE XV—EFFECT OF CHAPTER

"SEC. 1051. On and after the effective date of this amendatory act, this chapter shall apply to debtors and their creditors, whether their rights, claims, and interests of any nature whatsoever have been acquired or created before or after such date.

"SEC. 1052. A petition may be filed under this chapter in a proceeding in bankruptcy which is pending on the effective date of this amendatory act, and a petition may be filed under this chapter notwithstanding the pendency on such date of a proceeding in which a receiver or trustee of all or any part of the property of a debtor has been appointed or for whose appointment application has been made in a court of the United States or of any State.

"SEC. 1053. As of the day preceding the date on which the provisions of this amendatory act become effective, an allocation shall be made by the judge or judges of the several courts of bankruptcy of all filing and other fees, commissions, and allowances, and of all expense funds, due the then existing conciliation commissioners for services rendered and expenses incurred in the cases pending before them, whether as referee or conciliation commissioner under this act. The balances of such filing and other fees, commissions, and allowances, and the expense surpluses shall be covered into the Treasury of the United States by the conciliation commissioners and the clerks, to be deposited to the credit of the respective salary and expense funds as provided in paragraph (4) of subdivision (c) of section 40 of this act. All cases then pending before conciliation commissioners shall be re-referred, and no additional filing fees shall be required, but additional salary and expense charges may be assesed in such cases in such amounts as the judge or judges of the several courts of bankruptcy may deem equitable, taking into consideration the schedules of additional fees fixed by the Director and the payments previously made therein.

"SEC. 1054. The provisions of section 75, as amended, of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, shall continue in full force and effect with respect to proceedings pending under that section upon the effective date of this amendatory act: *Provided, however,* That the provisions of this amendatory act shall govern in such proceedings so far as practicable.

"SEC. 1055. Section 1044 of this act shall apply to plans confirmed and redemptions of property consummated under section 75 before the effective date of section 2 of this amendatory act and to plans which may be confirmed and redemptions on property which may be consummated under section 75 on or after such effective date."

SEC. 2. Clause (2) of section 35 of such act, as amended, is amended to read as follows: "(2) not holding any office of profit or emolument under the laws of the United States or of any State or subdivision thereof other than special master under this act: *Provided, however,* That part-time referees may be commissioners of deed, United States commissioners, justices of the peace, masters in chancery, notaries public, or retired officers and retired enlisted personnel of the Regular and Reserve components of the Army, Navy, Marine Corps, and Coast Guard, members of the National Guard of the United States and of the National Guard of a State, Territory, or the District of Columbia has been been the National Guard disbursing officers who are on a full-time salary basis; (3) at the time when originally appointed not relatives of any of the judges of the courts of bankruptcy or of the justices or judges of the appellate courts of the districts wherein they may be appointed; (4) resident and have their offices within the judicial district of the court or one of the courts of bankruptcy under which they are to hold appointment: *Provided, however,* That where a referee shall be temporarily transferred or permanently appointed to another judicial district, residence or office in such other district shall not be requisite for eligibility; and (5) members in good standing at the bar of the district court of the United States in which they are first appointed or, if appointed to serve in territory within more than one judicial district, at the bar of one of such district courts: *Provided, however,* That the requirement of membership at such bar shall not apply to referees holding office on the date when this amendatory act takes effect."

SEC. 3. (a) Paragraph (2) of subdivision (c) of section 40 of such act, as amended, is amended to read as follows:

"(2) Additional fees for the referees' salary fund and for the referees' expense fund shall be charged, in accordance with the schedules fixed by the conference (a) against each estate wholly or partially liquidated in a bankruptcy proceeding, and be computed upon the net proceeds realized; (b) against each case in an arrangement confirmed under chapter XI of this act, and be computed upon the amount to be paid to the unsecured creditors upon confirmation of the arrangement and thereafter, pursuant to the terms of the arrangement, and, where under the arrangement any part of the consideration to be distributed is other than money, upon the amount of the fair value of such consideration; (c) against each case in a wage-earner plan confirmed under chapter XIII of this act, and be computed upon the payments actually made by or for a debtor under the plan; and (d) against each case in a proceeding under chapter XVI of this act, and be computed upon the amount of moneys, including rentals, disbursed by the trustee and upon the amount to be paid to the creditors upon confirmation of the plan and thereafter, pursuant to the terms of the plan, and, where under the plan any part of the consideration to be distributed is other than money, upon the amount of the fair value of such consideration, and upon the amount paid by or for the debtor in the redemption of his property under such chapter. Such schedules of fees may be revised by the director, with the approval of the conference, not more than once during each calendar year, so that the total amount of fees, allowances, and charges collected and to be collected from all sources for the referees' salary fund and for the referees' expense fund will, as near as may be, equal for each fund, respectively, the total amount of salaries paid and to be paid to referees in active service, and the total amount of their expenses: *Provided, however,* That such schedules of fees shall not be so revised for any year that the total collections estimated by the director for such year shall exceed by more than 10 percent the total collections in the preceding year. The director, with the approval of the conference, may make, and from time to time amend, rules and regulations prescribing methods for determining net proceeds realized in asset cases, fair values of considerations, other than money, distributable in arrangement or farmer-debtor cases, and payments actually made by or for a debtor under the plan in wage-earner or farmer-debtor cases; prescribing the procedure for collection by the clerk of fees and allowances for the referees' salary fund and the referees' expense fund; and providing for the effective administration of the provisions of this paragraph (2)."

(b) Paragraph (4) of subdivision (c) of section 40 of such act as amended, is amended to read as follows:

"(4) A referees' salary fund and a referees' expense fund shall be established in the Treasury of the United States, and the amounts of the various fees and allowances collected by the clerks for the services of referees and for their expenses, including the fees, allowances, and charges for their services and expenses as special masters under this act, shall be covered into the Treasury of the United States for the account of such salary fund and expense fund. The salaries of the referees in active service shall be paid out of annual appropriations from such salary fund, and the expenses of referees, including the salaries of their clerical assistants, shall be paid out of annual appropriations from such expense fund, by the United States. Any deficiencies of such salary fund or expense fund shall be paid out of any funds in the Treasury of the United States not otherwise appropriated, and appropriations to pay such deficiencies are hereby authorized: *Provided, however,* That there shall be covered into miscellaneous receipts of the Treasury of the United States in any subsequent year so much of the surplus, if any, arising in the salary fund or expense fund, respectively, as may be necessary to reimburse the Treasury of the United States for payments made on account of such respective funds in any prior year."

(c) Paragraph (2) of subdivision (d) of section 40 as amended, is amended to read as follows:

"(2) Any referee who has retired or been retired under the provisions of paragraph (1) of this subdivision (d) may, if called upon by a judge of a court of bankruptcy, perform, without compensation, such duties of a referee or special master under this act, within the jurisdiction of such court, as such referee may be able and willing to undertake: *Provided, however,* That when so acting, compensation for his services shall be allowed and paid or deposited and his expenses shall be allowed and paid, as in the case of an active referee."

SEC. 4. Clause (2) of section 51 of such act, as amended, is amended to read as follows:

"(2) collect the fees of the clerk and trustee and the fees for the referees' salary fund and referees' expense fund provided in paragraph (1) of subdivision (c) of section 40 of this act in each case instituted before filing the petition, except where installment payments may be authorized pursuant to section 40 of this act, and collect the various other fees, allowances, and charges for the services of referees and for their expenses, including their services and expenses as special masters under this act."

SEC. 5. Section 72 of such act, as amended, is amended to read as follows:

"SEC. 72. Limitation of compensation of officers of court: No receiver, marshal, or trustee shall in any form or guise receive, nor shall the court allow him, any other or further compensation for his services as required by this act, than that expressly authorized and prescribed in this act.

"No referee shall receive any compensation for his services under this act other than his salary; and allowances made to a referee for compensation or expense while acting as a referee or special master under any chapter or section of this act, shall be paid to the clerk, and by him transmitted to the Treasury of the United States for deposit in the referees' salary fund and referees' expense fund, respectively."

SEC. 6. Sections 2, 3, 4, and 5 of this amendatory act shall become effective 60 days after the promulgations of the judicial conference of senior circuit judges made pursuant to the provisions of paragraph (1) of subdivision (b) of section 37 of this act.

"SEC. 8. (a) If any provision of this amendatory act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this amendatory act which can be given effect without the invalid provision of application, and to this end the provisions of this amendatory act are declared to be severable.

(b) Article and section headings shall not be taken to govern or limit the scope of the articles or sections to which they relate.

(c) Nothing herein contained shall have the effect to release or extinguish any penalty, forfeiture, or liability incurred under any act or acts of which this act is amendatory.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JURISDICTION TO DETERMINE AND RENDER JUDGMENT UPON CERTAIN CLAIMS

The Senate proceeded to consider the bill (S. 2125) conferring jurisdiction upon the United States District Court for the District of Oregon, to hear, determine, and render judgment upon the claims of J. N. Jones and others, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 19, after the word "be", to strike out "as in the case of claims over which such court has jurisdiction under the Federal Tort Claims Act", and insert "in accordance with the provisions of law applicable in the case of tort claims against the United States", so as to make the bill read:

Be it enacted, etc., That, notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of United States district courts to hear, determine, and render judgment on tort claims against the United States which accrue prior to January 1, 1945, jurisdiction is hereby conferred upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of the following-named persons, all of Malheur County, Oreg., against the United States for damages incurred by them when their properties were flooded as the result of a break on May 7, 1942, in the reservoir gates which controlled the flow of water into canals of the Vale-Oregon irrigation district; the projects in such district being then under the exclusive control of the United States;

(1) J. N. Jones; (2) May Delsole, successor in interest and heir at law of L. P. Delsole; (3) Anna Curry, administratrix of estate of Fred Curry; (4) John U. Hoffman; (5) Orrin Curry; (6) Tom Joyce; (7) W. W. Seaward; (8) Gilbert Masterson; (9) Drexell Williams; (10) John Joyce and Kate Joyce; and (11) Mary Robertson, successor in interest and heir at law of W. A. Robertson.

SEC. 2. Suit upon such claims may be instituted by or on behalf of the claimants listed in section 1 at any time within 1 year after the date of enactment of this act. Liability, proceedings for the determination of such claims and review thereof, and payment of any judgments thereon shall be in accordance with the provisions of law applicable in the case of tort claims against the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE HAMPTON

The Senate proceeded to consider the bill (H. R. 1279) for the relief of George Hampton which had been reported from the Committee on the Judiciary with an amendment on page 1, line 7, after the word "of", to strike out "$12,361.23" and insert "$25,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. SKIO TAKAYANA HULL

The bill (H. R. 1679) for the relief of Mrs. Skio Takayana Hull was considered, ordered to a third reading, read the third time, and passed.

JOHN B. BOYLE

The bill (H. R. 2602) for the relief of John B. Boyle was considered, ordered to a third reading, read the third time, and passed.

NONAPPLICATION OF EXCESS LAND PROVISIONS OF FEDERAL RECLAMATION LAWS

The bill (S. 1385) providing that excess land provisions of the Federal Reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the San Luis Valley project, Colorado, was announced as next in order.

Mr. DOUGLAS. Mr. President, reserving the right to object, I wonder if we may have an explanation of this bill from the Senator from Colorado. Before he makes the explanation, I may say that I had thought we had a long established land policy and reclamation policy and that Government water was not to be furnished to farms in excess of 160 acres.

That policy has been broadly interpreted to provide for 320 acres in the case of a husband and wife. It would seem to me that this bill opens a breach in the public-land policy that water shall be confined to small farms.

Before giving approval to the bill, I ask therefore that we may have an explanation as to why an exception should be made in this instance.

Mr. MILLIKIN. Mr. President, this project is a rather unique one. In the first place, as distinguished from many other projects, the United States does not own any of the water which is supplied to the project. The United States does not bring any new water into the project. The United States does not own any of the land which will be watered by the project. There are no industrial or factory-size operations there. The farms are all family-operated. There is no land speculation there. There are no colonization projects. The reason we have to extend the acreage, I will say to the distinguished Senator, is that all the land in question lies in an area with an altitude of more than 7,500 feet. The growing season is very short and therefore it is necessary to get the crops in quickly, and to harvest them quickly. It takes quite a little machinery to make the crops.

Mr. President, the best type of farm in this region is a farm which combines cattle raising and crop raising. The cattle graze for a short season up in the mountains. Then they come back to the farms, and a 160-acre farm or a 320-acre farm does not supply enough food to provide a decent living.

Let me make that additionally clear to the Senator. I have a statistic in the report of the committee showing that a 120-acre tract will yield about $650 a year, 160 acres $930 a year, and a 320-acre tract $1,630, on the average.

I believe the unique nature of this project puts it outside the type of objection to which the Senator is referring.

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

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

Mr. ANDERSON. Of course, if this land were all watered by natural rainfall, there would not be any question about the 160-acre limitation, but the great majority of the land is not watered by natural rainfall, but by supplemental water.

Mr. MILLIKIN. This is really a regulating project. As I said before, the Government is not supplying any water of its own or any land of its own. There are two great reservoirs contemplated, which will catch the water in the spring and let it flow to the lands in an orderly fashion, in the nature of a supplemental and regulated water supply.

Mr. DOUGLAS. Mr. President, I recognize the force of the statements of the distinguished Senator from Colorado. I take it that the growing season is short, and that on the lands in the high altitudes small farms possibly are not feasible. But in view of the importance of the matter, I wonder if the sponsors of the measure will consent to have it go over until the next call of the calendar, so that the subject may be studied in more detail.

Mr. MILLIKIN. I wonder if the Senator will be good enough to withhold his objection. We have had this matter up for several years. It has been heard before the committee twice. We got it entangled with other and more complicated matters on another occasion. The session is growing short, and the Committee on Interior and Insular Affairs unanimously reported it, and the subcommittee unanimously reported it. I hope the Senator will let the bill go through so that we can get it on its way to the House.

Mr. McFARLAND. Mr. President, did not the Bureau of Reclamation admit that 160 acres was not a family-sized tract?

Mr. MILLIKIN. Oh, yes.

Mr. DOUGLAS. Is it not also true that the so-called 160-acre limitation is not really a 160-acre limitation, but instead, a 320-acre limitation, in that 160 acres is allowed to the husband and another 160 acres to the wife, so that any married couple are entitled to 320 acres or twice the size of the normal homestead?

Mr. McFARLAND. But because of the elevation of this land, the Bureau of Reclamation admitted that that was not applicable.

Mr. MILLIKIN. Mr. President, let me read from the letter of the Secretary, in which he himself emphasizes that a decent living cannot be made on an ordinary sized farm in this location. He said:

> At the same time accounts could be taken for Federal reclamation projects constructed with interest-free public funds of conditions such as those in the area of the Conejos division of the San Luis Valley project, which present a somewhat unique relationship with established use of water, and irrigation practices not readily adaptable to farm units of 160 irrigable acres, or 320 irrigable acres for man and wife, as permitted by existing law.

I have quoted statistics which were developed by the Bureau, and not by anyone interested, showing that a man cannot make a living on 160 or 320 acres.

Mr. DOUGLAS. Mr. President——

Mr. JOHNSON of Colorado. Mr. President, before the Senator from Illinois reaches his final determination to ask that the bill go over, I wish to present

one further argument, which is a very sound one. At the present time there are a few larger sized ranches served by the river in question. Unless we are able to pass the bill without an acreage limitation, these large side ranches will not be included in the project, and they will not be injured. They have their water rights, and they would be served from the river. The object of removing the limitation is to bring those larger ranches into the project so that they will help pay for a part of it by the regulation of their flow of water. The bill is really in the interest of the very small landowners, because the project is not feasible without the larger rancher, and no money can be obtained from him unless we pass the bill and permit him to come in, because he will sit out on the side lines and get his water, since he already has the water rights and owns them.

One further point: The proposed reservoir will help regulate the river, which serves two States. It flows into New Mexico just a short distance below the dam, and it is very necessary to hold the floodwaters back in the upper reaches of the river so that the flow will be regulated. It is of very great advantage to the State of New Mexico and to the State of Colorado that the dam be built.

Mr. ROBERTSON. Mr. President, this discussion is a little outside of my jurisdiction, because in Virginia we are blessed with plenty of water, but I have learned on the Committee on Appropriations that it is quite possible and feasible for a large landowner, where there is irrigation, to sink a well and pump the water from the subterranean table. So I do not see why this limitation is having any practical effect.

Mr. DOUGLAS. The whole question of subterranean water levels is of course a highly complicated one. It is important not merely in connection with the project we are discussing, but as to other projects over the country.

I have no desire to be captious, or to raise artificial objections, but it seems to me highly important that we stick to the fundamental land policy of the country, which is that we should encourage the family-size farm, and that public water should be used to encourage family-size farms and not large-scale farms.

I quite well recognize that because of the high altitude, and perhaps for certain other reasons, it is possible that an exception should be made in this case, but it seems to me that in general the rule should be clear. I am somewhat afraid that if we make an exemption in this case, it may be used as precedent for making exceptions in other cases.

I have no desire whatsoever to be captious, or to throw artificial obstacles in the way of the two distinguished Senators from Colorado, but I should like to have this bill go over to the next call of the calendar, until I have had occasion to study it. I do not wish to set myself up as having undue importance in the matter, but at the moment I am not certain that this bill is in the public interest.

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

Mr. DOUGLAS. I yield.

Mr. ANDERSON. I would say to the Senator that in certain sections of California and Arizona there could be family-size farms of only 2 acres, because they would comprise highly cultivated tracts of ground, given over to truck gardening, and such a tract might be a complete family-size farm. In the valley in which I live we raise largely alfalfa, which requires a full 160 acres for a family-size farm. But as to the particular section of Colorado involved in the measure before us, which I have visited many times, a farm needs to be larger. I am greatly interested in their problem because of the general feeling I have in regard to irrigation. In the San Luis Valley it is absolutely impossible to regard a 160-acre farm as a family-sized farm. Therefore I think the limit should be expanded so that there could be family-sized farms, and not merely tremendous ranches.

Mr. DOUGLAS. By administrative rulings of the Department of the Interior, I understand the limitation is not 160 acres, but 320 acres for married couples so that there is already more leeway than Senators think from the 160 acres.

Mr. President, as I have said, I have no desire to obstruct in this matter, but in view of the great importance of the subject in relation to the whole land policy of the United States, I do not think I am being captious in asking that the bill go over to the next call of the calendar. I want to assure the Senators that I shall not raise any artificial objections if it becomes evident that a family-size farm at this altitude in Colorado, in this particular valley, would require more than 320 acres.

Mr. MILLIKIN. Mr. President, I am quite sure the Senator, in studying the subject further, especially if he will read the record, will find that a 320-acre farm is not sufficient to give a decent living in that valley. I am confident the Senator from Illinois will find that to be true.

Would the Senator from Illinois mind if we place the bill at the foot of the calendar?

Mr. DOUGLAS. I do not know how much time that would give me to inform myself on the matter. I suppose it would give me about half an hour to study the subject. I would ordinarily have little objection to the bill going to the foot of the calendar. But I would have to read pretty fast and study pretty fast. I would therefore prefer to have it go over to the next call of the calendar. It is possible that the Senators sponsoring the bill are correct. But the precedent we are setting here is a very important one and we should give it adequate consideration.

Mr. MILLIKIN. May I make this suggestion? We have already established a precedent under similar conditions, and I suggest that in any general legislation we write on this subject we would have to carve out an exception to meet this particular kind of situation. The point is not to have a family-size farm. The point is to have a farm which will provide people a decent living. I believe the testimony abounds with evidence that a man cannot make a decent living on a 320-acre farm in the San Luis Valley.

Mr. DOUGLAS. Mr. President, this is so vital a subject, and we are so likely to build up precedents in favor of violating the principle of the family-size farm, that I hope the Senator will not put me in the position of being ungracious by asking that the bill go over to the next call of the calendar. I should like to oblige my good friend from Colorado, and I hope he will not put me at the bottom of the calendar so far as his esteem for me is concerned; but I should like to have the bill go over until the next time the calendar is called. I feel very bad about resisting the invitation of the Senator from Colorado, but I must request that the bill go over.

Mr. O'MAHONEY. Mr. President, before the Senator makes his final judgment I should like to add a word. Inasmuch as I was a member of the subcommittee, and am chairman of the full committee which acted upon this measure, I should like to say to the Senator from Illinois that there was no objection in the committee to the favorable report upon this bill.

The 160-acre limitation has frequently in the past been called the antispeculation feature of the original reclamation law. It was designed to prevent a condition under which the Government of the United States should spend the people's money to put water upon land not presently being used for growing crops, but owned by private individuals, and thereby make it possible for such individuals to gain substantial accretions to the value of their land and then sell the land to those who wanted to settle upon the irrigated area.

Such a condition does not apply in the San Luis Valley, because the entire valley has already been settled, and most of it is in small holdings. The records before the committee show that in the entire valley, if my recollection is correct, there were not more than three or four ranch holdings in excess of 2,500 acres. There was no evidence that any of these lands were getting any new water. The water rights in the valley have already been allocated. They are claimed. They are owned under the law. What the construction work accomplishes is to store the water and stabilize the flow. So the committee was clearly of the opinion that nothing in this bill would change the fundamental principle of the antispeculation law.

Mr. DOUGLAS. Mr. President, I have a real feeling of humility in going into the question of reclamation law with such distinguished authorities as have recently spoken. But I had always thought that the original reclamation law was intended to govern the disposition of water and that it applied to public water to irrigate private lands as well as to irrigate public lands. It was the intent of Congress that this water was to be used primarily to promote the family-size farm. Now if it be true that the public waters developed by reclamation projects are intended for the family-size farm, I think we should hold to that purpose. As I say, it may well be that, because of the high altitude and the

short-growing season, an artificial restriction to 320 acres in this particular valley in Colorado may not be sufficient to support a family. But I think the burden of proof, if I may put it that way, should be on those who would change the fundamental reclamation and water law of the country, rather than upon those of us who are trying to uphold it. That is why once again, ir a very moderate fashion, I must say that I hope the bill may go over until the next call of the calendar.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield on that point?

Mr. DOUGLAS. Yes.

Mr. JOHNSON of Colorado. I ask unanimous consent that when we have the next call of the calendar this particular bill will be considered.

The PRESIDING OFFICER. Without objection, the request is agreed to, and the bill goes over.

Mr. LANGER. Mr. President, I was going to add my objection to that of the Senator from Illinois. I also ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over. Under the unanimous consent agreement the bill will be considered at the next call of the calendar.

COLVILLE INDIAN RESERVATION LANDS—BILL PASSED TO THE FOOT OF THE CALENDAR

The bill (H. R. 2432) restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MAGNUSON. Mr. President, I wonder if the Senator who asked that the bill be passed over will withhold his objection for a moment.

Mr. WHERRY. Mr. President, I asked that the bill be passed over. I made the request on behalf of the senior Senator from Nebraska [Mr. BUTLER]. I would not be adverse to having it go to the foot of the calendar, and to have it called up again when the senior Senator from Nebraska returns to the floor.

The PRESIDING OFFICER. On objection, the bill will be placed at the foot of the calendar.

RECLASSIFICATION OF SALARIES OF POSTMASTERS AND OTHERS

The bill (H. R. 1516) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service, was announced as next in order.

Mr. TAFT. Mr. President, according to my record Calendar No. 833, House bill 2432 was recommitted. I heard a motion to recommit made sometime ago, and it was agreed to.

Mr. JOHNSTON of South Carolina. The bill was recommitted, and then reported back to the calendar, and is now on the calendar again.

Mr. TAFT. Does the Senator mean that the bill has gone back to the committee and been reported back from the committee and is now on the calendar?

Mr. JOHNSTON of South Carolina. The bill was recommitted for amendment. The amendment has been added to the bill.

Mr. TAFT. I am talking about Calendar No. 833, House bill 2432.

Mr. JOHNSTON of South Carolina. Mr. President, I was under a misapprehension. I had reference to the next bill on the calendar.

Mr. TAFT. I am sure it was recommitted.

The PRESIDING OFFICER. No previous action has been taken today on Calendar 833, House bill 2432. A moment ago it was passed to the foot of the calendar.

Mr. WHERRY. Yes, Mr. President, I asked that it go to the foot of the calendar, and if the distinguished Senator from Washington [Mr. MAGNUSON] desires to have it considered when it is reached again later today, very well.

The PRESIDING OFFICER. House bill 1516, Calendar No. 834, was announced as next in order. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 1516) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees to the custodial service, was considered, order to a third reading, read the third time, and passed.

SURVIVORSHIP BENEFITS FOR WIDOWS AND WIDOWERS UNDER CIVIL SERVICE RETIREMENT ACT

The Senate proceeded to consider the bill (H. R. 2944) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act, which has been reported from the Committee on Post Office and Civil Service with an amendment on page 2, line 3, before the word "per centum", to strike out "90" and insert "95."

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, may I ask what would be the cost of this bill?

Mr. JOHNSTON of South Carolina. Mr. President, a similar bill passed the Senate this year. We reported the House bill with an amendment, in order to get it to conference. If the Senator will read the report, he will find that to be true.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

Mr. SALTONSTALL. Mr. President, may I receive an answer to my question, as to the cost?

Mr. LANGER. Mr. President, I can answer that question. The bill involves 5,000 widows of men who were working for the Government, and who died. The widows were left out of the bill we passed last year.

Mr. WILLIAMS. Mr. President, I remind the Senator from Massachusetts that we are a little late in asking the cost. About 2 months ago we passed a bill which gave these same survivorship benefits to the men. At that time I called the Senate's attention to the fact that we were then establishing a precedent and that later such benefits would be requested by the women. I can see no reason why they should not receive the same benefits as do the men, because they pay the same amount into the fund. I objected to passage of the first bill because we did not have an estimate of the cost. But since the Congress has passed the increased benefits for the men without considering the cost we now have no alternative other than to give the women the same consideration.

Mr. TOBEY. Mr. President, I address my remarks to the distinguished Senator from Massachusetts [Mr. SALTONSTALL]. As I understood the Senator's question, he asked what would be the cost of this bill in dollars. The Senator from North Dakota gave the answer in a new form of currency—5,000 widows. The question is, How many dollars to a widow, and how many widows to a dollar?

Mr. LANGER. It would depend upon the salary their hubands were receiving.

Mr. TOBEY. How many dollars?

Mr. LANGER. I may answer the Senator from New Hampshire by saying that it depends on the salary the husband was receiving at the time of his death.

Mr. WILLIAMS. Mr. President, at the time the same increase was given with respect to the men, I called attention to the fact that that bill carried no recommendation from the Budget, and that there was no estimate as to the cost. I said that we were establishing a bad precedent at that time. I opposed the bill at that time and voted against it, but it was passed. However, since the Senate has already adopted the principle of allowing a man to deduct only 5 percent when he makes his wife the survivor, I now think a woman should be allowed to name her husband survivor, with the same deduction.

Mr. JOHNSTON of South Carolina. The Senator is entirely correct. The bill wipes out an inequity.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SYSTEM OF DRAINAGE AND SANITATION FOR CITY OF POLSON, MONT.

The bill (H. R. 2869) to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont., was announced as next in order.

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

Mr. HENDRICKSON. Mr. President, reserving the right to object, I ask the sponsor of the bill whether it is not true that the effect of the bill, if enacted, would be completely to relieve the irrigation district of any responsibility, financial or otherwise, for maintenance?

Mr. MURRAY. Yes; the bill provides for the repair of the drainage system which was established in connection with an irrigation program. It seemed that seepage from the irrigation project was affecting the city of Polson, and it was necessary for the Bureau to establish the drainage system, which has gotten out of repair. The bill provides for its repair. The city of Polson agrees to establish a sanitary district, and will take over the project from that time on, and will assume all responsibility for future upkeep.

Mr. HENDRICKSON. Is not that a departure from previous policy?

Mr. MURRAY. No; it is not. The obligation would be on the Bureau of Reclamation to protect the town from the effects of the irrigation project. The city now agrees to take it over and support it, if this bill is enacted.

Mr. HENDRICKSON. Was the bill unanimously reported?

Mr. MURRAY. The bill was unanimously reported from the committee.

Mr. HENDRICKSON. I withhold any objection.

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

There being no objection, the bill (H. R. 2869) to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont., was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF CERTAIN PROVISIONS OF THE INTERNAL REVENUE CODE

The bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code was announced as next in order.

Mr. TOBEY. Over.

Mr. JOHNSON of Colorado. Mr. President, will the Senator withhold his objection for a moment?

Mr. TOBEY. I am glad to do so.

Mr. JOHNSON of Colorado. The Senator from Georgia [Mr. GEORGE] was called from the Chamber. He asked me to look after the bill if he did not return. I hope the Senator will allow this bill to be passed. It is a bill which affects the administrative procedures with respect to the Internal Revenue Code. It is an important piece of legislation. It was considered by the Ways and Means Committee, and was reported from the Finance Committee with the unanimous approval of that committee. We added some amendments.

The first part of the bill is just as it came from the House Ways and Means Committee and from the House itself. We added some amendments to the bill in the Senate committee, but the amendments are not particularly important. They are not nearly so important as the procedural policies laid down in the bill.

Mr. TOBEY. Mr. President, with reference to my request that this bill go over, I had not seen the bill before today. It is a very comprehensive piece of legislation. It affects the Internal Revenue Code very materially through proposed amendments. It especially affects deductions of charitable contributions by corporations and certain trusts.

That is a matter very close to my heart. Last year I carried on an investigation for 2 or 3 months into so-called charitable trusts. Extensive hearings were held, and the interest in that subject was so great that 5,000 people have written in requesting copies of the hearings and the proposed legislation to correct these evils—if they are evils—whereby unconscionable people can go into some private business and be exempt from Federal taxes while you and I and 140,000,000 other Americans are soaked by the Bureau of Internal Revenue.

We devised legislation and submitted it to the great Committee on Finance. It has had little or no consideration. The answer given me by the distinguished chairman was that legislation such as that must originate in the House of Representatives. Now I find legislation today coming from the committee affecting trustees and charitable contributions.

I want this bill to go over so that I may have an opportunity to study it, and perhaps offer certain amendments to correct injustices when the bill comes before us. I want time to study the bill.

The need of my legislation is far-reaching. Let me cite an illustration. In Texas the great Greyhound Bus Co. recently built a large terminal which cost within $25,000 of $1,000,000. Soon after the construction was completed it was sold to the Baptist denomination of Texas. Shortly thereafter it was leased back by the Baptists to the Greyhound Bus Co. The result was that the entire income from the property was exempt from taxation because it belonged to Baptists. I happen to be a Baptist, yet I cry out against that procedure. There are many such evasions of Federal taxes which should be brought to the light.

In New York great institutions carrying on the pickle business or the leather business obtain exemptions from Federal taxes by such trusts and I understand that the total amount of exemptions similarly obtained is nearly $1,000,000,000. I say that instead of soaking the public with more taxes we should pick the berries off the bush within the reach of honest taxes. Many persons are getting away with exemptions while you and I have to pay. I want to study this subject. If I can do so, I intend to offer certain amendments in the interest of pro bono publico.

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

Mr. TOBEY. I yield.

Mr. MORSE. Does the Senator from New Hampshire agree that this whole trend of trying to evade taxes by so-called charitable trust arrangements is creating a very low ebb of morality in this country?

Mr. TOBEY. It certainly is. Let me tell the Senate something about some of these trusts. In New England clever lawyers were hired to draft the indentures under which the trusts operated. No one knew anything about the operations. No audit of the funds of the trust or of the income was required. There was no accounting to the beneficiaries. Such operations could continue for 30 or 40 years. Under such an arrangement Bill Jones or John Smith, trustees, could sell all the assets of the trust to himself. If I were the distinguished trustee of such a trust, as trustee I could sell part of the trust holdings to Charles Tobey, individual; and as an individual I could sell the property to some third party and make two or three million dollars overnight. It is a phony situation. We ought to look into it. It is rotten to the core.

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

Mr. TOBEY. I yield.

Mr. TAFT. I am not disagreeing with the Senator. I think the Senator will find, when he looks into the bill, that it has nothing to do with that particular question. I think after the Senator examines the bill he will have no objection on the ground which he has stated.

Mr. TOBEY. I am sure that the astute Senator from Ohio realizes that it is very difficult to get tax legislation through which is manifestly pro bono publico. So when a bill like this comes along, there may be a chance to graft something on to the parent stock. That is what I want to do. Over.

The PRESIDING OFFICER. The bill is passed over.

GRANTS AND SCHOLARSHIPS FOR EDUCATION IN MEDICAL, DENTAL, AND OTHER PROFESSIONS—BILL PASSED OVER

The bill (S. 1453) to amend the Public Health Service Act to provide grants and scholarships for education in the medical, dental, dental hygiene, public health, nursing and sanitary engineering professions, and for other purposes was announced as next in order.

Mr. SCHOEPPEL. Let the bill go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

Mr. PEPPER. Mr. President, will the Senator withhold his objection until I can make an explanation?

Mr. SCHOEPPEL. I am glad to do so, but I may say that this measure is complicated in form, and I believe it should be debated fully and that due and sufficient explanation should be given.

Mr. PEPPER. Mr. President, let me say that this bill provides assistance in the training of doctors, dentists, nurses, and workers in public health agencies and in the administration of hospitals. It is a very important measure.

In view of the fact that it is a Senate bill, if the Senator can examine the bill and possibly be satisfied about it by the time of the next call of the calendar, that will be most desirable. The bill was reported unanimously by the Committee on Labor and Public Welfare. I think it would be very much in the public interest to have the bill passed at this session of Congress, because, inasmuch as it is a Senate bill, it will be difficult to

have time to have it subsequently passed by the House of Representatives and finally enacted into law.

Only $44,000,000 is involved. That is not a great deal, as compared to many of the sums we appropriate.

If the Senator can become acquainted with the bill by the time of the next call of the calendar, I think that will be most helpful.

Mr. TAFT. Mr. President, I may say that I am one of the sponsors of the bill and I am in favor of it. On the other hand, it provides for a substantial departure from the previous Government policy, and provides for a probable expenditure of $50,000,000. I do not think the bill could properly be explained under the 5-minute rule, during the call of the calendar.

So I would not ask the Senator to withdraw his objection; but I hope the bill will be brought up for consideration at the first possible opportunity.

Mr. PEPPER. Mr. President, I join in that request, because the matter involved in the bill is a most important one.

Mr. SCHOEPPEL. Mr. President, I ask that the bill be passed over at this time.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

BILL PASSED OVER

The bill (S. 806) authorizing the erection of a monument to Sacajawea was announced as next in order.

Mr. LANGER. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

DENTAL CARE OF UNITED STATES ARMY AND UNITED STATES AIR FORCE

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 considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the general officer of the Dental Corps appointed as assistant to the Surgeon General of the Army and the general officer of the dental service appointed as assistant to the Surgeon General of the Air Force shall be known as Chief of the Dental Division, Office of the Surgeon General, United States Army, and as Chief of the Dental Division, Office of the Surgeon General, United States Air Force, respectively, and shall be responsible to their respective Surgeons General for—

(1) planning and making recommendations on all matters relating to the dental health of the Army and Air Force, respectively;

(2) staff supervision of the execution of approved plans pertaining to the dental health of the Army and the Air Force, respectively; and

(3) the progressive development of the dental service of the Army and the Air Force, respectively.

All matters in the Offices of the Surgeons General of the United States Army and the United States Air Force, respectively, pertaining to the dental health of the Army and the Air Force, respectively, shall be referred to the respective chiefs of the dental divisions of such offices.

SEC. 2. The Chief of the Dental Division, Office of the Surgeon General, United States Army, and the Chief of the Dental Division, Office of the Surgeon General, United States Air Force, shall—

(1) establish professional standards and policies for dental practice in the Army and the Air Force, respectively;

(2) conduct inspections and surveys for maintenance of such standards in the Army and the Air Force, respectively;

(3) plan and recommend action pertaining to appointments, advancement, training, assignment, and transfer of dental personnel in the Army and the Air Force, respectively; and

(4) serve as the adviser to the Surgeon General, United States Army, and the Surgeon General, United States Air Force, respectively, on all matters relating to dentistry.

SEC. 3. Under regulations prescribed by the Secretary of the Army and the Secretary of the Air Force, respectively, an officer of the Dental Corps in each major command or installation of the Army or the Air Force, respectively, shall, in addition to his other duties, be assigned as staff dental officer for that command or installation. The staff dental officer shall be responsible to the commander of the command or installation, through appropriate channels, for—

(1) planning and making recommendations on all matters relating to the dental health of the command or installation;

(2) staff supervision of the execution of approved plans pertaining to the dental health of the command or installation;

(3) the progressive development of the dental service in the command or installation; and

(4) advice on all matters relating to dentistry in the command or installation.

SEC. 4. There shall be assigned to the Dental Corps of the Army and to the dental service of the Air Force, respectively, an authorized commissioned officer strength (including non-Regular officers on extended active duty) which shall be not less than 2 commissioned officers for each 1,000 members of the Army and the Air Force, respectively, who are on the active list or on extended active duty.

BILL PASSED OVER

The bill (H. R. 3191) 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, was announced as next in order.

Mr. HENDRICKSON. By request, Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE TO TEMPLE METHODIST CHURCH, OF SAN FRANCISCO, OF A PORTION OF A FEDERALLY OWNED BUILDING—BILL PASSED OVER

The bill (S. 384) to authorize the Commissioner of Public Buildings to convey to the Temple Methodist Church, a nonprofit corporation of San Francisco, Calif., a portion of the federally owned building known as 100 McAllister Street, San Francisco, Calif., and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. DOWNEY. Mr. President, this bill arises from the fact that 15 or 18 years ago the Temple Methodist Church, of San Francisco, erected a large and valuable hotel building in San Francisco. In the same building, and as a part of it, the Temple Methodist Church had its own accommodations for its own church.

During the depression years the hotel became unsuccessful. The property was purchased and taken over by the bondholders. The church lost a very heavy investment in it.

During the war years the Government needed additional space. This hotel was then taken over by the Government and was converted—rather unsatisfactorily—into office space, and now is being so used, principally by the Bureau of Internal Revenue. The old church quarters are independent of the rest of the building, but are used by the Bureau of Internal Revenue as the cashier's office. In the portion formerly used by the church there still are the sacred objects of the Temple Methodist Church, their insignia, crosses, and so forth.

The Temple Methodist Church has been very anxious to buy this limited portion of the building, which formerly was occupied by the church. The Government has not been willing to sell, because the Government believes it vitally needs the quarters for governmental agencies.

A bill was introduced to allow the church to buy back its old quarters. Both the junior Senator from California and I supported the bill.

The committee was unwilling to recommend that the sale be made, because of the belief of the members of the committee that the Bureau of Internal Revenue could not give up its quarters there.

However, a subcommittee, after making a careful investigation, and the full committee, after careful investigation, worked out the following compromise, namely, the bill now before us, which provides that if and whenever the governmental agencies believe they no longer need this particular part of the building—and that matter is left entirely to the discretion of the Government—then the Temple Methodist Church shall be allowed to purchase that portion of it for a reasonable price, which has been fixed at $100,000. The right of the Temple Methodist Church to make the purchase expires within 10 years. If the quarters are not vacated and the church does not purchase them within that time, then this entire proceeding becomes null and void.

I may say to the distinguished Senator who inquired, that the entire matter is left to the discretion of the representatives of the Federal Government.

Mr. MORSE. Mr. President, I thank the Senator from California for his explanation, but I wish to study this bill further. I am going to ask that it go over at least until the next call of the calendar, because on the basis of the report from the Department of the Treasury and on the basis of the value of this property to the Federal Government, I find myself not inclined to favor the bill, because I do not think the bill, as I presently understand it, gives to the Federal Government the value it

should have for property which now belongs to all the taxpayers of the United States.

Mr. President, these days we hear considerable about the separation of church and state. When we have a bill such as this one, involving a grant to a church, I think we had better be perfectly certain that we are getting 100 cents for each dollar's worth of property conveyed by the Government; and I am not satisfied, on the basis of my present study of the bill, that such will be the case.

Therefore, because I hold firmly to the principle that we should not be giving away Federal property, even to so fine an institution as the Methodist Church, I must object to the bill at the present time.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

Mr. DOWNEY. Mr. President, if the Senator from Oregon will withhold his objection for a moment further, let me say that so far as I know, the objection was entirely for the reason that the Government needed the quarters. Under this bill, the discretion as to ever abandoning the quarters is left entirely to the Federal Government.

I wish to say to the distinguished Senator from Oregon that equities are involved in this matter. The church probably lost $1,000,000 or $2,000,000 on the property. The Government will be the beneficiary of that. We believe that $100,000 is a reasonable price.

However, I understand the attitude of the Senator from Oregon, and I shall no longer persist in urging the Senator to withdraw his objection.

Mr. MORSE. Mr. President, I should like to add that I agree with the Senator from California that equities are involved; but so far as I am concerned, a rather fundamental principle is also involved, namely, the principle of not giving away the money of the taxpayers of the United States, even to fine institutions, unless we see to it that the Federal Government receives adequate payment for the property.

I see no reason why in the case of the churches of America that lost their property during the depression period, we should now give them a Federal grant which is what this bill amounts to, in order to give them back their property.

Mr. DOWNEY. Mr. President, no such question is involved in this bill. This option would become effective only when the Government no longer wants the property. It is not adapted for an office building, it is adapted for a hotel. The bill is based on the theory that the Government will want to sell the property, and that if and when the Government wants to sell the property, the Methodist Church, which lost very heavily in it, will be given by the Government, which has had a great windfall, the first opportunity to buy. We believe the suggested price of $100,000, which is for a very minor portion of this property, is a very reasonable price. We are not suggesting that anything be given the Methodist Church. We are not suggesting anything that will inconvenience the Government of the United States. We believe the Methodist Church which erected the building and lost heavily on it has a certain equity.

Mr. MORSE. Mr. President, I am sure the Senator from California means it when he says he is not suggesting that anything be given to the Methodist Church, but a question of fact is raised. I want to investigate that question of fact, because I cannot read the report of the Treasury Department and reach any other conclusion than that at least the Treasury Department is of the opinion we would not be getting our money's worth.

The PRESIDING OFFICER. The bill goes over.

Mr. CAIN. Mr. President, if the Senator will yield, as a member of the Public Works Committee which took testimony on this bill, I can fully understand the curiosity of the Senator from Oregon concerning what in some respect is a new procedure. I am, however, fully satisfied that when the Senator from Oregon has had an opportunity not only of examining the report attached to the bill, but of reading the hearings as well, his curiosity will be satisfied, and he will be in agreement with the position of the Senator from California.

Mr. KNOWLAND. Mr. President, if the Senator will yield, I should like also to join with my colleague, the senior Senator from California, in urging that the Senator from Oregon read the committee report as well as the hearings on the bill. I think there are factors involved in the situation which will satisfy the Senator from Oregon that it is not what it appears to him to be on the surface.

Mr. MORSE. Mr. President, I shall read the hearings. I have very carefully read the committee report. It is the committee report which so perplexes me. A reading of the report of the Government agencies and the committee report together with the hearings may clear up the difficulty I have with the bill.

The PRESIDING OFFICER. The bill goes over.

ATTENDANCE OF GOVERNMENT EMPLOYEES AT FUNERALS OF DECEASED MEMBERS OF THE ARMED FORCES

The bill (H. R. 2662) to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from anuual leave, in funerals for deacesed members of the armed forces returned to the United States for burial, was considered, ordered to a third reading, read the third time, and passed.

Mr. WHERRY. I wonder if I can ask unanimous consent to return to House bill 2662, merely to ask a question about it?

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. WHERRY. I understand the bill is designed to permit Government employees to attend the funeral services of deceased members of the armed forces returned to the United States for burial. Is it applicable merely to relatives? It does not say.

Mr. HUMPHREY. That is right.

Mr. President, I may say in reply to the distinguished minority leader, there has been a lack of uniformity in the administrative practice in giving time off to Government employees to attend funeral services for relatives, or, let me say, as guards in the American Legion unit, or firing squad members, at military funerals. This is merely to establish uniformity and it leaves the matter up to military discretion.

Mr. WHERRY. I have no objection.

VILLAGE-DELIVERY SERVICE

The Senate proceeded to consider the bill (S. 1479) to abolish the village-delivery service of the Post Office Department, to transfer village carriers to the city-delivery service, and for other purposes, which had been reported from the Committee on Post Office and Civil Service with an amendment, to strike out all after the enacting clause, and insert:

That section 9 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes", approved August 24, 1912 (U. S. C., title 39, sec. 153), is amended by striking out the words "second or".

SEC. 2. The operation by the Post Office Department of village-delivery service in second-class post offices shall be discontinued. All such post offices, which on the effective date of this act have village-delivery service, shall hereafter have city-delivered service and all carriers of the village-delivery service in such offices shall be classified as carriers in the city-delivery service in accordance with the provisions of this act.

SEC. 3. (a) In assigning carriers in the village-delivery service to salary grades in the city-delivery service, each village carrier shall be assigned to the grade in the city-delivery service to which he would have advanced had his original appointment as a carrier in the village-delivery service been as a carrier in city-delivery service. Each village carrier shall retain credit in his position in the city-delivery service for all annual and sick leave which he has accrued, for compensatory time off due for service performed, and for any period of service creditable toward a promotion to a higher grade.

(b) No village carrier transferred to the city-delivered service by this act shall, by reason of such transfer, be entitled to any additional compensation for services performed prior to the effective date of this act.

SEC. 4. This act shall take effect on the first day of the first calendar month following the date of enactment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to discontinue the operation of village-delivery service in second-class post offices, to transfer village carriers in such offices to the city-delivery service, and for other purposes."

EXEMPTION OF TAX ON FRUIT-FLAVOR CONCENTRATES

The bill (H. R. 5831) to exempt certain volatile fruit-flavor concentrates from the tax on liquors, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ended June 30, 1949, and for other purposes, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

COMPENSATION OF PANAMA CANAL ZONE EMPLOYEES—BILL PASSED OVER

The bill (S. 2226) relating to the compensation of certain employees of the Panama Canal was announced as next in order.

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

Mr. SCHOEPPEL. Mr. President, I have a question based on a reading of the report. I ask the distinguished Senator from South Carolina whether there is any estimate from the Bureau of the Budget as to the cost of this measure.

Mr. JOHNSTON of South Carolina. There is not, but the Senator will find that in the Panama Canal Zone employees are regulated by the same law as are employees of the District of Columbia, and since the bill was passed increasing the pay of the employees of the District of Columbia $330, it was felt that the Panama Canal Zone employees should be treated in a similar manner.

Mr. SCHOEPPEL. Does the distinguished Senator have any objection to the bill being passed over until the next call of the calendar, until the cost can be determined?

Mr. JOHNSTON of South Carolina. I have an amendment. I should like to have it read at this time, so the Senator may be thinking about it.

Mr. SCHOEPPEL. I shall be glad to consider it.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

The LEGISLATIVE CLERK. On page 1, lines 3 to 10, it is proposed to strike out section 1 and insert the following:

That the Governor of the Panama Canal is authorized to grant additional compensation to policemen, firemen, and school teachers employed by the Panama Canal, corresponding to the additional compensation granted to similar employees of the District of Columbia by 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, as of the first day of the first pay period which began after June 30, 1948.

Mr. JOHNSTON of South Carolina. Mr. President, the amendment is designed to cure a defect which was called to the attention of the committee by the Secretary of the Army, after the bill was reported, and which therefore was not considered by the committee in connection with the bill.

The PRESIDING OFFICER. Is there objection?

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

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

Mr. SCHOEPPEL. Mr. President, I should like to have this measure go over, if possible, to the next call of the calendar.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent, then, that it be considered on the next call of the calendar. If that request is granted, I do not object.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered. The bill will be considered on the next call of the calendar. The bill now goes over.

BILL PASSED OVER

The bill (S. 2379) to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide and 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, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, this is not the type of legislation which should be passed on a mere call of the Consent Calendar. I feel it should go over.

The PRESIDING OFFICER. The bill will be passed over.

WEBER BASIN RECLAMATION PROJECT, UTAH

The bill (S. 2391) to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That the Secretary of the Interior, through the Bureau of Reclamation, is hereby authorized to construct, operate, and maintain the Weber Basin project to consist of reservoirs, irrigation and drainage works, power plants, transmission lines, and similar works in and near Morgan, Davis, Summit, and Weber Counties, Utah, for the purposes of supplying irrigation water to lands, both new and presently irrigated; supplying municipal, industrial, and domestic water; controlling floods; and generating and selling electric energy to help meet the short supply of power in the area and as a means of making the whole project self-supporting and financially solvent; and for other beneficial purposes (including, but without limitation, the control and catchment of silt, improvement of the general quality of the water, the preservation and propagation of fish and wildlife, and the provision and improvement of recreational facilities), at an estimated cost of $69,500,000, all in substantial accord with the recommendations made in that certain report, dated July 15, 1949, of the regional director, region IV, Bureau of Reclamation, entitled "Weber Basin project, Utah."

SEC. 2. The Secretary is authorized to apportion equitably the costs of constructing, operating, and maintaining (including therein reasonable provision for replacement) the project works herein authorized between, on the one hand, their flood control, recreational, and fish and wildlife purposes and, on the other hand, their irrigation, power, municipal, and other water-supply purposes. The former allocations shall be nonreimbursable and nonreturnable. The latter allocations shall be reimbursable and returnable: *Provided*, That general repayment obligations undertaken pursuant to subsections (c) and (d) of section 9 of the Reclamation Act of 1939 may extend over a period not exceeding 60 years.

SEC. 3. As a condition precedent to construction of any of the irrigation or drainage works herein authorized, there shall be established an organization in the State of Utah with powers satisfactory to the Secretary, including the power to tax property both real and personal within its boundaries and the power to enter into a contract or contracts, with the United States for payment of reimbursable costs allocated to irrigation, municipal water supply, and other miscellaneous purposes.

SEC. 4. This act shall be a supplement to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), the provisions whereof shall govern the construction, operation, and maintenance of the Weber Basin project except as otherwise herein provided.

SEC. 5. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purposes of this act.

WESTERN LAND BOUNDARY FENCE PROJECT

The bill (S. 1115) authorizing appropriations for the construction, operation, and maintenance of the western land boundary fence project, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. I ask that this go over.

Mr. CONNALLY. Mr. President, will the Senator withhold his objection for a moment?

Mr. HENDRICKSON. I gladly withhold the objection.

Mr. CONNALLY. Mr. President, when the Senate passed a similar bill in the last Congress, it was unanimously reported by the committee.

Mr. HENDRICKSON. That was the bad Congress, was it not?

Mr. CONNALLY. Not in the opinion of the Senator who is now speaking.

Mr. HENDRICKSON. I heard a great deal about it.

Mr. CONNALLY. Seriously, I hope the Senator will not object to the bill. Many Government departments are interested in it, including the Department of Agriculture, the Department of Justice, customs—

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

Mr. CONNALLY. I yield.

Mr. ANDERSON. The incidence of hoof-and-mouth disease has very greatly changed the demand for this particular type of fence. The American livestock interests are very anxious to have it constructed. The presence of large herds of cattle and the possibility of moving them along the border makes it extremely desirable that the fence be constructed. It will probably cost approximately $2,500,000. Five hundred miles of fence is involved. I think it would be very wise to make this expenditure in connection with the eradication of hoof-and-mouth disease.

Mr. HENDRICKSON. I withdraw my objection.

Mr. THYE. Mr. President, I join with the Senator from Texas and the Senator from New Mexico in stating that, in my opinion, this is a sound investment. If

the fence is constructed, to a great extent the danger of foot-and-mouth disease will be eliminated.

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

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is authorized to be appropriated to the United States section, International Boundary and Water Commission, United States and Mexico, such sums as may be necessary for the construction, operation, and maintenance of the western land boundary fence project, as said project is presently planned or as the plans therefor may be amended from time to time.

SEC. 2. The said sums may be appropriated specifically for said project, or may be included with the appropriation for all construction projects of said United States section. The expenditures and appropriations herein authorized shall not be construed as placing a limitation on funds which may be hereafter appropriated for the operation and maintenance of said project. The United States Commissioner, International Boundary and Water Commission, United States and Mexico, notwithstanding the provisions of section 3679 of the Revised Statutes (31 U. S. C. 665), sections 3732 and 3733 of the Revised Statutes (41 U. S. C. 11 and 12), or any other law, may enter into contracts beyond the amount actually appropriated for so much of the work on said project as the physical and orderly sequence of construction or considerations of expediting said work make necessary or desirable, such contracts to be subject to and dependent upon future appropriations by Congress: *Provided*, That the total construction cost of said project shall not exceed $3,500,000.

SEC. 3. Notwithstanding any contrary provisions of appropriation or other acts applicable to said project, the United States section is authorized to acquire by purchase, exercise of the power of eminent domain, or by donation any real or personal property which may be necessary for such project, as determined by the United States Commissioner, including rights-of-way not exceeding 60 feet in width, as may be necessary for such boundary fence and roads parallel thereto required for the patrol and maintenance thereof.

SEC. 4. Notwithstanding any contrary provisions of law, any executive department, independent establishment, or other agency of the United States is authorized to transfer to the United States section, without payment or reimbursement therefor, (a) any equipment, supplies, or materials which any of these agencies may have and which may be needed for the construction, repair, operation, or maintenance of such boundary-fence project by the United States section; and (b) any existing fences, or portions thereof, on or along the United States-Mexican boundary, which may be under the jurisdiction of such other Federal agency. The United States section is hereby authorized to expend, out of funds made available for boundary-fence construction, any sums of money which may be necessary for the reconstruction, repair, and operation and maintenance of boundary fences so transferred.

SEC. 5. The said United States Commissioner, in his discretion, is authorized to employ personnel for the survey, inspection, construction, and supervision of construction of such fence project without regard to personnel ceilings otherwise imposed, and without regard to the civil-service laws or regulations requiring the employment of American citizens: *Provided*, That such employmen shall not be for a period longer than that required for the completion of construction of such fence project, nor in any event for a period in excess of 3 years from the effective date of this act.

SEC. 6. Said fence project may be constructed by contract or by force account, or partly by contract and partly by force account in the discretion of the said United States Commissioner; and in either event the provisions of 41 United States Code 5, and other laws and regulations relating to advertising for proposals for purchases and contracts for supplies or services for departments of the Government and laws and regulations placing limitations upon the purchase of passenger-carrying or other motor-propelled vehicles shall be inapplicable to purchases and contracts for equipment and supplies or services for the survey, construction, or supervision of said fence project.

SEC. 7. The opinion of the Attorney General in favor of the validity of the title to any tract of land or easement therein to be acquired for right-of-way for said fence project shall not be required as a condition precedent to construction thereon when, in the opinion of the said United States Commissioner, such requirement would unduly delay the construction program and the interests of the United States are not jeopardized by the waiver of such requirement: *Provided*, That proceedings for the acquisition of such tracts or easements therein by purchase, exercise of the power of eminent domain, or condemnation have been commenced, and the consent of the record or apparent owner or owners of any such tract has been secured for the immediate occupancy thereof, or appropriate orders have been entered therefor in eminent domain proceedings: *Provided further*, That the United States Commissioner shall proceed, as expeditiously as may be possible to secure title to such tracts or easements therein in the manner and to the extent required for the approval of the Attorney General in accordance with existing law: *Provided further*, That where portions of such fence are to be built within the right-of-way lines of existing State, county, or other public roads or highways, the United States Commissioner is authorized to accept, and the Attorney General is authorized to approve, rights-of-way, easements, or licenses from any such State, county, or other public agency having jurisdiction thereover, subject to such conditions and limitations as may be required by State or municipal law or regulation, including but not limited to, conditions requiring the removal of said fence, or portions thereof, to points outside of the right-of-way lines or to such points within the right-of-way lines as may not be objectionable to the State, county, or other public agency concerned, where considerations of widening said roads or highways, or other considerations of public necessity, make such removal necessary, and when, in the opinion of the United States Commissioner, the interests of the United States will not thereby be unduly jeopardized. The opinion of the Attorney General of the State wherein such rights-of-way, easements, or licenses are granted, if such opinion be obtained, shall be conclusive as to the right or authority of the State, county, or other public agency concerned, and of the officials thereof, to grant any such right-of-way, easement, or license.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, I should like to inquire of the majority leader if it is his intention to proceed with the remainder of the calendar, in view of the fact that no reports, from now on, are in our folders. I wonder if it would not be advantageous to stop now and permit the Members of the Senate to examine the reports which are not in the folders at this time.

Mr. LUCAS. Mr. President, the Senator from Nevada [Mr. McCARRAN] came to me a moment ago and advised me that that was the fact, that from Calendar 853 on there are no reports. He suggested that it would possibly be better if we stopped the calling of the calendar at that point. I agreed with him that that would be done.

Mr. WHERRY. Mr. President, may I ask another question? I wondered if the distinguished majority leader had an announcement to make with reference to Order No. 855, Senate Resolution 147, and Order No. 856, Senate Resolution 151.

Mr. LUCAS. I shall come to that in a moment. I have a program. The Senator from Nebraska attempts to anticipate what I am going to do, apparently with the idea that I do not know what is coming up. I shall get to it in a moment.

Some bills were passed over that went to the foot of the calendar. I think those are the bills we should consider at this time. I distinctly recall that I objected to one of them.

The PRESIDING OFFICER. The Chair suggests that the first one passed over was Calendar 747, Senate bill 1837.

Mr. LUCAS. That is the one which should be called up.

Mr. WILEY. Calendar No. 732, Senate bill 2031, was mentioned.

Mr. WHERRY. Mr. President, if I recall correctly, Calendar 462, Senate bill 689, was passed to the foot of the calendar.

The PRESIDING OFFICER. The present occupant of the chair was not presiding at that time.

Mr. O'CONOR. I feel certain that it will be found that that was the first bill passed over.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate return to the consideration of Calendar 462, Senate bill 689.

The PRESIDING OFFICER. Is there objection?

CREDIT FOR MILITARY SERVICE OF POSTAL EMPLOYEES

There being no objection, the Senate proceeded to consider the bill (S. 689) to permit certain postal employees or substitute postal employees to receive credit for military service, which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause, and insert:

That classified postal employees or classified substitute postal employees who are in the postal service on the date of enactment of this act, or who shall enter the postal service within 3 years after the date of enactment of this act and subsequent to service in the military or naval forces of the United States during World War II, terminated under honorable conditions, who have not reached the maximum grade of salary shall receive credit for time served in the military or naval forces to the extent that they have not already received credit for such military or naval service in determining their salary grade. Such credit shall be on a pro rata basis for each year served in the military or naval forces. On the basis of such credit, each employee to whom this section applies shall be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment been to grade 1.

SEC. 2. Substitute postal employees who failed of promotion to regular because they were in the military or naval forces during World War II shall, for the purpose of determining their postal salary, be held to have been promoted to such regular position as of the date a vacancy, to which they as senior substitute could have been promoted, occurred.

SEC. 3. No person shall, by reason of the enactment of section 1 of this act, be entitled to any compensation for any period prior to the effective date of this act.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TAXATION OF CERTAIN INDIAN LAND HOLDINGS

Mr. ECTON. Mr. President, I ask unanimous consent to call up Calendar 668, House bill 5034. The bill involves no Federal expenditure. It was objected to last week when the calendar was called, but the Senator from North Dakota has withdrawn his objection.

Mr. LUCAS. Mr. President, I have no objection to returning to the consideration of that bill. I ask unanimous consent that it be done, in compliance with the request of the able Senator from Montana.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 5034) to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewage system, was considered, ordered to a third reading, read the third time, and passed.

WILLOW RIVER POWER CO.

Mr. WILEY. Mr. President, I ask unanimous consent that the Senate return to Calendar 732, Senate bill 2031.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (S. 2031) for the relief of the Willow River Power Co., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bertha A. Burkhardt, Helene E. Schultz, and Hugh F. Gwin, as trustees and successors to the Willow River Power Company, a Wisconsin corporation, the sum of $25,000, together with interest on such sum at the rate of 4½ percent per annum from August 12, 1938, to the date of payment, representing the amount of damages found by the United States Court of Claims (congressional numbered 17851, decided June 6, 1949, in response to S. Res. 231, 80th Cong.), to have resulted from diminution of the generative capacity of such company's hydroelectric plant located near the confluence of the Willow River and the Saint Croix River, due to a rise in the waters of the Saint Croix River beginning August 12, 1938, caused by the erection by the United States of a dam across the Mississippi River, near Red Wing, Minn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

TIMBER ACCESS ROADS

Mr. MORSE. Mr. President, I should like to say to the majority leader that the Senator from Washington [Mr. CAIN], the Senator from Ohio [Mr. TAFT], the Senator from Utah [Mr. WATKINS], and I, with the assistance of the senior Senator from Oregon [Mr. CORDON], have reached an agreement in regard to Senate Joint Resolution 24, which is Order No. 607. I understand the Senator from Washington has taken up with the Senator from Ohio and the Senator from Utah a proposed amendment which deals with the access-roads problem, which has been debated at some length. In view of the fact that we are now in agreement, I ask unanimous consent for the present consideration of Calendar 607, Senate Joint Resolution 24, and the Senate can then consider the amendmnt offered by the Senator from Washington.

Mr. LUCAS. I have no objection.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 24) to provide for a suitable and adequate system of timber access roads to and in the forests of the United States, which had been reported from the Committee on Agriculture and Forestry with amendments on page 3, section 2, line 13, after the word "trails", to strike out "within" and insert "for", on page 3, section 3, line 20, after the word "annually", to insert "beginning with the fiscal year ending June 30, 1951"; and on page 4, line 4, after the word "expended", to insert, "The authorization in section 3 of the Federal Aid Highway Act of 1948 for forest development, roads and trails for the fiscal year ending June 30, 1951, is hereby canceled"; so as to make the joint resolution read:

Resolved, etc., That it is declared to be the policy of the Congress to provide for a suitable and adequate system of timber access roads to and in the forests under the jurisdiction of the Secretary of Agriculture and the Secretary of the Interior, in order to obtain the benefits hereinbefore enumerated, and for such other roads and trails as are necessary for the protection and administration of these forests and for the utilization of the resources thereof other than timber.

SEC. 2. The Secretary of Agriculture and the Secretary of the Interior are hereby authorized to survey, construct, reconstruct, and maintain such roads and trails for the forests under their respective jurisdictions as they deem necessary to effectuate the foregoing policy. The authority contained in this joint resolution is in addition to, and not in substitution for, the authority of existing law.

SEC. 3. For the purpose of carrying out the provisions of this joint resolution, there is hereby authorized to be appropriated $30,000,000 annually beginning with the fiscal year ending June 30, 1951, and ending with the fiscal year ending June 30, 1955, of which $25,000,000 is authorized to be appropriated to the Secretary of Agriculture and $5,000,000 is authorized to be appropriated to the Secretary of the Interior, which amounts shall be available until expended. The authorization in section 3 of the Federal-Aid Highway Act of 1948 for forest development, roads and trails for the fiscal year ending June 30, 1951, is hereby canceled.

The amendments were agreed to.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Washington [Mr. CAIN].

The CHIEF CLERK. On page 3, line 6, after the word "Interior", it is proposed to strike out all down to and including the word "timber" in line 10;

On page 3, line 13, to strike out "and trails";

On page 3, between lines 17 and 18, to insert two new sections, as follows:

SEC. 3. Before any such access road is constructed or reconstructed under the authority of this joint resolution, the Secretary of Agriculture or the Secretary of the Interior, as the case may be, shall cause a public hearing to be held at a convenient and accessible place within the area in which such construction or reconstruction is to occur. Notice of such hearing shall be given at least 10 days prior to such hearing in a newspaper of general circulation in such area and shall include a statement describing the terminals of such proposed road, the route to be followed between such terminals, and the general type of materials to be used in such construction or reconstruction.

SEC. 4. As used in this joint resolution the term "timber access roads" means such roads as are constructed, reconstructed, or maintained for the primary purpose of utilizing the timber resources of the lands tributary thereto;

On page 3, line 18, to strike out "Sec. 3" and insert "Sec. 5."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Washington.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was rejected.

ORDER OF BUSINESS

Mr. FLANDERS. Mr. President, I should like to ask unanimous consent to call up Calendar No. 774, Senate bill 1565. I understand that the objection made to it will be withdrawn if it is brought up.

Mr. McFARLAND. I have no objection, but we are not taking them up in order. Calendar No. 751, Senate bill 1973, would be the next in order.

The PRESIDING OFFICER. Calendar No. 746, House bill 1997, would be the next in order.

Mr. FLANDERS. I do not think my request is out of order in any sense of the word.

MISSISSIPPI RIVER PARKWAY

Mr. O'MAHONEY. Mr. President, I understand that an explanation was requested with respect to Calendar No. 746, House bill 1997, which is a bill authorizing a survey of the Mississippi River Parkway. The measure has already passed the House.

For many years the residents of about 10 States along the Mississippi River have been agitating for the construction of a Mississippi River Parkway to link

historic points of interest, to create a park, as the name indicates, to serve the interests of that area.

The committee has recommended the bill exactly as it has passed the House. In the House the authorization was increased from $200,000 to $250,000. The Committee on Interior and Insular Affairs of the Senate, however, has in its report made a specific recommendation to the authorities which will conduct the survey, namely, the National Park Service in the Interior Department, and the Bureau of Public Roads that a study be made of the possibility of exacting tolls in order that an income may be received from those who utilize the parkway which will pay for the construction. It is the belief of those of us who have given the matter consideration that such a toll system would more than return the cost to the Government of the United States.

Mr. President, I trust that this explanation may be sufficient to answer the questions which were in the minds of those who asked that the bill be explained.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 1997) to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes.

Mr. HENDRICKSON. Mr. President, if an amendment which I am about to send to the desk is satisfactory to the sponsor of the bill, I will withhold other objection.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, following line 9, it is proposed to insert a new section reading as follows:

The Secretary of the Interior and the Administrator of the Federal Works Agency are hereby directed to complete such joint survey within 2 years after the enactment of this act.

Mr. O'MAHONEY. I have no objection at all to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

The Senate resumed consideration of the bill (S. 1973) to further amend the Communications Act of 1934.

Mr. McFARLAND. Mr. President, I send a perfecting amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. Without objection, the vote whereby the committee amendment as amended was agreed to, will be reconsidered.

The Chair hears no objection.

The clerk will state the amendment of the Senator from Arizona to the committee amendment as amended.

The LEGISLATIVE CLERK. On page 36, line 20, it is proposed to strike out "Subsections" and insert "Subsection", and after the word "Subsections", to strike out in the same line the words "and (p)."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McFARLAND subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD immediately following the passage of Senate bill 1973 the report of the committee.

There being no objection, the report (No. 741) was ordered to be printed in the RECORD, as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 1973) to further amend the Communications Act of 1934, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

GENERAL STATEMENT

The bill (S. 1973), in the opinion of the committee, would bring about a major improvement in the organization and functioning of the Federal Communications Commission. The legislation deals solely with structure of the Commission and its administrative and appellate procedure. This entire field long has been the subject of severe criticism by special and select investigating committees of the Congress and currently is the subject of study by a subcommittee of this committee as well as by a House committee.

The bill here recommended has the unanimous approval of every broadcasting interest who testified, and the majority of its provisions are favored by the Commission itself.

It should be noted that no attempt has been made in this legislation to deal with any changes in policy affecting radio or television broadcasting, nor policies affecting common carriers by radio or telegraph. Your committee is well aware that extensive testimony has been offered in the past and numerous recommendations made, including some by this committee, with respect to such policy matters. While the committee does not close the door to such policy provisions, it desires to point out that studies on these points are now being pursued; that the subject of most pressing importance today in the field of radio is the functioning of the Commission; and that, in view of the relatively short time remaining in the present session, it is deemed necessary and desirable that legislation proposed at this time be restricted to noncontroversial organization, procedural, and appellate matters to which this legislation is limited.

It is important to note that this bill is the end product of a decade of congressional investigations, studies, hearings, and reports by committees in both Houses of Congress. This committee alone, in the 6 years preceding the hearings on this bill, has held more than 45 days of hearings on the general subject of changes in the Communications Act, during which 145 persons have testified and some 800 others submitted statements. Those hearings cover more than 3,700 pages of printed testimony. Moreover, a majority of the committee have been personally closely identified with the long history of hearings and legislative recommendations herein referred to. They unanimously endorse the bill here recommended as a necessary first step in any changes in the Communications Act of 1934.

The committee held 2 days of hearings on this bill on June 16 and 17 last, during which more than a score of witnesses offered testimony, including the Acting Chairman of the Commission. Both prior to and subsequent to those hearings the chairman of the subcommittee in charge of the bill (Senator McFARLAND) held conferences with members of the Commission, members of the Federal Communications Bar Association, and others, in order to give the fullest consideration to all suggestions. A number of amendments proposed during the hearings and at such conferences have been incorporated in the measure herewith reported.

While most of these amendments are of a minor nature, the committee desires to call particular attention to one amendment—namely, section 14—which was contained in the measure as first introduced and has now been eliminated. This section read as follows:

"No sanction shall be imposed or substantive rule or order be issued except within jurisdiction delegated to the Commission and as authorized by law. The Commission shall make or promulgate no rule or regulation of substance or procedure, the purpose or result of whch is to effect a discrimination between persons based upon race, religious or political affiliation, or kind of lawful occupation or business association."

The committee deems it important to point out why this section was dropped from the bill. This language was first proposed nearly 6 years ago during hearings on a communications act amendn ents bill, solely because the Federal Communications Commission at that time had under consideration a rule which would prohibit newspapers from becoming holders of radio licenses. While the Commission may have been motivated, in part at least, by the best intentions in seeking to prevent monopolistic control of organs of public expression in a community, its threatened action was of questionable constitutional validity, particularly in the absence of specific authority in the basic act to adopt such a rule. However, the net effect of the Commission's proposed anti-newspaper rule was to deny consideration of applications from newspapers, all such applications having been placed in a pending file. After reflection for some 2 years, the Commission dropped all plans for such a rule and began processing of newspaper applications in the same manner as other applications.

In testimony on the bill (S. 1973) before this committee, the Commission spokesman pointed out that present Commission practice and procedure has been in accord with the proposed section for several years; that they have serious doubts of the constitutionality of any rule which would prohibit the granting of a license to anyone because of kind of lawful occupation; and that in any event they could not constitutionally do what the proposed section 14 would have prohibited them from doing.

The committee is impressed by the validity of this testimony. In view of the positive nature of the affirmations by the Commission that its existing procedure is in accord with that which had been intended by the original language, some question was raised as to whether or not the proposed new language might not be construed or interpreted to provide a different or modified procedure from that now being followed. The committee, therefore, decided to eliminate the proposed section. It should be distinctly understood that in eliminating this section the committee has done so solely because the Commission is now following the procedure which was outlined in the section, has testified that it intends to follow that procedure, and that it is of the opinion that it has

no legal or constitutional authority to follow any other procedure.

PURPOSE OF THE BILL

The principal objective of the bill (S. 1973) is to clarify the meaning and intent of the Communications Act of 1934, as amended. It is designed to remove ambiguities; to make definite and certain administrative and legal steps and procedures in the interest of the expeditious handling of both license applications and the rule-making function; to separate, as far as is administratively possible, the prosecutory and judicial functions of the Commission; to provide for administrative reorganization of the Commission in the interest of more effective and speedy handling of cases; to increase the salaries of Commissioners and staff personnel to insure a greater continuity of service; to better arm Commissioners to handle decisions by providing personal legal assistants; and generally to make clear and definite administrative actions and appellate procedures in accordance with the Administrative Procedure Act.

Your committee is strongly of the opinion that enactment of the bill (S. 1973) is a major step forward in the evolution of the regulation of radio and wire communications, both broadcast and common carrier. It believes that the legislation will be of inestimable value in making more certain that regulation of the industry shall be in "the public interest, convenience, and necessity."

EXPLANATION OF THE BILL BY SECTIONS

Section 1

This section gives a short title to this act, merely for purposes of reference to the dates of enactment of provisions herein proposed to be incorporated in the Communications Act of 1934, as amended.

Section 2

This section amends subsection (o) of section 3 of the Communications Act of 1934 by redefining "broadcasting." The new definition defines "broadcasting" to mean "the dissemination of radio communications intended to be received directly by the general public." In the existing law, the term is defined to include radio communications intended to be received by the public "directly or by the intermediary of relay stations." Testimony has been offered that these so-called relay stations might be considered to be broadcast stations within the meaning of the act. The new definition clarifies this ambiguity, but the committee does not intend that such relay stations, when used in broadcasting, shall be classified as common carriers under the law. The new definition also conforms with the provisions of the Radio Regulations of the International Telecommunications Convention (Atlantic City, 1947).

Section 3

This section adds a number of new definitions to the Communications Act of 1934.

Subsection (bb) defines "license," "station license," or "radio station license" to mean the instrument of authorization required by the act or regulations for use or operation of radio-transmitting apparatus, and the terms are intended to include all forms of authorizations, temporary or otherwise. When considered in connection with other sections of the bill, this will limit the power of the Commission to grant special or emergency types of authorization to the cases specifically provided for in the bill.

Subsection (cc) provides a definition of "broadcast station," "broadcasting station," or "radio-broadcst station." None of these terms is now defined, and all are used either in the present law or the amended sections.

Subsection (dd) defines the terms "construction permit" and "permit for construction," which have not heretofore been defined to clarify reference to such authorizations in procedural provisions.

Section 4

This section proposes several substantial revisions of the existing section 4 of the act, which deals with the make-up of the Commission itself, their salaries, top staff personnel, and matters to be included in the annual reports to Congress. Specifically, the provisions are as follows:

Subsection (a) makes a minor change in existing law which prohibits Commissioners from engaging in any other business, vocation, or employment by exempting from this prohibition the preparation of technical papers. Commissioners have pointed out that existing law might be interpreted to prevent such wholly meritorious publication of papers. The most important provision of this subsection, however, would add to subsection (4) (b) the requirement that 1 year after the enactment of this act no Commissioner, if he resigns before his term of office has expired, may take employment or receive compensation from any person or corporation who comes within the jurisdiction of the Communications Act. This provision, the committee believes, is a most desirable one. It is intended to halt the practice by persons and corporations, who have business before the Commission, of employing Commissioners with the obvious purpose of benefiting themselves, perhaps unfairly, through the influence that such a Commissioner might have with employees in the agency. It is also intended to restrict a growing practice of using appointments to high Government posts as stepping stones to important positions in private industries which have business before the Commission. The recommended amendment would not prevent a Commissioner from resigning his post at any time, but if he resigned after 1 year following enactment of this act and before his term of office had expired he could not accept a position for the unserved portion of his term of office with any person who comes under the jurisdiction of the Communications Commission.

Subsection (b) amends subsection (4) (d) of the law to increase Commissioners' salaries from $10,000 to $15,000 annually. The committee believes, in view of the greatly increased scale of salaries in private industry, that the proposed increase here recommended is desirable in that it may help attract to Government services the type of personnel so urgently needed. It is in general accord with the recommendations of the Hoover Commission on Reorganization of the Government Departments.

Subsection (C) is a revision of section 4 (f) (1) of the act, which deals with the employment of certain top staff personnel and their salaries. The committee recommends the employment of a personal legal assistant to each Commissioner at a salary of $10,000 per annum; a reduction in the number of assistant general counsels, assistant chief engineers, and assistant chief accountants from three to two; an increase in the salary of the general counsel, the chief engineer, and the chief accountant from the present $10,000 to $12,000 per annum; an increase in the salary of their assistants from the present $9,000 to $10,000 per annum; an increase in the salary of the secretary of the Commission from the present $8,500 to $10,000 per annum; a limitation on the salaries of the Commissioners' personal secretaries to $4,000 per annum; and a prohibition against the general counsel, the chief engineer, the chief accountant, and their assistants from representing any licensee under the Communications Act for 1 year following termination of their employment with the Commission.

The committee believes some explanation of these and other minor changes in this subsection is pertinent. It is of the opinion that provision for the employment of a personal legal assistant to each Commissioner is one of the important features of the bill here recommended. The plain facts are that the Commission is tremendously behind in its work, one reason therefor being the necessity for each individual Commissioner to personally review each decision. Several of the Commissioners are not lawyers; even those who are find it difficult to give the time necessary to familiarize themselves with all pertinent points in a proposed decision. The result has been that all too frequently decisions coming up from the staff have not had the close personal attention they should have. When it is realized that such decisions frequently are of vital economic consequence to citizens as well as important to the public interest, it will be realized that too much attention cannot be given to such decisions. The employment of a well-trained lawyer who will be the personal legal assistant to a Commissioner will not only relieve the burden of work on each Commissioner but will permit close study of both proposed decisions and rules and should expedite materially the speed of Commission action on its backlog of cases. The committee desires to emphasize that it believes Commissioners can obtain at the recommended salary competent, trained, and well-experienced lawyers who know the administrative process, will adhere to orderly legal actions, and advise the non-legal-trained Commissioners in such matters.

In reducing the number of assistant counsels, assistant engineers, and assistant accountants the committee has followed the suggestions of individual Commissioners who believe that the employment of personal legal assistants will permit reduction in these posts. Moreover, the saving thus obtained will reduce the extra cost of seven legal assistants to Commissioners.

With respect to the increases proposed for top staff personnel, little need be said. All of those who would receive $12,000 per annum are now paid $10,300; in the case of the assistants and the secretary of the Commission, the proposed $10,000 salary will actually represent a very slight increase over earnings now received. It should be pointed out that the committee has added a provision which exempts these new salaries from any future pay-bill increase unless these positions are specifically enumerated.

The committee has recommended no increase in the basic $4,000 annual salary for the Commissioners' personal secretaries. Actual pay now received by incumbents in those posts is in excess of $5,000 per annum as a result of general pay-raise legislation and those now occupying these secretarial posts will not suffer any diminution in pay. The committee is of the opinion that with the employment of well-paid legal assistants, future Commissioners will be able to obtain competent and well-paid secretaries for the $4,000 per annum limitation in the bill.

Another major feature of this subsection is the provision which would prohibit the chief engineer and his assistants, the chief accountant and his assistants, the general counsel and his assistants, and the secretary of the Commission from leaving their post with the Commission to become an employee of a licensee until 1 year has elapsed after termination of their employment with the Commission. The committee believes that this provision is a necessary corollary to a similar provision applying to Commissioners themselves and that it will tend to curb an exceedingly unfair and occasionally improper practice. The ability to influence people in the Commission is reported to have been of great value in numerous instances; this provision coupled with increased salaries should aid in building up a career service within the Commission and halt further efforts to woo key personnel from the Commission for the purpose of influencing subsequent actions by the agency. The committee also has tightened the language pertaining to the employment of temporary counsel to make clear that such temporary employees

cannot become in effect permanent employees in the guise of holding temporary appointment. Such temporary counsel hereafter are to be employed for specific special service and no other.

A provision of this section of the law which permitted the appointment of a director of each division of the Commission has been eliminated; such posts have not been filled for years and there is no necessity for such positions under the organization of the Commission proposed by this legislation.

Subsection (d) of this section amends the first sentence of section 4 (g) of the law which deals with the authority of the Commission to make certain expenditures, including expenditures for purchase of land for the erection of monitoring stations. While the Commission has exercised this authority for years under specific appropriation acts annually, such provisions constituted legislation in an appropriation bill and are subject to a point of order. The Bureau of the Budget recommended that this point be clarified so that clear legislative authority to justify such appropriations would exist. This particular provision already has been passed by the House of Representatives on May 16, 1949 (H. R. 4251—SADOWSKI).

Subsection (e) amends section 4 (k) of the present act with the purpose of making more clear and definite what shall be contained in the annual report filed by the Commission with the Congress.

Briefly, the Commission is to furnish the Congress each year (1) information and data bearing on the problem of regulation of interstate and foreign wire and radio communication; (2) information on the general administrative operations of the Commission so that Congress may readily understand what it has done or failed to do; (3) information concerning new employees hired during the year, their experience, and those resigned or discharged; (4) information in detail of all sums expended by the Commission, for what purpose, and under what authority; (5) specific recommendations on necessary additional legislation.

The committee is aware that the information required by clause (4) is furnished to the Appropriations Committee of the Congress annually. But it is of the opinion that the legislative committees of the two Houses which are directly concerned with the functioning of the Commission also have a real interest in these matters. Moreover, such information will permit the legislative committees to examine under what authority expenditures were made.

Section 5

Section 5 of the bill is a revision of section 5 of the law which deals with the organization of the Commission. The present section is an anachronism in that it provides for a permissive divisional organization of the Commission, which was adopted briefly shortly following enactment of the law in 1934 and then dropped and has never been followed since. Section 5 therefore has now been rewritten into four brief subsections which set forth the duties of the chairman; provide for a functional reorganization of the Commission; provide for necessary delegation of certain specific duties (now a part of the present law); and designate time-limit objectives to be met by the Commission in processing cases with the added provision that Congress shall be promptly informed when cases have not been acted upon within certain fixed periods.

The most important subsection, and in the committee's opinion one of the most important of the entire bill here recommended, is subsection (b) which would reorganize the Commission into a functional organization. To make clear what the effect of this subsection would be, it should be explained that the Commission now is organized into three principal Bureaus—Engineering, Accounting, and Legal. It also has, of course, other subsidiary sections and units but the bulk of its licensing work flows upward through these three bureaus. Regardless of the type of case involved, each of these three bureaus must independently, or occasionally in consultation, pass upon applications and other types of cases. Whether or not this system is responsible, the fact remains that the Commission's backlog of cases has continued to mount to alarming proportions. Hearing cases rarely get out in less than 2 years; some have been before the Commission as long as from 4 to 7 years.

Citizens and taxpayers are entitled to greater consideration and better service from their Government than this.

Moreover, under this system, the three Bureaus have become self-contained and independent little kingdoms, each jealously guarding its own field of operations and able to exercise almost dictatorial control over the expedition of a case. They can, and have, set at naught the best efforts of individual Commissioners to spur action. Whether or not these Bureaus also have been effective agents in preventing the Commission from achieving its own reorganization is not clear since it is a fact that the Commission has the legal authority to undertake and impose the type of reorganization here recommended. But no Chairman of the Commission in recent times who has attempted to undertake reorganization has been able to secure agreement on details from a majority of his colleagues. Each individual Commissioner gives lip service to the need for reorganization but balks at some particular provision.

The committee has, therefore, written into law by subsection (b) a mandatory reorganization provision but on the recommendation of the Commission has allowed wide flexibility to accommodate possible changes in the nature and volume of the Commission's work in future years. The Commission would be required within 60 days after enactment of this bill to organize its Legal, Engineering, and Accounting Bureaus into such number of integrated divisions as are deemed necessary to handle the Commission's work-load problems. Under existing circumstances, these are expected to number three—broadcasting, common carrier, and special and safety service. Each of these divisions would include all necessary legal, engineering, and accounting personnel to handle the work but would operate together as a team rather than as separate professional groups. The Commission also would have authority to establish whatever additional divisions may be necessary to handle that part of its work load which may cut across the divisional organizations or which may not lend itself to handling by an integrated divisional unit.

Coupled with this divisional set-up, the committee also has provided for the establishment of a review staff, consisting of legal, engineering, and accounting personnel, whose sole function shall be to prepare and review decisions, orders, rules, and other memoranda as the Commission shall direct. The review staff shall be directly responsible to the Commission, and its personnel shall not engage in the preparation or prosecution of cases. Neither the general counsel, the chief accountant, nor the chief engineer shall have any authority over it. Its purpose is clear; it is to separate with finality the prosecutory and judicial functions of the Commission so that the same individual who prosecutes a case in behalf of the Commission before a hearing examiner shall not later be found preparing the final decision or advising Commissioners or the Commission as to the final decision. The records and facts well known to your committee and to the industry have proved beyond question that applicants have not always had the most equitable judicial treatment under the existing type of administrative judicial process. The committee believes that its proposed amendment will correct this situation.

Subsection (a) of this section sets forth the duties and responsibilites of the Chairman of the Commission, providing that he shall be the chief executive officer of the Commission and shall represent it in all matters relating to legislation and in dealings with the Congress as well as be responsible for the general organization and functioning of the Commission as a whole.

Subsection (c) is a revision of the existing subsection 5 (e) dealing with certain necessary delegation of the Commission's work to individual Commissioners, a board of Commissioners, or to employees. Such delegation is subject to the provisions of section 17 of this bill (sec. 409 of the act as revised by this bill) and to the provisions of the Administrative Procedure Act as described in section 17.

Subsection (d) is a new provision specifying that the Commission must meet at regular intervals but not less than once a month for the purpose of reviewing and expediting its work. The committee has set as fair time limits, for final Commission disposition of cases, a period of 3 months for nonhearing cases and 6 months from the final date of hearing on all hearing cases. The Commission is instructed to report to Congress promptly all cases pending before it longer than these periods stating the reasons for delay. The Congress will thus be currently apprised of the progress of Commission actions.

Section 6

This section amends subsection (d) of section 307 by deleting the phrase "but action of the Commission with reference to the granting of such application for the renewal of a license shall be limited to and governed by the same considerations and practice which affects the granting of original applications."

Once a license has been granted, there appears to be no good reason why the Commission should be required to take into consideration many of the factors which it should and must take into consideration in granting a license in the first instance. Such matters as the character and ability of the applicant to operate a broadcast station or his financial ability to construct and maintain a station are important factors for the Commission to consider in evaluating original applications for a broadcast station; they no longer may be pertinent factors when the Commission is giving consideration to renewal of a station license. It should be emphasized that while the recommended amendment does eliminate the necessity for the type of involved and searching examination which the Commission must make in granting an original license, it does not in any way impair the Commission's right and duty to consider, in the case of a station which has been in operation and is applying for renewal, the over-all performance of that station against the broad standard of public interest, convenience, and necessity. This authority of the Commission is made explicit by specifying that such renewal grants are subject to findings by the Commission that the "public interest, convenience, or necessity would be served thereby." This section, the committee desires to emphasize, is not intended to nor shall it be interpreted as modifying in any degree the high qualifications required of a licensee; rather, the objective of the recommended changes is to expedite the administrative consideration of the renewal process and to reduce the work load and expenditure on both the licensee and the Commission.

Section 7

This section amends subsection (a) of section 308 of the present act. It is designed to make more definite the procedures to be employed by the Commission in the exercise of its radio-licensing functions. This section fixes and determines the conditions under

which the first step in the exercise of the licensing function is taken; it makes positive and a part of statutory law that which has heretofore been the subject of dispute and controversy. There has been confusion under the terms of existing law over the basic question of when and under what circumstances a written application must be filed as the initial step in license proceedings and when, by the device of calling a license by some other name, the Commission, and applicants with the acquiescence of the Commission, have avoided this step.

The amendment recommended herein would make the filing of a written application a necessary condition precedent in all cases except those arising out of emergencies involving danger to life or property or damage due to equipment break-downs or when the authorization is required by emergency or security reasons during the continuance of any war in which the United States is engaged. The proposed new language does not change the substance of existing law; it merely makes certain that which has heretofore been uncertain. Moreover, the amendment is directed against the administrative practice of issuing special service authorizations which have been held not to be licenses, and therefore persons affected by their issuance were precluded from relying upon them or challenging their propriety.

Section 8

This section amends section 309 of the present act, which deals with the procedural steps involved in obtaining a license. It is the purpose of this section, as a necessary corollary of the preceding section, to make definite and certain the procedural rights and remedies of those who oppose, as well as those who apply for, a new instrument of authorization. The necessity for definite provisions of this character has been clearly demonstrated by experience.

Specifically, the amendment here proposed will make it possible, as at present, for the Commission to grant any application without hearing if convinced from ex parte examination that the statutory standard will be served thereby. It will, however, provide a method whereby any person, who has the right to challenge the legality or propriety of such a grant by appeal from the Commission's decision, can make his complaint first before the Commission—a guaranty which the present law does not contain. Provisions also are included which are designed to guarantee that any hearings held before the Commission upon any application will be conducted upon the basis of issues clearly defined so that the Commission will act as an arbiter.

Subsection (a) is merely a restatement of the present subsection (a) making clear that the standard of judgment which applies in issuing an authorization is in the public interest, convenience, and necessity.

Subsection (b) sets forth in specific terms what the Commission shall do with respect to notification of the applicant and known parties in interest, both prior to and after setting an application for hearing; the specification of issues; opportunity for an applicant to reply; who may participate under what circumstances and how.

Subsection (c) provides for what is commonly known as the protest rule. This provision merely insures that if the Commission grants a license or other type of authorization without a hearing, the grant will remain subject to protest under oath for a 30-day period by any party in interest. Thereafter, the Commission is required within 15 days to make a finding as to whether the protest meets the requirements of the section and, if it so finds, the matter shall be set for hearing under conditions specifically set forth to insure fullest judicial protection to citizens involved in such proceedings. Some question has been raised in earlier hearings on proposed Communications Act amendment bills with respect to the meaning of the term "parties in interest" as used in this subsection and in other sections of the bill. Fear has been expressed that use of "parties in interest" might make possible intervention into proceedings by a host of parties who have no legitimate interest but solely with the purpose of delaying license grants which properly should be made. The committee does not so construe the term "party in interest"; "parties in interest" because of electrical interference are fixed and defined by the Supreme Court decision in the *KOA case* (319 U. S. 239) and the Commission's rules and regulations; "parties in interest" from an economic standpoint are defined by the Supreme Court decision in the *Sanders case* (309 U. S. 470).

Subsection (d) is the present subsection (b) of section 309 of the act unchanged and merely sets forth the form of the license and the conditions attached to its grant.

Section 9

This section amends subsection (b) of section 310 of the act which deals with the transfer of licenses granted by the Commission. The existing provisions are indefinite in nature with respect to the procedure to be employed by the Commission in considering such transfers and this has led, in some instances, to differences in the treatment of applications for transfer of facilities. The recommended new language is designed to make certain that no construction permit or station license granted by the Commission may be transferred without the Commission's approval; to make definite the procedure to be employed by the Commission in passing upon transfer applications; and to clarify the standard to be applied by the Commission in passing upon the merits of such applications.

One of the purposes of the proposed new language in this subsection is to annul the so-called AVCO procedure adopted several years ago by the Commission to prevent a licensee from selling his property to a proper person of his choice but requiring an opportunity for others to make bids for any radio station proposed to be sold. The committee believes that there is no provision of present law which authorizes the Commission to employ such a procedure and it deems such a procedure an unwise invasion by a Government agency into private business practice.

The committee regards it as significant that the Commission dropped the so-called AVCO procedure several months ago as unsatisfactory and a cause of undue delay in passing upon transfers of licenses. It should be emphasized that the Commission's authority to see to it that stations are operated in the public interest and to determine whether the proposed transferee possesses the qualifications of an original licensee or permittee is not impaired or affected in any degree by this subsection. In fact, the latter requirement is expressly stated. The committee also desires to emphasize that the language recommended in this subsection specifically refers to construction permits as well as licenses. It is of the opinion that this lack of reference to construction permits in the present law may have led to some of the abuses which have taken place under the transfer provisions.

Section 10

This section amends section 311 of the present act which relates to the application of the antitrust laws of the United States. The existing law contains two sections (secs. 311 and 313) which deal with this subject. Section 313 of the present law makes clear that all licenses under the Communications Act come within the provisions of the antitrust laws and that if any licensee is found guilty of a violation of antitrust laws the court may, as an additional penalty, also revoke the license of the person or group found guilty. Section 311 of the present law specifically directs the Commission to revoke any license which the court has ordered to be revoked under the authority of section 313 and authorizes the Commission to revoke the license of a person found guilty of antitrust violation if the court itself has not ordered such revocation.

Licensees have consistently contended during various hearings before this committee that these two sections considered together as now written constitute an unfair discrimination against radio licensees and that such a double penalty is not imposed upon other classes of business by any other statute.

The committee is impressed with the legal validity of the protests which have been made against this type of double jeopardy. It believes there is merit in the contention that citizens should not be subject to trial for the same allegations before two different tribunals. Moreover, such an argument is particularly pertinent in connection with alleged violations of the antitrust statutes which are the particular province of the Department of Justice and do not, by any other law, come within the jurisdiction of any independent quasi-judicial agency of government.

The committee has made no change in section 313. That section, which makes all licenses amenable to the antitrust statutes and specifically grants the court authority, if a licensee is found guilty of an antitrust violation, to order revocation of his license in addition to all other penalties which may be imposed under authority of the antitrust laws, stands unchanged and unimpaired. It has, however, modified section 311, which gave to the Federal Communications Commission additional authority to institute license revocation proceedings in those cases where a licensee has been found guilty in court of an antitrust violation but where the court did not order revocation of the license issued by the Commission. The modification proposed merely prohibits the Commission from instituting its own antitrust proceeding. It retains the specific authority to refuse a license or permit in those cases in which a court under section 313 has ordered revocation of the license or permit.

The committee desires to emphasize that the Commission's existing authority under law to examine into the character of a licensee or permittee in granting a license or a renewal is in no way impaired or modified by the change here recommended in section 311. The Commission's authority to determine whether or not the public interest, convenience, or necessity will be served by the granting of a license remains paramount and if it finds that the conviction of a licensee under the antitrust laws or under section 313 has materially affected the character or standing of such licensee so as to warrant refusal of a renewal, or grant of license, it may so proceed. Thus, the Commission's power to protect against monopoly control of radio licenses remains unaffected by the changes herein recommended; it is merely estopped from initiating and proceeding with an antitrust case of its own.

Section 11

This section amends section 312 of the present act which deals with revocation of licenses. Under existing law a station license may be revoked for false statements either in the application, or in the statement of fact which may be required from time to time, which would warrant the Commission in refusing to grant a license on an original application; or for failure to observe any of the restrictions or conditions of the act or of regulations of the Commission authorized by the act or a treaty ratified by the United States. It is clear, therefore, that revocation is the sole administrative penalty in the case of violations ranging from the most serious to the least minor

and affecting those who may innocently violate regulations of the Commission on technical matters.

The committee feels that this is not a satisfactory situation for two reasons: The Commission is reluctant to revoke a license for a minor offense, and therefore minor offenses may be committed almost with impunity; and there exists no clear distinction between types of offenses. It is felt that some method of procedure short of revocation should be provided for minor or less serious violations. It is, therefore, provided that the Commission may issue cease-and-desist orders for such less serious violations.

The revocation penalty would remain in effect only (1) for those situations in which the Commission learns of facts or conditions after the granting of a permit or license which would have warranted it in refusing the grant originally had it known those facts; (2) for violation or failure to observe provisions of a treaty ratified by the United States; and (3) for violation or failure to observe the conditions of any cease-and-desist order issued in accordance with the provisions of this section. As in the case of cease-and-desist orders, the Commission must first issue an order to show cause why a license should not be revoked.

The cease-and-desist action would apply to those cases where a licensee has (1) failed to operate substantially as set forth in his license; (2) failed to observe the restrictions of this act or of a treaty ratified by the United States; and (3) violated or failed to observe any rule or regulation of the Commission authorized by this act.

It will be seen that violation of conditions or restrictions of a treaty may be proceeded against initially either by a revocation proceeding or the less onerous cease-and-desist proceeding, thus allowing Commission discretion as to the seriousness of the alleged offense. Moreover, the recommended language clothes the Commission with power to prevent persistent minor violations by making violation of a cease-and-desist order cause for a revocation action.

The cease-and-desist procedure is a time-tried and wholly successful one in many administrative agencies and the committee believes that its adoption by the Federal Communications Commission will be salutary. The language here recommended has had the approval of all witnesses who testified on the bill.

Revocation and cease-and-desist proceedings are, of course, subject to proper hearing procedures and are appealable to the courts. The burden of proof in all such proceedings is upon the Commission.

Section 12

This section provides for a new section (sec. 330) but its provisions are virtually identical with the present section 312 (b) of the law. In the interest of clarity and consistent order, the revocation and cease-and-desist provision has been assigned the number 312 and the provisions of the old section 312 (b) have been transferred to a new number.

The recommended language provides that modifications of licenses may be made where it will promote the public interest or where the provisions of the act or any treaty will be more fully complied with. This provision is identical with existing section 312 (b) except for language spelling out that a licensee whose license the Commission proposes to modify may on request secure a public hearing on at least 30 days' notice. This period of time may be shortened, however, where safety of life or property is involved. The section also provides that the burden of proof in all revocation, modification, and cease-and-desist proceedings is on the Commission.

Section 13

This section, entitled "Limitations on Quasi-Judicial Power," adds a new section (sec. 331) to the present act dealing with miscellaneous provisions relating to the procedures to be followed in modification, revocation, and renewal proceedings. It has been endorsed by all witnesses and has the general approval of Commissioners.

The intent of this section is to spell out in definite detail the authority of the Commission with respect to modification of licenses, and termination or revocation of licenses, and to provide a guide for the Commission in dealing with renewal of licenses.

The language makes clear that modification can be undertaken only in accordance with the provisions prescribed by section 330 (a) of the law (sec. 12 of this bill) and that revocation or termination of a license can be undertaken only for the reasons and in the manner provided by section 312 of the law (sec. 11 of this bill). It makes clear that Commission consideration of a renewal of license is also premised on the public interest, convenience, and necessity but the intent of the committee here is to separate more definitely and clearly the prosecutory functions and duties of the administrative staff of the Commission from the quasi-judicial functions of the Commission membership itself.

Section 14

This section amends section 401 of the present act by adding a new subsection (e) dealing with declaratory orders. The declaratory order method of procedure has received the direct approval of Congress in the enactment of the Administrative Procedure Act, which provides for issuance of such orders by administrative and independent agencies. The committee believes this type of procedure is an extremely beneficial one, both for the Government and for those having business before a Government agency.

The first sentence of the recommended section is substantially the language of the Administrative Procedure Act. However, the committee is of the opinion that because of the problems with which the Communications Commission deals it is necessary to provide additional safeguards in the issuance of declaratory orders by the Commission. The Commission should not be in the position of entering fiats to the industry under the guise of unsolicited declaratory orders. Moreover, such orders should be binding only on those who are parties to the proceeding.

This section provides that the Commission may issue declaratory orders in cases of actual controversy or in order to remove uncertainty. Such orders would be issued only upon petition and after notice and opportunity for hearing and such orders would, of course, be subject to judicial review.

One of the frequent criticisms of governmental procedure, particularly that of the quasi-judicial agencies, is that in order to test the legality, or even the meaning, of a rule or regulation, it is necessary to violate it and incur the penalties that go with such violation. Such a condition results in a particularly difficult situation in the case of radio broadcasting, involving as it does highly technical and specialized rules applicable to engineering and other technical equipment and operations most complicated in character. The proposed new section would make it unnecessary to incur the risk of violating the law in order to secure an authoritative ruling.

Section 15

This section amends section 402 of the present act, which deals with the subject of judicial review of the Commission's decisions and orders. The subject of appeals from quasi-judicial agencies to the courts and the legal remedies under such appeals are most important. Since the changes in existing law which are to be effected by the enactment of these subsections are several and substantial, detailed consideration is presented in this report.

Subsection (a) deals only with judicial review of Commission orders by specifically constituted three-judge courts. It substantially restates existing law with necessary clarification, and a provision is inserted which would give parties plaintiff, other than the Government, an option of venues for such suits, either in the appropriate United States district court or in the United States District Court for the District of Columbia. Subsections (b) through (j) deal with the subject of judicial review of decisions and orders of the Commission which are entered in the exercise of its radio-licensing functions.

Subsection (b) attempts a more precise and comprehensive definition of the jurisdiction of the United States Court of Appeals for the District of Columbia in cases appealed from the Commission. The language of this subsection, when considered in relation to that of subsection (a), also would make clear that judicial review of all cases involving the exercise of the Commission's radio-licensing power is limited to that court. Under present law confusion and controversy have arisen concerning what decisions and orders of the Commission might become the subject of judicial review and in what court. This has been carried to the point where the time and effort of both litigants and courts have been too much taken up with jurisdictional problems rather than with the merits of particular cases. Enactment of this subsection is designed to obviate this difficulty.

Subsection (c) deals with the time for and the manner of taking an appeal from the Commission to the United States Court of Appeals for the District of Columbia, and the duty of the Commission with respect to the filing and certification of the record in the event that such an appeal is taken. The appellate period is made 30 rather than 20 days as at present, and provision is made that the appellate period will run from the date of the entry of the order appealed from rather than from its effective date.

This subsection also definitely fixes and prescribes the nature and extent of the jurisdiction of the appellate court after a notice of appeal has been filed. It confers upon that court, by specific language rather than by inference, authority to grant temporary relief, which may be either affirmative or negative in its scope and application. The necessity for language of this sort in the statute itself can hardly be exaggerated in view of the controversy and confusion which have arisen concerning this subject. The language here is believed to be stronger and therefore preferable to that found in section 10 (d) of the Administrative Procedure Act.

Subsection (d) would continue in effect, substantially, the provisions of section 402 (c) of existing law. It does, however, attempt to settle certain ambiguities. The Commission would be compelled to file with the court both the record and its written decision within a period of 30 days after the filing of an appeal. Present provisions of law are susceptible of an interpretation which would require the filing of the Commission's decision 30 days after the filing of the record.

Subsection (e) is a redraft of section 402 (d) of existing law, with minor clarifying amendments.

Subsection (f) specifically confers upon the appellate court the right to fix by rule the material to be included in any record upon which an appeal is to be heard and determined. While this is now the practice of the United States Court of Appeals for the District of Columbia, questions have arisen concerning that court's power to take such action due to the peculiar language of the statute. This is a matter which obviously should be clarified.

Subsection (g) merely adopts the language of section 10 (e) of the Administrative Procedure Act as the procedure to be followed in the hearing and determination of the appeal.

Subsection (h) contains provisions which are intended to confer upon the appellate court a measure of control commensurate with the dignity and responsibility of that tribunal, requiring the Commission to give effect to the judgment of the court in the absence of proceedings to review. The committee points out that under the language of this subsection the appellate court would have ample authority, either on its own motion or upon the petition of the Commission or any other litigant, to provide, either as a part of its original decree or supplementary thereto, that new parties and new issues may be introduced and a new record made after remand to the Commission. This authority stems from the phrase "and unless otherwise ordered by the court."

Subsection (i) carries forward without change provisions of section 402 (f) of existing law relating to the assessment of costs on appeal.

Subsection (j) contains important amendments to existing law. Under present law, review by the Supreme Court of decisions of the United States Court of Appeals for the District of Columbia is limited to certiorari proceedings and to certification by the court of appeals. This subsection provides that, in a limited class of cases, appeals may be taken directly and as a matter of right to the United States Supreme Court.

Experience to date has clearly demonstrated that it is extremely difficult for private litigants to secure an ultimate Supreme Court review of Commission action by the certiorari method. Since 1927, only one such petition has been granted upon request of a private litigant, whereas only one such petition has been denied when filed by the Government. The result has been that many cases involving Commission action on applications for renewal and modification of licenses have, during this period, been reviewed by the Supreme Court upon request of the Government, and only one has received such consideration upon petition of a private litigant. Since either revocation or renewal proceedings may result in absolute or final loss of license, the committee believes that adequate opportunity should be given the parties affected in such cases to litigate their claims; and that, in this limited class of cases, opportunity should extend to and include review by the highest judicial tribunal. Such appeals, as a matter of right, are given in practically all cases involving decisions and orders of the Interstate Commerce Commission and are given under section 402 (a) of the Communications Act in cases such as the network cases (*National Broadcasting Co., Inc., et al.* v. *U. S. et al.* (319 U. S. 190)), which involve the exercise by the Commission of its legislative, as distinguished from its judicial, powers.

The committee sees no basis in substance for the distinction made so long as the result reached is determinative and final in either case and goes to the right of a litigant to remain in the business of his choice. The inclusion of such a provision should impose no undue hardship upon the Supreme Court because of the limited number of such cases. On the contrary, it would make possible the development of an authoritative body of law upon a subject vital to those engaged in the communications business and of substantial importance to the public generally.

Section 16

This section amends section 405 of existing law which deals with rehearing procedure before the Commission. Since the rehearing step is the final stage in the administrative process, the committee is of the opinion that clarity and definiteness are of paramount importance here. The new language recommended in this bill is intended to make more definite and certain the rights and remedies of the parties concerned.

Any party affected by a decision, order, or requirement of the Commission, or any other person aggrieved or adversely affected by it, is granted the right to petition for a rehearing. In order to expedite the rehearing process and prevent it from being used as a delaying action, the recommended new language specifies that, except for newly discovered evidence or evidence otherwise available only since the original taking of evidence, no evidence shall be taken on a rehearing. This is also intended to make such rehearing procedures conform to court practice, on appeal, in view of the fact that a rehearing conforms in many respects to an appeal to a higher court, where only the evidence already introduced is considered.

The recommended section also would eliminate uncertainties in existing appellate practices by providing that the time for appeal under section 402 (b) (sec. 15 of this bill) will run from the date upon which the Commission enters its order disposing of all petitions for rehearing filed in any case.

Section 17

This section amends section 409 of the present act, which deals with the hearing procedure before the Commission. The proposed new language replaces the present subsection (a) with three new subsections. These are designed to make definite and certain the procedure to be employed by the Commission in all cases where a public hearing is required by the provisions of the Communications Act or other applicable provisions of law.

The subject here dealt with is that of judicial or quasi-judicial hearings held by the Commission and is one of the most important of any dealt with in the entire bill. The changes recommended in this bill are prompted by what is believed to be an abundance of caution and a desire to prevent conflicts or misunderstandings due to the presence on the statute books of other provisions relating to the same subject. Since section 12 of the Administrative Procedures Act provides that subsequent legislation shall not supersede or modify the provisions of that act, unless specifically stated, it has been necessary to make specific references to that act where the subject matter requires a different treatment. The section consists of three subsections, which will be dealt with in order.

Subsection (a) will, in effect, require all hearings of a judicial or quasi-judicial nature conducted by the Commission to be held either by the whole Commission or by one or more examiners appointed by the Commission. It will not permit the conduct of a hearing by a single Commissioner, as is now sometimes done. This is important because it is impossible for the Commission to review the preliminary or intermediate report of one of its members with the same degree of objectivity or fairness with which it reviews the report of an examiner. Since section 7 (a) of the Administrative Procedure Act is so phrased as to permit a continuance of present practices, specific references to it were regarded as necessary in order to effect a change.

Subsection (b) relates to the procedure which shall be followed by the officers conducting a hearing and what shall be included in the record. Here again certain provisions of section 8 of the Administrative Procedure Act seem to be ineffective or inappropriate, and specific reference to section 8 of that act was required.

Subsection (c) has further reference to the conduct of hearing officers and certain other employees both during the hearing and subsequent thereto, but before final decision. While provisions of this type are not found in the Administrative Procedure Act, the committee believes that the clearest and most detailed separation of the prosecutory and judicial functions must be maintained in the interests of equity and fair treatment to those having business before the Commission. An exemption has been made with respect to the review work that may be carried on by the review unit provided for in this bill (sec. 5 (b) of the act and this bill) and by the Commissioners' personal legal assistants. But the committee insists that citizens shall be safeguarded in the administrative process so that unfair and improper influence shall not be brought to bear in their cases without their knowledge and without an opportunity for them to rebut in accordance with American juridical standards.

In providing for the establishment of a special review unit, the committee does not intend it to act as a panel designed to screen or modify examiners' proposed decisions before they reach the Commission. On the contrary, the principal function of the review unit is to digest and analyze proposed decisions (or rules and regulations) for the Commission to save individual Commissioners' time and expedite their handling of cases and the rule-making procedure. Such review board does not have and is not intended to have any authority to revise, modify, amend, or alter any proposed decision by an examiner nor to recommend to the Commission changes in such decisions. It is expected to act as a clearinghouse to make certain that both law and fact have been correctly applied and to digest, analyze, and note the scope and purport of the proposed decision.

Apart from the authority expressly granted the review board, and the duties laid upon the Commissioners' personal legal assistants, every safeguard is written into this section to prevent examiners, lawyers, or other employees from advising or consulting with the Commission with respect to its action.

These three subsections are amendatory. In the interests of clarity, these additional subsections are retained in the act, and renumbered so that the present subsections (b), (c), (d), (e), (f), (g), (h), (i), and (j), will become subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), respectively.

Section 18

This section amends section 414 of the present act, which provides that nothing in the Communications Act shall abridge or alter the remedies existing at common law or by statute. The recommended new language to be added is "except as specifically provided in this act, the provisions of the Administrative Procedure Act shall apply in all proceedings under this act."

The purpose and intent of the amendment is to make clear that all of the pertinent provisions of the Administrative Procedure Act are applicable in all procedural and appellate matters involving cases and controversies before the Communications Commission, except where specific procedural and appellate provisions are set forth in this bill. It will be noted that section 409 (a), (b), and (c) (sec. 17 of this bill) specifically refer to the Administrative Procedure Act and specify that, notwithstanding provisions of that act, the procedures set forth in those subsections are to be employed. The committee is well aware of the salutary provisions of the Administrative Procedure Act and has no desire to vitiate or impair the rights granted under the provisions of that act to private citizens doing business with a Government agency. It believes, however, that circumstances and conditions involved in procedures before the Communications Commission, particularly radio-broadcast cases, which differ from common-carrier principles, are such that special recognition must be given to the problem. The Administrative Procedure Act, which is a general statute covering procedure in all administrative agencies, does not meet all of these conditions and circumstances.

Section 19

This section is a new provision of law which adds a new section to chapter 63 of the Criminal Code dealing with fraud by radio. This provision has been recommended

by the Federal Communications Commission on several occasions, and the committee has heard of no opposition to it from any source.

It is intended merely to establish for radio a parallel provision now in the law for fraud by mail, so that fraud conducted or intended to be conducted by radio shall be amenable to the same penalties now provided for fraud by means of the mails. The Commission has pointed out that the loophole now in the law leaves not only citizens at the mercy of some clever schemer but actually places an innocent licensee at a serious disadvantage, since the only recourse the Commission has under existing law is to revoke a license. Of course, should a licensee be found to be involved in such a fraud, the Commission's power to revoke his license is not affected by this new section. It does, however, provide a means to reach a nonlicensee who may make use of the radio to defraud.

Section 20

This section is the usual separability provision to make certain that if any provision of the bill is found invalid it will not invalidate the remainder of the provisions of the bill and their applicability to persons or circumstances affected by the act.

DR. LUDOVIT RUHMANN

Mr. FLANDERS. Mr. President, I understand the objection to Senate bill 1565 has been withdrawn, so I ask for the consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (S. 1565) for the relief of Dr. Ludovit Ruhmann, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Dr. Ludovit Ruhmann, of Bethesda, Md., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized to deduct one number from the nonpreference category of the first available immigration quota for nationals of Czechoslovakia.

COLVILLE INDIAN RESERVATION LANDS

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate return to the consideration of Calendar No. 833, House bill 2432.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 2432) restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes.

Mr. MAGNUSON. Mr. President, I know of the objection of the Senator from Nebraska [Mr. BUTLER]. I see he is now in the Chamber. Knowing he had an interest in this matter, I was going to ask that it go over until he could be in the Chamber.

Mr. BUTLER. Mr. President, I ask that this bill go over to the next call of the calendar.

The PRESIDING OFFICER. The Senator asks unanimous consent that the bill be included in the next call of the calendar?

Mr. BUTLER. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The bill goes over to the next call of the calendar.

That completes the call of the calendar for today.

METHODS FOR PAYMENT OF TAX ON FERMENTED MALT LIQUORS

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate return to the consideration of Order No. 643, House bill 5114.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5114) to amend the Internal Revenue Code to permit the use of additional means, including stamp machines, for payment of tax on fermented malt liquors, provide for establishment of brewery bottling houses on brewery premises, and for other purposes.

Mr. GEORGE. Mr. President, I think there can be no objection to this bill. It is a bill to amend the Internal Revenue Code to permit the use of additional means, including stamp machines, for the payment of tax on fermented malt liquors, and to permit the bottling of malt liquors on the premises. It is a measure recommended by all the affected agencies of the Government, and I think it should be passed, purely as a means of preventing undue costs and expense.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

FEDERAL COOPERATIVE FOREST PROGRAMS

Mr. ELLENDER. Mr. President, in submitting its report on H. R. 2296, the Senate Agriculture and Forestry Committee incorporated the written report of its subcommittee which considered and held hearings on the bill. I served as chairman of the subcommittee, but in my recent absence from the Senate the bill has been handled by the able Senator from Florida [Mr. HOLLAND].

My attention has been called to the fact that in listing the organizations which were represented at the hearings in support of the bill, the name of the Association of State Foresters was inadvertently omitted from the subcommittee report, and I desire to correct the report in that respect. The fact is that the Association of State Foresters was represented at the hearings by Mr. Joseph F. Kaylor, who strongly urged the subcommittee to approve the House bill without amendments. Mr. Kaylor stated that the bill was developed by the Association of State Foresters and the Association of Land Grant Colleges after extensive study in an effort to bring about more effective conservation and utilization of the Nation's forest resources, and that the members of his organization, as well as of the Association of Land Grant Colleges, are very anxious to obtain congressional approval of the legislation at this session.

Mr. President, I ask unanimous consent at this time that the report be corrected.

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

Mr. HOLLAND. Mr. President, is there objection at this time to taking up Calendar No. 608, H. R. 2296, the bill just referred to by the Senator from Louisiana? It was objected to by the distinguished junior Senator from Michigan [Mr. FERGUSON] at the last call of the calendar. I understood there was no further objection. I was advised by the Senator from Michigan that he has withdrawn his objection, and that is why I am asking that it be brought up at this time by unanimous consent.

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

Mr. SALTONSTALL. Will the Senator tell us what the bill is about?

Mr. HOLLAND. The first three sections are to reenact and enlarge the Clark-McNary Act. The first section steps up the size of the fire-control authorization. At the present time the States and Territories are putting up more money than the Federal Government is matching, and certainly, in view of the forest fires that have been raging, the great need for the Federal Government's cooperating is clearly apparent.

The second section of the bill has to do with enlarged forest replanting or reforestation, and the third section of the bill relates to expanded educational activities in forestry under the land-grant schools.

There were highly controversial provisions later in the bill which the committee cut out. The committee did not hear any great objection to the three sections which remained in the bill and which I have briefly mentioned.

I described the bill at some length when it was called up before, and I shall be glad to do so again, if necessary, but I think the Senator from Michigan was the only Senator who objected on the previous call.

Mr. HENDRICKSON. There were other objections. I am pretty sure one objection came from the senior Senator from Oregon. I should like to check on that.

Mr. LUCAS. Mr. President, this illustrates the difficulty in returning to bills at this time. A number of Senators have left the Chamber, believing, no doubt, that the calendar was finished. I rather think that unless we absolutely know that there are no objections, we should not return to bills when there is any possibility that objections might exist to their consideration.

Mr. HOLLAND. Mr. President, I renew my request. If any Senator desires to object, that is his right, but my understanding was very clear that the Senator from Michigan was the only objector, and he has told me affirmatively that he has no further objection. That is why I make the request that the bill be taken up at this time.

Mr. HENDRICKSON. I did not even know that the junior Senator from Michigan had objected, but our records show that there was objection from the senior Senator from Oregon.

Mr. AIKEN. Mr. President, in view of the three things for which it provides, it would be most unfortunate if this bill were held up, now that it has been amended. First, it makes provision to

enable the Federal Government to match the expenditures of the States and the people of the localities in forest-fire prevention, which they were supposed to have done long ago anyway. It also provides $500,000 instead of $100,000 for the use of the Extension Service in forestry work. It increases somewhat the appropriation for cooperation with the States in reforestation. The objectionable features, so far as I know, have all been removed. I have no objection to the controversial features. To my mind it is a question whether they are objectionable or not.

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

Mr. AIKEN. I yield.

Mr. THYE. I should like to support the senior Senator from Vermont in his statement that the objection was to sections 4 and 5 in the bill. When the subcommittee of the full committee amended the bill and struck out sections 4 and 5, I believe we removed all the objections to the bill. I cannot believe that anyone would object to the bill as it is now drafted.

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

Mr. AIKEN. I yield.

Mr. BALDWIN. I earnestly hope the bill may be considered at this time, because I am advised by the State, Park, and Forest Commission of the State of Connecticut that the bill is very much needed. In Connecticut we are heartily in favor of its passage.

Mr. AIKEN. The bill will provide protection for 25 percent of our forest lands which are still unprotected from fires, in the sense that we generally consider forest fire protection.

Mr. HENDRICKSON. Mr. President, I have just been reliably informed that the senior Senator from Oregon [Mr. CORDON] did have an objection, but the objection was to section 4. So I will take the responsibility of withdrawing all objections to consideration of the bill.

Mr. AIKEN. I thank the Senator from New Jersey. I think all the objection was to section 4, which made a provision for the employment of a good many more county foresters, and there were a substantial number of consulting foresters in the country who thought that would infringe upon their domain. It is a question whether it would or not. But in order to remove the controversy, that section was withdrawn from the bill.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 2296) to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

The first committee amendment was, on page 3, line 10, after the word "suitable", to insert "State."

The amendment was agreed to.

The next amendment was on page 4, after line 3, to strike out section 4, as follows:

SEC. 4. It is hereby declared to be the policy of the Congress to encourage the development and maintenance of adequate forest resources as essential to national defense, full employment, and national prosperity. It is recognized that to attain these objectives, the management of privately owned forest lands which constitute the bulk of the Nation's forest land resources, must be in accordance with sound forestry practices, that wastage in processing and utilization of forest products must be reduced to a minimum, and that in addition to the educational and demonstrational activities contemplated by section 5 of the act of June 7, 1924 (43 Stat. 654), as amended, it is essential that adequate provision be made for the furnishing of technical services and assistance to owners of forest lands and processors of forest products. It is the intent of the Congress that the facilities for such technical services and assistance be provided mainly through cooperation with State forestry agencies. It is intended that the powers and authority of the Secretary of Agriculture under this section shall be supplementary to the powers and authority conferred on him under any other act. To carry out the purposes of this section the act of June 7, 1924 (43 Stat. 653), is amended by adding thereto the following section:

"SEC. 10. (a) The Secretary of Agriculture is hereby authorized and directed to establish and maintain services and facilities for furnishing technical services respecting the proper management of privately owned forest lands and federally owned lands administered by the States; for giving technical services to forest-land owners concerning the value of their forest products and the efficient production and marketing thereof; for assisting forest owners and processors in reducing timber harvesting and processing costs, utilizing inferior species and grades, improving the quality and expanding the uses of forest products, establishing markets, and developing rural forest industries; for giving technical services to consumers with respect to the selection and use of forest products; and for otherwise effecting improvements in the growing, harvesting, marketing, and utilization of forest products.

"(b) The Secretary of Agriculture is authorized under such terms and conditions as he deems appropriate to cooperate with State forestry agencies in carrying out the purposes of this section and in promoting its objectives. The amount expended in any State by the Federal Government through such cooperative action shall not exceed during any fiscal year the amount expended by the cooperating State for the same purpose during the same fiscal year and the Secretary of Agriculture is authorized to make expenditures on the certificate of the appropriate State official having charge of the cooperative work for the State that State expenditures as provided in this section have been made.

The amendment was agreed to.

"(e) The Secretary of Agriculture is further authorized, under such terms and conditions as he may deem appropriate, to cooperate with public and private agencies and persons to obtain assistance in carrying out the purposes of this section. Money contributions received from cooperators shall be covered into the Treasury and shall constitute a special fund, which is hereby appropriated and made available until expended as the Secretary may direct for conducting activities authorized by this section and for making refunds to contributors of amounts paid by them in excess of their share of the cost of cooperative work.

"(d) There is hereby authorized to be appropriated to enable the Secretary of Agriculture to carry out the provisions of this section the following sums: $1,500,000 for the fiscal year ending June 30, 1950; $3,000,000 for the fiscal year ending June 30, 1951; $4,500,000 for the fiscal year ending June 30, 1952; and $6,000,000 for each subsequent fiscal year."

The amendment was agreed to.

The next amendment was, on page 6, after line 24, to strike out section 5, as follows:

SEC. 5. The act of May 18, 1937 (50 Stat. 188), known as the Cooperative Farm Forestry Act, is hereby repealed effective June 30, 1950.

The amendment was agreed to.

The next amendment was on page 7, line 3, to change the section number from "6" to "4."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2296) was read the third time and passed.

JOINT COMMITTEE ON THE ECONOMIC REPORT—AMENDMENT OF EMPLOYMENT ACT OF 1946

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to return to Senate bill 2085, Calendar No. 602.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2085) to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report.

Mr. TAFT. Mr. President, I objected to this bill when it was reached on the last call of the calendar because it had not been officially approved by the Joint Committee on the Economic Report. Since that time it has been approved by that committee, so I withdraw my objection. I will not object to the bill although I do not approve of the second provision in the bill.

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

There being no objection, the Senate proceeded to consider the bill (S. 2085) to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report, which had been reported from the Committee on Banking and Currency with amendments on page 1, after line 2, to strike out:

That subsection (d) of section 5 of the Employment Act of 1946 (60 Stat. 25), as amended, is amended by inserting after the word "consultants" the following: "(at a rate not to exceed $50 per day when actually employed, including all pay increases authorized by the Federal Employees' Pay Act of 1945, as amended and supplemented)."

In line 10, to strike out "Sec. 2 Subsection", and insert "That subsection", and on page 2, line 3, to change the section number from "3" to "2", so as to make the bill read:

Be it enacted, etc., That subsection (e) of section 5 of such act is amended by striking out "$50,000" and inserting in lieu thereof "$150,000."

SEC. 2. Section 5 of such act is further amended by inserting at the end thereof the following:

"(f) Service of one individual as an attorney or expert for the joint committee, in any business or professional field, on a part-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of

services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States."

The amendments were agreed to.

Mr. O'MAHONEY. Mr. President, the joint committee suggested three amendments, which I send forward, and I ask for their adoption.

The VICE PRESIDENT. Does the Senator desire to have the amendments considered en bloc or separately?

Mr. O'MAHONEY. En bloc.

The VICE PRESIDENT. The amendments will be stated en bloc.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out "such Act", and insert "the Employment Act of 1946 (60 Stat. 25), as amended,"; on page 2, line 2, to strike out "$150,000" and insert "$125,000"; and on page 2, line 5, after the word "individual" to insert a comma and "until the completion of the investigation authorized by Senate Concurrent Resolution 26, Eighty-first Congress."

The VICE PRESIDENT. The question is on agreeing en bloc to the amendments offered by the Senator from Wyoming [Mr. O'MAHONEY] on behalf of the Joint Committee on the Economic Report.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STATE RURAL REHABILITATION CORPORATIONS

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ANDERSON. Would it be in order for me at this time to ask unanimous consent to take up Senate bill 930, dealing with State rural rehabilitation corporations, with respect to which, on the 27th day of May, a motion was entered by the Senator from Colorado [Mr. JOHNSON] for reconsideration?

Mr. WHERRY. What is the calendar number?

Mr. ANDERSON. The bill is not on the calendar. It is to be found in the calendar under "Motions for reconsideration."

The VICE PRESIDENT. A motion to reconsider was made and has been pending since May 27, 1949.

Mr. ANDERSON. Mr. President, I may explain that the motion was entered on a Friday after the bill had been passed on the call of the calendar on Monday. At the time the motion was made there were three or four Senators on the floor. There are more sponsors of the bill than that, and they and a number of other Senators who are interested in the bill steadily, since the 27th of May, have been trying to have action taken on the motion. I spoke to the distinguished Senator from Colorado [Mr. JOHNSON] today and said I would make an effort to bring up the bill today as soon as the call of the calendar was finished. The senior Senator from Florida has been attempting to get him to come to the Senate Chamber so we might bring up the bill. I feel it is desirable that we have action on the motion for reconsideration. The bill was passed by the Senate and was sent to the House.

Mr. LUCAS. Mr. President, a parliamentary inquiry with respect to that measure.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Am I correct that it would be necessary to move to have action taken on the motion for reconsideration, and that if it were agreed to it would result in displacing the pending business?

The VICE PRESIDENT. Action can be taken on the motion by unanimous consent. If a motion were made to proceed to consideration of the motion to reconsider, and it were agreed to, automatically that would set aside the unfinished business.

Mr. WHERRY. Mr. President, unanimous consent has already been obtained to take up, following the disposition of the calendar, the motion relating to Senate bill 1008. I ask the distinguished Senator from New Mexico if his request cannot be made after that motion is acted on?

Mr. ANDERSON. It is my understanding that the motion might not be taken up this afternoon.

Mr. WHERRY. Unanimous consent has been entered into to proceed to consideration of the motion to reconsider the vote whereby Senate bill 1008, the so-called basing-point bill, was sent to conference. I would not want to give unanimous consent to consider the matter requested by the Senator from New Mexico until the matter agreed to be taken up under unanimous consent is disposed of.

Mr. LUCAS. Mr. President, I shall object for the moment, until we dispose of the calendar, and find exactly where we stand with respect to the calendar. We are talking now about bills on the calendar, and not motions to reconsider. I should like to have the motion to reconsider with respect to Senate bill 1108 disposed of. I should also like to make an explanation with respect to the resolution disapproving Reorganization Plans Nos. 1 and 2 before we take up the matter referred to by the Senator from New Mexico.

The VICE PRESIDENT. The call of the calendar was completed up to the point of the bills which were reported yesterday. They went over because no reports had been filed.

Mr. LUCAS. That is correct.

SPECIAL QUOTA IMMIGRATION VISAS TO CERTAIN ALIEN SHEEPHERDERS

Mr. McCARRAN. Mr. President, I ask unanimous consent that the Senate revert to calendar No. 570, Senate bill 1165, to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders. There had been objection to the bill, but I understand the objection has been withdrawn.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1165) to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders.

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

Mr. TAFT. Yes; I object at this time to taking up any more bills on the calendar. I agree with what the majority leader just stated. It seems to me we should consider bills on the calendar in their order.

Mr. McCARRAN. The Senate has completed consideration of the bills on the calendar.

Mr. WHERRY. I should like to have the distinguished Senator from Ohio withhold his objection long enough so the Senator from Nevada may explain the purpose of the bill. It is a bill which means much to many persons in our sections of the country. Sheepherders are desperately needed. If we cannot secure passage of the bill now we might as well quit trying to have it passed. I agree with the Senator from Ohio that we should not return to consider all bills on the calendar if Senators who may be interested are not present. But those who have heretofore objected to the bill are now present.

The VICE PRESIDENT. The Senator from Ohio has objected, therefore the Chair has no control over the matter.

Mr. WHERRY. Will the Senator from Ohio withhold his objection for a moment?

Mr. TAFT. I believe we should consider the bills on the calendar in order. If it had previously been agreed that certain bills be considered after the call of the calendar, such bills should be considered. But if agreement had not been reached respecting taking up bills after the call of the calendar, it would not be fair to those who are not present to take them up. No notice has been given to the Senate with respect to this bill being taken up at this time.

The VICE PRESIDENT. The Senator from Ohio objects.

Mr. McCARRAN. Will the Senator withhold his objection to this one bill? It is of vital importance to the sheep raisers.

Mr. TAFT. Mr. President, there are four other bills ready to come in on the same theory. I object to taking up any additional bills. If they are important enough to be taken up, it seems to me a motion should be made to take them up.

The VICE PRESIDENT. Objection is heard.

PROGRAM FOR CONSIDERATION OF REORGANIZATION PLANS NOS. 1 AND 2

Mr. LUCAS. Mr. President, on the calendar is Senate Resolution 147, reported by the Senator from Arkansas [Mr. FULBRIGHT] and other Senators. It is a resolution disapproving Reorganization Plan No. 1 of 1949.

Following that there is Senate Resolution 151, reported by the Senator from Arkansas [Mr. McCLELLAN], the Senator from South Dakota [Mr. MUNDT], and other Senators, disapproving Reorganization Plan No. 2 of 1949.

I wish to read into the RECORD at this time section 6 (a) of Public Law 109, which was enacted by the Eighty-first Congress, dealing with the reorganization of the Government. This is under

the title "Taking Effect of Reorganizations":

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it—

These reorganization plans were transmitted to Congress on June 19. And on August 19 the 60-day period will expire.

I continue to read from section 6 (a)—

but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the reorganization plan.

Turning to section 205 of the act:

SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(b) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit the resolution shall be in order and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

Returning to the question of a motion for consideration of such a resolution, I now give notice to the Senate that on Tuesday next, immediately following the convening of the Senate, the Senator from Illinois will make a motion to proceed to the consideration of the resolution disapproving Reorganization Plan No. 1 of 1949

My understanding is that the motion to proceed to the consideration of the resolution is not debatable. After the resolution is taken up, of course, it is debatable, for not to exceed a period of 10 hours. That period of 10 hours may also be restricted. It seems to me that that is quite a long time to debate the resolution. I am wondering whether or not we might have some understanding as to a limitation of debate on the resolution with respect to Reorganization Plan No. 1, as well as the resolution dealing with Reorganization Plan No. 2. If we can limit debate to less than 10 hours, I should like to do so. I am open to any suggestion by the minority leader, or by the Senator from Ohio [Mr. TAFT], who is Chairman of the Policy Committee, with respect to this subject. I also welcome any suggestion from the ranking minority member of the Committee on Expenditures in the Executive Departments.

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

Mr. LUCAS. I yield.

Mr. TAFT. The resolution was submitted by the distinguished Senator from Arkansas [Mr. FULBRIGHT], and I think he should agree to any limitation of debate which may be requested. It is not a party matter in any sense.

Mr. LUCAS. I am pretty sure, so far as we are concerned, that those of us on this side of the aisle are willing to agree to some limitation of debate.

Mr. WHERRY. Mr. President, reserving the right to object——

Mr. LUCAS. I am not making a unanimous-consent request.

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

Mr. LUCAS. I yield.

Mr. WHERRY. Does the majority leader now suggest a day for the consideration of the resolution?

Mr. LUCAS. I have already suggested Tuesday next.

Mr. WHERRY. When the Senate convenes?

Mr. LUCAS. That is correct.

Mr. WHERRY. Does the majority leader at this time suggest a limitation of debate?

Mr. LUCAS. I am not suggesting any definite limitation of debate.

Mr. WHERRY. Would the Senator from Illinois suggest a definite allocation of time?

Mr. LUCAS. I should say that we ought to complete the debate in 4 hours.

Mr. WHERRY. That would mean 2 hours for each side.

Mr. LUCAS. Yes.

Mr. WHERRY. So far as I am personally concerned, I think we should do our level best to cooperate with the majority leader. Unless there is objection, I am perfectly willing to agree to a limitation.

Mr. TAFT. Mr. President, I would object——

Mr. LUCAS. I am not making a unanimous-consent request at this time. I am only putting out a "feeler", so to speak, with a view of trying to get together between now and next Tuesday, to see if we cannot limit debate.

Mr. TAFT. This is the resolution of the Senator from Arkansas [Mr. FULBRIGHT]. I do not believe that any agreement for limitation of debate should be made until he agrees to such a limitation. I think it can be made at any time between now and next Tuesday.

Mr. LUCAS. That is correct. The only thing I am trying to do is to save a little time. Every day some Senator asks me, "When are we going to get away? Can't you hurry things along just a little in the Senate, Senator LUCAS? I would like to go down to North Carolina and do a little trout fishing, or I would like to go up North and get a little sunshine in Canada, or some other argument, even more plausible."

Mr. WILEY. Wisconsin.

Mr. LUCAS. Yes. I should like to go to northern Wisconsin myself. I have a little summer home there.

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

Mr. LUCAS. I yield.

Mr. McFARLAND. Arizona has the best sunshine.

Mr. LUCAS. I have heard differently.

Mr. President, I realize that this is a very important measure. I do not want to limit the time if any Senator feels that the matter should be discussed the full length of time prescribed by law.

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

Mr. LUCAS. I yield.

Mr. IVES. The Senator from New York would like to ask the Senator from Illinois when he plans to debate Reorganization Plan No. 2?

Mr. LUCAS. Immediately following the disposition of Reorganization Plan No. 1.

Mr. IVES. The same day?

Mr. LUCAS. Immediately following the disposition of Reorganization Plan No. 1.

Mr. IVES. Suppose the Senator does not succeed in getting an agreement for the limitation of debate. Would the Senate remain in session until 10 o'clock that night?

Mr. LUCAS. I do not know whether it would or not.

Mr. IVES. That would be 10 hours.

Mr. LUCAS. That is correct.

Mr. IVES. I assume the Senator will want the Senate to remain in session until the debate is completed.

Mr. LUCAS. The Senator from New York is now talking in favor of a night session.

Mr. IVES. I certainly am, if we can accomplish something by it.

Mr. LUCAS. We can in this case accomplish something with a night session, because of the limitation of time.

Mr. IVES. The suggestion I wish to make is simply this: It seems to me that we shall have at least 4 hours debate on Reorganization Plan No. 1, and it seems to me that an agreement ought to be reached as to the debate on Reorganization Plan No. 2, on the day following.

Mr. LUCAS. I will say to the Senator from New York that regardless of whether we fix the time or not, whether it takes 4 hours or 10 hours, immediately following the disposition of Reorganization Plan No. 1 it is planned to proceed to the consideration of the resolution dealing with Reorganization Plan No. 2. That will follow immediately.

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

Mr. LUCAS. I yield.

Mr. TAFT. I think it should be added that in view of the provision of the law it is necessary for Senators who are interested in resolutions disapproving the plans to be present. Regardless of how many Senators are present, 49 votes will be required to disapprove the plans. I thought I would call attention to the fact that the setting of a particular day is very useful for that purpose. I trust that all Senators who disapprove the plans will be present.

Mr. LUCAS. As one Senator who will probably take a position opposite to that of the Senator from Ohio, I am not too much interested in that question.

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

Mr. LUCAS. I yield.

Mr. WHERRY. The reason I suggested a 4-hour limitation was that I

talked with the Senator from Arkansas [Mr. FULBRIGHT]. I thought I knew something about what the situation would require. However, I have not been consulted by the senior Senator from Ohio. I suppose that by Tuesday we can reach an agreement as to the allocation of time, which I think is very desirable.

The second question which I wished to ask has already been asked by the Senator from New York [Mr. IVES]. No doubt it will be the majority leader's desire to obtain a limitation of debate on the resolution dealing with Reorganization Plan No. 2, if that is possible. Is that correct?

Mr. LUCAS. The Senator from Nebraska is correct. I should like very much to obtain a limitation of time on the debate on the reorganization plans.

I am very thankful to the Senator from New York for calling my attention to the fact that once we begin the debate we can continue for 10 hours and finish it. That may be exactly what we shall do if we cannot get a limitation of time.

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

Mr. LUCAS. I yield.

Mr. TAFT. Let me say that so far as I am concerned, not only will we agree to a limitation of debate on these two measures, but if the Senator from Illinois will list the other measures he wishes to get through and will ask for a limitation of debate on all of them, I shall do my best to secure a limitation on the debate, in order that at some time the Congress may be able to adjourn.

Mr. LUCAS. That is a very interesting suggestion, but I fear that if I should give the list to the Senator from Ohio, a number of Senators on his side of the aisle would not agree to any limitation which would be acceptable to him.

It may be that after we get the appropriation bills out of the way I shall sit down with my friend, the Senator from Ohio, and submit to him a list for his consideration. The responsibility for all the bills which would be on such a list is not entirely mine, of course. The committees have reported them, and I think the Senator from Ohio is responsible for reporting some of them, but it is my duty to give them every consideration for action when they reach the calendar.

Mr. President, with that explanation, and more or less of an understanding of what is to come up on Tuesday, I now yield the floor.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PEPPER. Do I correctly understand that the two reorganization measures about which the Senator from Illinois has spoken, being privileged matters, will not displace Senate bill 653, the bill amending the Fair Labor Standards Act of 1938, as the unfinished business, even when the reorganization measures are considered by the Senate?

Mr. LUCAS. That is my understanding, with the exception of the unanimous-consent request entered into with respect to the basing-point bill.

The VICE PRESIDENT. The Chair understands that agreement was made, by unanimous consent, that the Senate take up the motion for the reconsideration of Senate bill 1008, the basing point bill, at the conclusion of the call of the calendar.

Mr. LUCAS. That is correct. That will automatically be the pending business at the conclusion of the call of the calendar.

The VICE PRESIDENT. Yes. Is the Senate ready to proceed with the consideration of that motion at this time?

Mr. LUCAS. I think not. The Senator from Louisiana is very anxious to start tomorrow at full steam, rather than to begin tonight.

The VICE PRESIDENT. It is the understanding of the Chair that the motion for the reconsideration of Senate bill 1008 is the pending business, and will be taken up when the Senate resumes its discussion tomorrow, without any further proceeding.

Mr. LUCAS. That is my understanding of the unanimous-consent agreement entered into on last Friday.

Mr. President, it is my hope that those who are interested in the basing-point bill—and apparently a number of Senators are—will see to it that we stay right on that bill, without interruption. I plead with Senators to omit extraneous speeches for just a while, and permit us to stay on the basing-point bill until we finish with it. I plead with those who are interested in the basing-point bill to make their arguments with all convenient speed and clarity, so that we can reach a decision on that bill as quickly as possible.

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

Mr. LUCAS. I yield.

Mr. FERGUSON. I wonder whether there will be a period in which we can place certain matters in the RECORD?

Mr. LUCAS. That can be done either tomorrow or now.

Mr. President, I am about to move that the Senate stand in recess until tomorrow.

HOUSING AMENDMENTS OF 1949

Mr. CAIN. Mr. President, will the Senator yield to me at this time?

Mr. LUCAS. I yield the floor, if the Senator from Washington wishes to make a short statement, as I have understood he does.

Mr. CAIN. Mr. President, the majority leader thought it would be convenient for me to make a brief statement to the Senate at this time.

The Senate Committee on Banking and Currency agreed yesterday, by a 7 to 5 vote, to report favorably Senate bill 2246, the so-called housing amendments of 1949. As one of those who voted against the bill in its amended form, I wish to make it clear as to my reasons for so doing.

As often happens in our legislative process, this is but another instance of a major legislative proposal which combines both good and bad features in large amounts. But in this case the good is so outweighed by the bad that I felt obliged, along with four other Senators, to vote against the bill in its final form. There was no other course open for me to take. I feel very strongly that the responsibility for a possible dislocation of our private building industry and the undermining of our private lending institutions rest squarely on the shoulders of those who insisted upon including several revolutionary departures in this bill.

I fully realize this is very strong language, indeed; but I hazard the opinion that when other Members of Congress and the American people generally discover the full import of Senate bill 2246, such a contention will be substantiated.

It is well known that millions of American homes and rental units have been built in the past several years by our private building industry, with considerable stimulus and aid provided by the Federal Housing Administration's various insured mortgage loan programs. In addition, countless American veterans have been aided in owning their own homes by use of the GI home-loan program administered by the Veterans' Administration.

Both the FHA and GI programs are serviced by the Federal National Mortgage Association, commonly referred to as "Fannie Mae," in the RFC provision for the extension, improvement, standardization, and liberalization of these various aids to private building construction is contained in Senate bill 2246; and no one who knows the record-breaking achievements of the building industry can but agree to this part of the bill. The committee unanimously favored these improvements.

The most amazing provision in the bill as reported by the committee is contained in title III, which provides $1,000,000,000 of direct Government loans for cooperatives at about 3 percent interest, to be amortized over a 50-year period. In my opinion, this not only subsidizes a segment of American citizens who can well afford to enter the private market for their loans for purchasing homes, but it also directly guarantees that the United States Government will unfairly compete with private lending institutions at a rate and under conditions which will prove disastrous. I wish to make it clear that I am solidly in favor of attempts to encourage cooperative housing in the United States, but I am certain that such encouragement can be provided through private lending sources, with insurance by the Government as is contained in present FHA programs and title I of this bill.

When Mr. Raymond Foley, Administrator of the Housing and Home Finance Agency, appeared recently before the Banking Committee, he had this to say:

> I am calling these considerations to the attention of the committee in connection with title III of the pending bill because I believe they merit and require careful study. This is particularly so in view of the fact that the financing proposals contained in this title represent a substantial departure from the Federal Government's existing role in housing finance.

For five more pages of his statement, which I would refer to the thoughtful

consideration of all Members of the Senate, Mr. Foley said the following things: First, he proved by figures that this title would reach only the upper one-half of the income group this title was designed to serve. According to one who is presumed to be the foremost authority on housing, so far as the Government is concerned, in this country, he said, "In this title you have a good idea, which will not work"; second, he suggested that the title should be amended in several respects if the Congress seriously contemplates its passage; third, he said that the title, as written was not in accord with the President's program. Certainly, Mr. President, Mr. Foley's considered judgment and recommendations on this matter require careful study by the Congress, but as yet they have not had it.

Although this particular direct loan proposal is the most revolutionary provision contained in the bill, there are several other provisions which I shall oppose strongly on the floor of the Senate at considerable length. Title II of the bill provides a procedure whereby Lanham Act temporary and permanent war housing is disposed of or transferred by the Federal Government to United States municipalities. The sections of this title which relate to disposal of temporary and veterans' reuse housing were unanimously agreed to in committee. However, included in this title is a very controversial proposal to turn over without consideration some 32,000 units of permanent Lanham-Act housing to certain municipalities for low-rent public housing purposes. This would be done lock, stock, and barrel, without any provision for a reasonable return to the Federal Government for its huge investment in these developments. Clearly, this is a direct contradiction of the announced policy of Congress when it passed the Lanham Act, which provided for unit and group sales of any permanent war housing—with priority to veterans—as soon as possible.

I think I can definitely state without fear of contradiction that the Senate Banking Committee has not had time since the introduction of the bill (S. 2246) adequately to survey the needs, desires, and wants of the affected communities, particularly the needs of those citizens who presently reside in Lanham-Act housing, which would be so transferred for low-rent public housing. I asked that longer consideration and study be given to this section, but I was out-voted.

Perhaps one more provision of the bill is worthy of comment. Title IV provides for a simplification of guarantees, and an increased secondary market for GI home loans at 4 percent interest. However, it goes one step further and provides for a $300,000,000 revolving fund which the Veterans' Administrator could use to make direct loans to veterans. Here again, serious study should be made before time-proven and productive lending procedures should be subjected to direct Government competition. The past several months have seen a vast amount of 4 percent private funds made available for GI loans. I urged this direct loan provision be withheld until the second session of the Congress, for by then we could the better determine the continuing availability of 4-percent GI loan funds.

It is also interesting to note that the administration looks askance at such a provision. When Mr. Foley appeared before our committee he said:

> I have been authorized by the Director of the Bureau of the Budget to advise that the enactment of section 401 (d) of the bill (the Veterans' Administration direct-loan section) would not be in accord with the program of the President.

Mr. Foley gives many sound and logical reasons for this position. I invite careful attention to his views.

In conclusion, I wish to make it clear that I agree with most of Senate bill 2246, but certain of the suggested direct-loan procedures and the disposal of $130,000,000 worth of permanent Lanham-Act housing for low-rent use certainly deserves and should have further study and analysis by the Congress before becoming law.

Mr. President, the junior Senator from Washington has presumed on the time of the Senate at this late hour because of the importance of S. 2246, which will shortly be reported to the calendar. It includes several billion dollars of direct Federal obligations, and several billion dollars more in potential obligations. Every Senator has, I think, an interest in this legislation and will not wish to see it become law until he is satisfied that it will work, and at a reasonable cost.

FOURTH ANNUAL REPORT ON WORK OF UN BY SECRETARY GENERAL TRYGVE LIE

Mr. KEFAUVER. Mr. President, all of us are greatly interested in the success and the activities of the United Nations. Certainly the United Nations still represents the hope of people in this country and throughout the world that we may have settlement of international disputes in a peaceful way. In order to keep abreast of the activities of the United Nations, I ask unanimous consent that the introduction to the fourth annual report by Secretary General Trygve Lie on the work of the United Nations be printed in the RECORD at this point. It is a very interesting and comprehensive introduction, which I think will be informative to Members of the Senate. It was published in the New York Times of Tuesday, August 9.

The VICE PRESIDENT. Is there objection?

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

INTRODUCTION TO FOURTH ANNUAL REPORT BY SECRETARY GENERAL TRYGVE LIE ON WORK OF UN

The year between July 1, 1948 and June 30, 1949, covered in this, my fourth annual report on the work of the United Nations, has been, on the whole, a year of progress toward a more peaceful world.

It is true that the world has had its full share of crisis and alarms. The rival claims in an ideological conflict have been pressed as though they were the only issue of our times, while the great powers have continued their efforts to strengthen their relative positions before the situation is brought nearer to stability by the conclusion of peace treaties. Although overshadowed by the great power differences, movements of national independence and social upheavals in many parts of the world have unavoidably contributed to international tensions. These conditions, which have persisted since the war ended, continue to cause widespread anxiety among the peoples of the world as to the prospects for world peace and the ability of the United Nations to prevent a third world war.

Because of the great power differences, no progress has been made during the year toward providing the Security Council with armed forces to enable it to take enforcement action, and there has been little progress toward agreement on the control of atomic energy, of other weapons of mass destruction, and of conventional armaments.

PROGRESS TOWARD A MORE PEACEFUL WORLD

Nevertheless, the fear of war has decreased since my last report was made. The breaking of the Berlin deadlock has been a main factor in achieving this result. The world has cause to be thankful for the constructive statesmanship of the great powers that made possible the agreement reached by the United Nations representatives at headquarters after several months of United Nations efforts at conciliation. This agreement has resulted in a promising renewal of negotiations on Germany and Austria.

United Nations action in other parts of the world has also contributed to the progress made toward a more peaceful world by either preventing or ending wars involving 500,000,000 people. This action—in Palestine, in Kashmir, and in Indonesia—did not involve the use of military or police force; indeed, the Security Council has no such force at its disposal. The only force used by the United Nations has been its moral force and its power of persuasion toward reasonable compromise and peaceful settlement. In each case set-backs have been experienced from time to time, but the influence of the United Nations through the processes of mediation and conciliation has always reasserted itself and has, thus far, prevailed.

It is noteworthy that in the cases mentioned above, involving almost one-quarter of the total population of the world, the Security Council has operated with considerable success under its rule of unanimity in the most critical period of great power tension. I do not mean to suggest that there have been no difficulties over the application of the unanimity rule. Nevertheless, so much has been said about the alleged paralysis of the Security Council and the consequent inability of the United Nations to prevent war that attention should be called to the record of the Security Council in these and in some other disputes.

It is true that the conflicts in Palestine, Kashmir, and Indonesia are in some ways peripheral to the differences over a European settlement which have almost monopolized the world's attention. But though they may be peripheral to the European conflict, they certainly are not peripheral to the welfare of the human race or to world peace.

The establishment of the State of Israel in Palestine without a major war is one of the epic events of history, coming, as it does, at the end not merely of 30 years, but of 2,000 years of accumulated sorrows, bitterness, and conflict. For Christian, Jew, and Moslem alike Palestine symbolizes historic forces beside which the present ideological conflict appears to be a transitory phenomenon.

When India and Pakistan agreed to a United Nations cease fire in the State of Kashmir, the 400,000,000 people of these two great countries, both newly independent, were spared the worst of all disasters—religious and communal warfare. In Indonesia, the United Nations has played a decisive part in efforts to secure a peaceful

settlement of the conflict between the Netherlands and Indonesia, and a peaceful transition to national independence of 70,000,000 Indonesians. More people live in these countries than in the whole of Europe, the continent on which such concentrated attention has been directed since the war ended.

THE UNITED NATIONS A POWERFUL INFLUENCE FOR CONCILIATION AND MEDIATION

In these disputes, as in the great power conflict itself, the United Nations has demonstrated that it can exert powerful influences for conciliation and mediation. Nothing better illustrates this than a comparison of the relationships between the great powers before and after the Berlin dispute was brought to the United Nations as being a threat to the peace.

When three of the great powers brought the Berlin question to the Security Council last September in a complaint against a fourth many people feared that this crisis would break up the United Nations and even lead to a new world war.

Neither of these things happened. Instead, moderating and conciliating forces were set in motion immediately. The nonpermanent members of the Security Council, under the leadership of its President, sought to bring about great power agreement on a solution of the deadlock. The General Assembly adopted a resolution, calling upon the great powers to renew their efforts to compose their differences, and the President of the General Assembly and the Secretary-General appealed to the great powers under this resolution to seek once again to reach agreement on the Berlin question. A committee of currency experts of the nonpermanent members, appointed by the President of the Security Council, in which a representative of the Secretary General participated, then sought to break the deadlock by means of a plan for a single currency for Berlin.

None of these efforts brought immediate results, but their effect was greatly to moderate the tension, reduce the danger of war, and gain time for other factors tending to a settlement to make themselves felt. In the end, the result was the resumption of great-power negotiations on the peace treaties after 17 months of complete stalemate during which the Council of Foreign Ministers did not meet.

It is important that we should not miss opportunities for further progress toward peace in the months ahead because of any misunderstanding of the role of the United Nations in the prevention of war or in the face of East-West differences. Such misunderstanding, coupled with overemphasis on immediate as against long-range considerations, could lead to a succession of acts, or of failures to act, that would end by relegating the United Nations to a second-class role in world affairs. I do not refer here to regional or bilateral pacts or alliances as such, the effect of which depends upon the spirit in which they are concluded and the spirit in which they are carried out. What I have in mind is, rather, a false conception of the role of the United Nations—a conception which, however it may manifest itself, will have the result of weakening the United Nations. Failures to live up to the obligations of the Charter or to use the machinery of the United Nations fall in this category; genuine efforts to carry out the Charter and to make full use of the machinery it provides can but strengthen the organization.

It is important to recall once more the basic premises of San Francisco. At San Francisco the founders of the United Nations agreed that peace could be maintained only by a universal organization founded on a universally accepted Charter. They rejected the idea that anything less would do. They therefore laid the foundations of the United Nations in such a way as to include within it all the major forces at work in all parts of the world, not just in one part or another.

Contrary to misconceptions that have arisen since, it was never contemplated at San Francisco that the United Nations would or could abolish differences of interest and ideology such as we see in the world today. It was not believed that the great powers would always act in unity and brotherhood together. What the founders of the United Nations did believe was that the United Nations would make it possible to keep disputes between both great and small powers within peaceful bounds, and that without the United Nations this could not be done. Finally, they rejected the idea of an irreconcilable conflict that could be settled only on the field of battle, and proclaimed on the contrary the principle that all conflicts, no matter how fundamental, should and could be settled by peaceful means.

The record of the United Nations during the past 12 months has clearly confirmed the wisdom of the San Francisco concept, rather than cast doubt upon it.

The United Nations has not been able to resolve great power differences, but the conflict has been kept within peaceful bounds and the way prepared for further progress toward a settlement.

THE LEADERSHIP OF THE UNITED NATIONS

In the meantime the work of the United Nations has gone right ahead; it has stopped wars in different parts of the world; it has developed international cooperation in almost every field of human activity on a scale never before attempted.

The United Nations has been called upon to act in most of the troubled areas of the world. Besides the participation of the organization in the problems of Berlin, Palestine, Kashmir, and Indonesia, there is a United Nations Special Committee on duty in the Balkans, and a United Nations Commission on duty in Korea. Because the great powers failed to settle the future of the Italian colonies, the United Nations has been called upon to decide the matter.

The United Nations has proclaimed the first universal declaration of human rights in history; the history-making convention on the prevention and punishment of the crime of genocide has been approved unanimously and member states have been asked to sign and ratify it.

Through the machinery provided by the Charter, and in particular through the International Trusteeship System, the United Nations is assisting the progress of dependent peoples toward self-government or independence.

The foundations of a world rule of law are being built by the decisions and advisory opinions of the International Court of Justice, by the work of the International Law Commission and by the recommendations and conventions adopted by the General Assembly.

In spite of all political and ideological differences, the United Nations is developing an economic and social program aimed at raising the standards of living of the less-developed countries of the world and at increasing the sense of responsibility of the community of nations for the welfare of each of its members.

Through United Nations procedure of regional economic cooperation, effective assistance is being given to the countries of Europe, of Latin America, of Asia, and the Far East toward the reconstruction and development of their economies.

Through the planning and execution of comprehensive programs, both in the economic and in the social fields, the providing of fellowships, the sending of missions and advisers, the organization of regional seminars, the United Nations has begun to make an effective contribution to placing the knowledge of the more advanced nations at the disposal of the less advanced.

One of the most heartening events of the year was the impetus resulting from the initiative taken by the United States of America for an expanded program of technical assistance for the economic development of the underdeveloped areas of the world, to be carried out wherever possible through the United Nations and the specialized agencies. At the request of the Economic and Social Council I prepared a report on this matter in consultation with the heads of the specialized agencies. I hope that the expanded program of assistance that is proposed in that report will be carried out, and I believe that active support by the members of the United Nations for such a program can greatly assist the peaceful transition to a more prosperous world order.

Wherever acute sufferings have resulted from international developments, the United Nations has endeavored to bring speedy relief through all the means at its disposal, particularly to those unable to rely for assistance and support on any single national community, such as the refugees and displaced persons in Europe, in Palestine, and in the Far East.

Although the economic and social work of the United Nations and the specialized agencies is in its initial stages, millions of people in all parts of the world are already better off than they were before, because of the work done on problems of labor, health, nutrition, agriculture, education, refugees, child welfare, economic development and stability, finance and trade, control of narcotic drugs, and on many other related questions by the specialized agencies and commissions of the United Nations.

Without the United Nations, most of these activities could not have been undertaken nor could the benefits from them be realized. Few of them have been seriously impeded, still less paralyzed, by the conflict between the great powers. Finally, the tensions and other ill effects of that conflict have been greatly alleviated by many of these United Nations activities.

THE PROBLEM OF UNANIMITY OF THE GREAT POWERS

It is in connection with the problems of implementing article 43 of the Charter, of controlling atomic energy and other weapons of mass destruction, and of regulating and reducing other armaments, that Great Power differences have blocked any substantial progress. It is precisely here that unanimity of the Great Powers is essential. This unanimity would be just as necessary if there were no power of veto in the Security Council. There is no solution for such problems except by agreement among all the Great Powers.

I think we must now recognize that in the past a somewhat misleading emphasis has sometimes been placed on the enforcement functions of the Security Council. These functions are important, and it is a great disappointment that article 43, which provides for the placing of armed forces at the disposal of the Security Council, has not yet been put into effect. So long as this Charter obligation remains unfulfilled the authority of the United Nations cannot be as great as it should be. Nevertheless, it should be recognized that the experience of the past year has demonstrated that the primary instruments in the preservation of peace are those of peaceful settlement. In the words of the Charter these are "negotiation, inquiry, mediation, conciliation, compromise, arbitration, judicial settlement, resort to regional agencies or arrangements." In the use of such instruments the United Nations has already achieved substantial success.

Insofar as the great powers are concerned, these instruments of peaceful settlement are the only ones that the Security Council can, in practice, employ. The unanimity rule applies to all decisions for enforcement action and even if there were no such rule, the situation would not be changed in substance.

Enforcement action against a great power would not be police action, it would be war—in fact a new world war.

A new world war, conducted with the means now available, would bring the world only to destruction. No one system or ideology could prevail afterward, because there would be neither victors nor vanquished. There would be complete chaos.

To prevent a new world war from breaking out is the main reason for the existence of the United Nations.

It is important for the peoples of the world to face these facts and to understand that it is impossible to obtain lasting security from war by any arrangement that leaves out any of the Great Powers. While regional security arrangements may sometimes redress the balance of power in the world, collective security can be achieved only by working out means by which all the Great Powers may live peacefully together under the Charter, however long this process may take.

The events of the past 4 years and the existence of great power differences make the United Nations more essential, rather than less so. The only way of resolving these differences peacefully is by making the United Nations work effectively within the full range of its charter responsibilities.

Other developments of our times are adding to the importance of the United Nations with each year that passes. Two developments to which I wish particularly to refer are the rise of many peoples in Asia and Africa from a position of dependency toward one of equality, and the growing strength of the movement to extend the observance of human rights everywhere in the world.

If the importance of these developments were correctly assessed, I believe that the world would find it possible to approach the present East-West difficulties with less hysteria, for they would be more easily seen in their true perspective. I believe that the rise of dependent peoples and the human rights movement will, in the long run, have far more significance and give rise to greater events in the second half of the twentieth century than will the present ideological struggle.

THE RISE OF DEPENDENT PEOPLES

India, Pakistan, Burma, and Ceylon, all formerly dependent parts of the British Empire, have achieved independence by pacific transition since the United Nations was founded, due mainly to the high degree of statesmanship exercised by the governments of those countries and of the United Kingdom. In my report last year I noted the striking increase in the independent representation of the nations of Asia and Africa in the United Nations since the San Francisco Conference. Israel has now become the fifty-ninth member of the organization. The application of four more countries of Asia—the Mongolian People's Republic, Ceylon, Nepal, and Korea—are pending. Indonesia may be expected to apply after existing difficulties there are settled. The debate in the General Assembly on the Italian Colonies revealed that the majority of the members expect to welcome Libya as an independent member in a few years, and Somaliland perhaps somewhat later. We can be certain that, in time, other countries in Asia and Africa will become members. There should be others, for over half the people of the world live on these continents.

The days of dependency or inferior status are fast coming to an end in Asia. Its peoples are the inheritors of some of the world's greatest cultures; they are building their own new worlds on the foundations of the old. Their influence in the affairs of the United Nations is growing. Given time, and the necessary development of their economic resources, their influence will be more nearly commensurate with their population than it is today. The idea that all this vast diversity of ancient peoples stirring to new life and power could ever become the mere reflection of any form of society in other parts of the world is unrealistic.

In Africa, the movement forward is slower. There the international trusteeship system can play an especially important role, and the beneficial effect of United Nations' supervision of the administration of the trust territories will be felt throughout the much wider area of the non-self-governing territories. The effects of the trusteeship system will certainly give new impetus to the economic, social and educational advancement of the people of these territories and to their progress toward self-government or independence.

THE HUMAN RIGHTS MOVEMENT

In the struggle to extend the observance of human rights in the world the past year has seen one of the most potentially significant developments of history in the proclamation by the General Assembly of the Universal Declaration of Human Rights. This is the first time that such a declaration has been written for the whole world.

It is true that this declaration is not a law, but neither have been many of the most influential documents of history. The United States Declaration of Independence, and France's Declaration of the Rights of Man were not laws when they were proclaimed.

Nevertheless, the Universal Declaration of Human Rights has behind it the force of public opinion, and public opinion is at the source of all law whether it be national or international. The declaration sets a standard for governments to live up to. Its power for good is incalculable wherever people are deprived of freedom because of their beliefs, wherever there is discrimination because of the color of a man's skin or for any other reason, wherever people do not have a fair opportunity to enjoy a decent living standard, education for their children, and security in times of illness, accident, and old age.

The declaration, furthermore, is only the first, although the most important, of the steps being taken by the United Nations to extend respect for human rights more widely in the world.

The essential role of the United Nations in these great developments is now becoming more clearly defined.

On the one hand, the United Nations is assisting the movements toward greater equality of opportunity between the peoples of Asia and Africa and the peoples of the Western World, and between the more highly developed countries and those which are less developed. It is also giving a powerful impetus to winning human rights for all peoples, wherever they live. On the other hand, the United Nations is making it possible for these fundamental changes to be carried out with far less violence than would otherwise be the case. Wherever the United Nations intervenes, it intervenes to promote peaceful development, and all its influence is exerted toward moderating the intensity of the conflicts involved and conciliating opposing views.

EVOLUTION OF THE GENERAL ASSEMBLY AS A FORCE FOR PEACE

There has been another development in the evolution of the United Nations in its formative years which I regard as an important reason for the growing strength of the United Nations. This is the evolution of the General Assembly into one of the strongest forces for peace that the world has ever seen.

There are three main causes for this evolution:

First, because all nations are represented equally, and because many of the small nations have from the first spoken with great independence, the General Assembly has tended to act as a conciliating and moderating influence on the conflicts of the great powers.

Second, because the attention of the world is focused on the General Assembly as on no other international body, its sessions have become the supreme testing ground of the policies of member nations. There, as nowhere else, those policies are subjected to the searching scrutiny and judgment of world public opinion. Evidence is already accumulating that when national policies do not pass this test for justice and fair dealing, they will have to be modified or changed, if not immediately, then in the long run.

Third, the General Assembly has demonstrated that it can apply the powers granted it by the Charter for conciliation and peaceful adjustment as a powerful complement to the work of the Security Council in the prevention of war.

I do not subscribe to criticisms of the General Assembly as a powerless debating society or as a propaganda forum. Most of the Assembly's recommendations are helping to build the foundations of world law and to prevent war. Whenever a government uses the rostrum of the Assembly for propaganda purposes, that government is submitting itself to the judgment of mankind. Nevertheless, I agree that the procedures of the General Assembly can be improved and that a great deal of time can be saved, mainly by the exercise of self-restraint on the part of the members in debate.

We can be certain that the degree of security against war that is attained in the world will be in proportion to the support that is given to the United Nations by the member governments. Insofar as they relegate the United Nations to an auxiliary role, the danger of war will be increased. Insofar as they make the United Nations the cornerstone of their foreign policies and support both by word and action the supremacy of the Charter and the universality of the organization, security against war will be strengthened.

STRENGTHENING THE UNITED NATIONS

The member governments can reduce the danger of war by so acting as to strengthen and to use the United Nations in a number of ways in the months ahead. In this connection I have certain suggestions which I offer for their consideration.

GREAT POWER RELATIONS

The United Nations cannot force a settlement of the present conflict between the Great Powers, but it has already demonstrated that it can help to conciliate the conflict, moderate it and keep it within peaceful bounds. It is essential for the great powers to keep in contact, to talk things over, and seriously to negotiate with one another. To refuse such consultations as futile is to deny the whole concept of the United Nations. Now that the Western Powers and the Union of Soviet Socialist Republics have resumed discussions in the Council of Foreign Ministers and have expressed their intention of continuing them at the time of the coming session of the General Assembly, I hope that they will not again break off their efforts to settle their differences.

Sooner or later there must be peace settlements for Germany, Austria, and Japan. There must be agreement on the provision of armed forces to the Security Council, on the control of atomic energy and other weapons of mass destruction and of conventional armaments. It is necessary to keep on trying for progress in these directions, no matter how discouraging the prospect may appear to be at any particular moment or how many years it may take to complete the task.

I hope that the practice of consultation between the great powers will become the rule and not the exception in those matters that come before the United Nations, and especially before the Security Council, as well as in matters outside the organization.

The good offices of the Secretary General are always available to facilitate such consultations.

UNITED NATIONS FIELD SERVICE

With a view to strengthening the work of mediation and conciliation. I suggested to the last session of the General Assembly the establishment of a United Nations guard. This guard would have no military duties but would assist United Nations missions on their peaceful errands to the world's troubled areas. In the light of suggestions made by member governments I have modified that proposal. I have now suggested to the special committee established by the General Assembly to examine this matter of the establishment of a uniformed United Nations field service of 300 men, who would be seconded or otherwise made available, on a basis of geographical distribution, from the services of member governments for a period of from 1 to 3 years for protective and technical duties both at headquarters and in the field. I have also suggested the creation of a panel of 2,000 men who could be called upon for truce observation and plebiscite duties by the competent United Nations organs as the need arises. None of the men in the field service would carry arms, except sidearms for self-protection when this was deemed necessary. Under the revised plan the cost to the Organization would be kept to a minimum, while the advantages of the original proposal would be retained. The Secretariat, which has been steadily improving its efficiency, thus would be given the means that it needs to meet its increasing responsibilities, and the power and prestige of the United Nations in the peaceful settlement of disputes would be strengthened.

ITALIAN COLONIES

The General Assembly at its third regular session did not reach an agreement on the disposition of the former Italian colonies. The question will come before the fourth regular session of the General Assembly this autumn.

The debate on this question at the second part of the third session was significant in several ways. It reflected the growing influence of the nations of Asia and Africa. Those nations played a decisive part in preventing the adoption of a compromise proposal which they felt was unsatisfactory to a majority of the inhabitants of the territories concerned. The debate also brought forth considerable support for the concept of a direct United Nations trusteeship, a proposal originally suggested by the United States Government at the first London meeting of the Council of Foreign Ministers.

I recognize the political and practical difficulties involved in a direct United Nations trusteeship for the territories during the relatively brief period that may precede their independence. Nevertheless, I believe that statesmanship on the part of the Governments could lead to such a solution of the problem, and that the political difficulties could be dealt with if the practical difficulties could be overcome. The best solution, in my opinion, would be a direct United Nations trusteeship with an administrator responsible solely to the Trusteeship Council. It is, of course, for the member governments to decide, but I feel sure that such a bold forward step would help the peoples of the territories concerned to follow the peaceful path toward self-government or independence, and that it would strengthen the confidence of dependent peoples all over the world in the United Nations and in the member governments who would have made such a solution possible.

PEACE AND ECONOMIC DEVELOPMENT FOR THE NEAR EAST

The Near East presents a challenging opportunity to the United Nations to combine political and economic action in the cause of lasting peace.

An armistice has been achieved in Palestine, and the terms of a peaceful settlement are being negotiated. Nine hundred thousand Arabs are receiving assistance from the United Nations; many of them must be resettled or repatriated. The new State of Israel has yet to establish its economic viability. Both Israel and the Arab States need a substantial, coordinated effort in economic development to raise their living standards.

I believe that this area should be given high priority in the proposed United Nations program of technical assistance for underdeveloped countries. This would make it possible for comprehensive plans to be worked out for regional economic development on a large scale in the whole area; these plans might include river valley developments, such as the Tennessee Valley Authority in the United States, in respect of the valleys of the Tigris, the Euphrates and the Jordan, and of the further development of the valley of the Nile. The first step is technical assistance, the next is financial investment. By carrying out both steps through the United Nations the burdens as well as the benefits can be shared equitably among participating countries.

Whatever is done in the Near East should not, of course, impede or delay similar programs for technical assistance and economic development in other parts of Asia and Africa and in Latin America.

ACTION TO MEET ECONOMIC DIFFICULTIES

Although there have been considerable improvements in many aspects of the world economic situation the basic conditions for economic stability and orderly development have not yet been established.

Of particular importance is the continued and persistent disequilibrium in international trade and payments. Little progress has been made toward a solution of this grave problem. The consequences have been particularly harmful for the weaker and less favored countries.

Moreover, if the recent slackening of economic activity in some countries were permitted to continue, it would cause large-scale unemployment in those countries, and at the same time would aggravate the existing economic maladjustments in the world as a whole. Another world-wide economic crisis would be a tragedy that can be prevented, if the governments of the world find a common basis for concerted action. A solution for these immensely complicated problems cannot be found by single countries acting in isolation nor by any limited group of nations.

Fortunately, the member governments have in the United Nations and the specialized agencies, the international machinery that makes it possible for them to take the necessary concerted action. It is urgent that they use this machinery to come to grips with these pressing economic problems.

UNIVERSALITY OF MEMBERSHIP

The applications of 14 countries for membership in the United Nations are pending. These are, in the order of their applications: Albania, Mongolian People's Republic, Jordan, Portugal, Ireland, Hungary, Italy, Austria, Rumania, Bulgaria, Finland, Ceylon, Korea, and Nepal. Most of these countries have been waiting for more than 2 years to be admitted.

Member governments are familiar with my views on the desirability of moving as rapidly as possible toward universality of membership. I have expressed them on several occasions during the past 3 years. I am well aware of the objections that have been raised against the admission of these states, but I believe that such objections could be better dealt with if the applicants were inside the organization rather than outside it. The applicants can in any event reasonably be considered as meeting the requirements of membership. Whatever may be said regarding the Governments of the countries concerned, their peoples, and the world as a whole, would certainly benefit if all the applicants were to be admitted to the organization at the next session of the General Assembly.

I commend to the member governments, and to the peoples of the world, the study of the full record of the United Nations during the 12 months ending June 30, 1949, as set forth in the chapters that follow. It is a record of achievement in the prevention of war and in the steady construction of the foundations of a more peaceful and prosperous world.

TRYGVE LIE,
Secretary General.

JULY 1949.

RECESS

Mr. LUCAS. I move that the Senate stand in 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, Wednesday, August 10, 1949, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 9 (legislative day of June 2), 1949:

IN THE NAVY

Capt. Calvin M. Bolster, United States Navy, for temporary appointment to the grade of rear admiral in the line of the Navy.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 9, 1949

The House met at 12 o'clock noon.

Rev. Pacifico A. Ortiz, S. J., offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen. O God, who in Thy sweet providence didst bring our two nations together, and through the ordeals of war didst keep them true to one another, teach us, we humbly pray, the wisdom to cherish and preserve, in peace, the finest things we learned in war: faith in each other, brotherhood which knew no race, friendship which did not count the cost. That putting our trust not on bombs but on good will, not on dollars but on fair play, relying not so much on the devices of our human wisdom as on the workings of Thy divine grace, we may yet become, when guided by the better angels of our nature, the harbingers of Thy hope unto the peoples of the east, and unto the west, the instruments of Thy peace. Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4830. An act making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference

with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. RUSSELL, Mr. McCARRAN, Mr. BRIDGES, Mr. GURNEY, Mr. REED, and Mr. FERGUSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees with an amendment to the amendments of the House to a bill of the Senate of the following title:

S. 1647. 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).

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3751) entitled "An act to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

COMMITTEE TO ESCORT THE PRESIDENT OF THE PHILIPPINES

The SPEAKER. The Chair will appoint as a committee to escort the President of the Philippines to the Chamber the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from West Virginia [Mr. KEE], and the gentleman from Illinois [Mr. CHIPERFIELD].

The House will stand in recess subject to the call of the Chair.

(Thereupon, at 12 o'clock and 5 minutes p. m., the House stood in recess subject to the call of the Chair.)

PRESIDENT ELPIDIO QUIRINO, OF THE PHILIPPINES

During the recess the following proceedings occurred:

At 12 o'clock and 20 minutes p. m., the Doorkeeper announced President Elpidio Quirino, of the Philippines.

President Quirino, escorted by the committee of Representatives, entered the Hall of the House of Representatives and stood at the right of the Speaker. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, it is today my pleasurable duty to present a distinguished neighbor and friend. The friendship between the Republic of the United States of America and the Republic of the Philippines dates a long way back, long before the Philippines became a republic.

Mr. President, today we are proud that the United States of America kept its contract with the people of the Philippine Islands. [Applause.] We proved to the world that we covet not a foot of ground the world around over which any other flag flies today or has a right to fly. We look upon your country as a great neighbor near the east. We welcome you here. We wish for your people in the years to come that they may enjoy to the fullest measure the rich blessings of health, of prosperity, and one day an enduring peace, and that goes for all the world.

I present to you, Members of the House of Representatives, our distinguished guest, the President of the Republic of the Philippines. [Applause, the Members rising.]

President QUIRINO. Mr. Speaker, distinguished Members of the House of Representatives, it is a rare honor and privilege for any man to appear before this august body of the distinguished representatives of the American people. Thirty years ago I occupied a seat in the House of Representatives of my country. This fact makes me feel at home in your midst. As the head of a new state that owes its existence to American wisdom and idealism, I am filled with a mingled sense of gratitude and humility because of the special circumstances that have brought me to this mighty rostrum.

The Independence Act you passed in 1934 as our charter of liberty has well directed our course as a nation. During the transition period between 1934 and the actual grant of independence on July 4, 1946, events of the most far-reaching significance to the world transpired. That period provided the greatest test ever served on our people and it revealed to us the quality of the freedom that we had been fighting for, and, to America and the world at large, the character of the nation that has become its recipient and beneficiary. [Applause.]

The whole world was plunged into the most destructive war known in history. The Filipinos bled with the rest of humanity in that titanic struggle. Thank God, we have survived. Instead of succumbing to desperation, following the untold devastation of our country and the decimation of our population, we have come out stronger, fortified in the blessings of democracy and freedom. [Applause.] We have risen from our prostration disposed to anticipate and face the dangers of another possible world conflict. And we are determined to carry on and to fight to the last man on the side of America if freedom, our freedom and your freedom, should ever again be menaced and the democratic way of life imperiled. [Applause.]

Immediately after the liberation of our country in 1945, we thought that the Philippines could not be rebuilt in less than 10 years, that it would take much longer for us to be able to stand on our own feet. But I can say with pardonable pride that the strides we have made during the last 3 years has more than eloquently vindicated our capacity to bear our burdens and obligations as a free and independent people. [Applause.]

While many countries in the world are still at a loss to reconstruct or rehabilitate themselves, bewildered in the face of uncertainties produced by their troubled surroundings, the Philippines today stands in the midst of a most distressed region as one stable unit, a veritable haven of many people in the Far East whose liberties have been threatened.

We have been concentrating our attention on our internal development. We have not lost a single moment and opportunity to enhance the stabilization of our economy. We have adopted a new ideology based on total economic mobilization of our country as a means of providing our people a fuller life of substance and contentment, in our determined endeavor to improve our living standards and in that manner contain and counteract the onrush of a totalitarian system battering down the doors of our neighbors.

We thank America for the opportunities given us to develop ourselves and our country, and for the assistance and guidance we know the United States is disposed to lend to us in our future undertakings. The new Republic of the Philippines was born in self-reliance and we are determined to build it on solid rock. [Applause.] We cannot do otherwise if we are to deserve the distinction of being America's original handiwork in the sphere of freedom in Asia.

I have come to your country in furtherance of mutual understanding between your country and mine; for the preservation not only of freedom and prosperity but also of the peace of the world in our part of the globe. I am positive of your concern in this regard. I am emboldened by the fact that President Truman has graciously invited me to have an opportunity of presenting our side of the understanding.

I hope that this mightiest of legislatures in the world will give timely and effective cooperation in our efforts to achieve the rich promise of that understanding, and enable us to contribute in our modest way to the fulfillment of the high mission of the United States in the advancement and preservation of world peace and security to all liberty-loving peoples. This has become an important phase of our Philippine foreign policy. It was inspired no less by a deep sense of obligation that we owe to this great country that has given us the freedom which I know America will do her best to help protect and develop.

My country is determined to succeed. My people are confident that you will continue to extend them every possible support to succeed. Your people and mine, my a fluke of destiny, have become partners in a most glorious adventure which it will be to your interest, as well as to that of the entire world, to prosecute toward increasing fulfillment. [Applause, the Members rising.]

At 12 o'clock and 33 minutes p. m., President Quirino retired from the Hall of the House of Representatives.

AFTER RECESS

The recess having expired, at 12 o'clock and 55 minutes p. m., the House was called to order by the Speaker.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess of the House be printed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include two editorials.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 1, 1949:

H. J. Res. 329. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, and for other purposes.

On August 2, 1949:

H. R. 1360. An act to extend the times for commencing and completing the construction of a free bridge across the Rio Grande at or near Del Rio, Tex.;

H. R. 3512. An act to amend the Civil Service Retirement Act of May 29, 1930;

H. R. 4022. An act to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950; and

H. R. 4705. An act to transfer the office of the probation officer of the United States District Court for the District of Columbia, the Office of the Register of Wills for the District of Columbia, and the Commission on Mental Health, for the government of the District of Columbia to the Administrative Office of the United States Courts, for budgetary and administrative purposes.

On August 3, 1949:

H. R. 585. An act for the relief of Jacob A. Johnson;

H. R. 1625. An act for the relief of Christine Kono;

H. R. 2799. An act to amend the act entitled "An act regulating the retent on contracts with the District of Columbia," approved March 31, 1906;

H. R. 2853. An act to authorize the Secretary of the Interior to issue duplicates of William Gerard's script certificates No. 2, subdivisions 11 and 12, to Blanche H. Weedon and Amos L. Harris, as trustees;

H. R. 4261. An act authorizing the Secretary of the Interior to issue to L. J. Hand a patent in fee to certain lands in the State of Mississippi;

H. R. 4963. An act to provide for the appointment of additional circuit and district judges, and for other purposes; and

H. J. Res. 170. Joint resolution designating June 14 of each year as Flag Day.

On August 4, 1949:

H. R. 459. An act to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals;

H. R. 1127. An act for the relief of Sirkka Siiri Saarelainen;

H. R. 1288. An act for the relief of certain officers and members of the crew of the steamship *Taiyuan;*

H. R. 1303. An act for the relief of Dr. Elias Stavropoulos, his wife and daughter;

H. R. 2021. An act to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia;

H. R. 2474. An act for the relief of Frank E. Blanchard;

H. R. 3467. An act for the relief of Franz Eugene Laub;

H. R. 4566. An act to revise, codify, and enact into law title 14 of the United States Code, entitled "Coast Guard"; and

H. R. 4804. An act to record the lawful admission to the United States for permanent residence of Karl Frederick Kucker;

On August 5, 1949:

H. R. 2417. An act to authorize the Secretary of the Air Force to operate and maintain a certain tract of land at Valparaiso, Fla., near Eglin Air Force Base, as a recreational facility; and

H. R. 5238. An act to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes.

On August 8, 1949:

H. R. 1466. An act for the relief of Daniel Kim;

H. R. 2084. An act for the relief of Teiko Horikawa and Yoshiko Horikawa;

H. R. 2850. An act for the relief of Denise Simeon Boutant; and

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

AMENDING FAIR LABOR STANDARDS ACT

Mr. LESINSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5856) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5856, with Mr. COOLEY in the chair.

The Clerk read the title of the bill.

Mr. McCONNELL. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I am in favor of minimum-wage legislation. In 1938, by speech and vote, I supported the enactment of the Fair Labor Standards Act, more generally known as the minimum-wage law. During the years that have intervened a great change has come in our economic conditions. Today the cost of living is nearly double what it was in 1938. The minimum-wage law enacted at that time fixed the minimum-wage rate at 40 cents per hour in the several categories of employment coming within the provisions of the act. This has remained the law from that time until the present. It has not been changed during the intervening years, although the cost of living has greatly increased. Consequently, an intolerable situation exists that the present proposals seek to remedy. A rate of 75 cents per hour is now proposed as a minimum wage. Such relief should have been granted long ago. Further delay would be unconscionable. Justice to those in this lower income group demands immediate correction of the present unfair standard.

There have been many proposals offered in connection with this subject of legislation. Some seek to clarify, extend, or diminish the coverage under the act; others to change the amount of the minimum wage by the adoption of a formula that would tie the wage to a Bureau of Labor index based on the cost of living; and other proposals seek to change the administrative features of the act. These numerous and diverse proposals, under consideration in connection with the pending legislation, have a tendency to confuse the issue, although offered with sincerity and honest purpose. The real and fundamental purpose of this legislation was set forth in the statement of policy contained in the act of 1938, as follows: "to correct and as rapidly as practicable to eliminate, without substantially curtailing employment or earning power, the existence in industries engaged in commerce or in the production of goods for commerce, of labor conditions found by Congress to be detrimental to the maintenance of the minimum standards of living necessary for the health, efficiency, and general well-being of workers."

To accomplish this purpose Congress, in the act of 1938, establishing rates of pay, maximum hours of employment, overtime and restrictions on child labor. The legislation now before us seeks to accomplish the same purposes as the original act with such amendments as present conditions and the experience gained in the years since 1938 would justify.

In considering the proposed legislation now before the Congress much has been said, and, will be said concerning the minimum wage provisions of the bill. This is perfectly proper and entirely in order, but, we must not overlook the fact that the bill also defines the number of work hours per week and basis of pay for overtime, and, the prohibition of child labor with some limitations. All of this is as it should be if we are to effectually carry out the policy of protecting the health, efficiency and general well-being of workers.

I am wholeheartedly in accord with the objectives of the proposed legislation. I shall assist in every way possible to make the legislation to be passed by the Congress workable and effective. I pledge my vote and fullest support to the legislation.

Mr. McCONNELL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, I want to take a few moments to explain an amendment which I shall introduce as an amendment to the Lucas amendment. My amendment is simple. It calls for a change in the starting wage from 65 to 75 cents.

I realize that the starting figure of 65 cents in the Lucas amendment is necessarily arbitrary, although I am advised that some study was made of the cost of living now as compared to the cost of living in 1945 at which time the 40-cent minimum was in effect. On that basis I believe it was figured by some members of the committee that the starting point should be at 68 cents. Possibly the 75-cent starting price in my amendment is not sufficient. As I say, this starting price necessarily has to be arbitrary.

The 65-cent minimum for a 40-hour workweek will gross the lowest paid employee $26 per week. Now, in my district that is a starvation wage. I think that is true of most areas in the United States. The Southern States are the exception to this general rule, of course, but I cannot understand why we should let the tail wag the dog in this particular case.

There are some 22,000,000 employees covered by the present minimum-wage-and-hour bill, according to testimony of Mr. McComb before the committee.

These employees are practically all unorganized. They do not have the advantage of collective bargaining to raise their wages. Many of these 22,000,000 workers refuse to join unions and suffer all the trials and tribulations of union members. They prefer to stand on their own individual initiative and their abilities as workmen to make a living wage and advance economically. As a result of their inability or unwillingness to organize into labor unions, there is a sharp difference between the minimum wage for labor-union members and the minimum wage for these nonunion members—too sharp a difference, in my opinion. These 22,000,000 workers in the United States deserve the help and protection of their Government, which we can give them by passing a realistic minimum-wage-and-hour bill.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. VELDE. I yield.

Mr. BREHM. I compliment the gentleman on his proposed amendment. I shall support it wholeheartedly, providing we do have the opportunity of amending the Lucas bill. I am not in favor of a minimum wage based on the cost-of-living index. I favor 75 cents, but what I would like to see would be the Lucas bill with the 75-cent minimum attached to it.

I want to compliment the gentleman and assure him I will support his amendment.

Mr. VELDE. There is a great deal of sentiment that has been expressed in that regard, and I appreciate the kind remarks of the gentleman from Ohio.

I do, however, like the theories and principles of the flexible minimum wage. It is more in keeping with the principles of free enterprise. The controlling factor is based on statistical data which is real and certain, and not subject to political maneuvering. A flexible minimum wage starting at 75 cents and tied to the cost of living index gives the marginal employer a fighting chance to stay in business during a declining period of our economy. It gives the marginal employee a fighting chance to keep his job in a declining period of business. It also gives him an opportunity to obtain a higher wage during the higher cost of living periods in our business cycle. The rigid minimum wage of 75 cents, or any other rigid wage has this vital defect—the marginal employee could never obtain more than 75 cents an hour, as he could under the flexible minimum-wage scale.

I feel that my amendment should have the support of both Republicans and Democrats. It is a more realistic starting point than the 65-cent wage, possibly it should even be more than 75 cents. I hope you will consider this amendment, which I shall introduce at the proper time, in the light of what is right and proper legislation, instead of in the light of political vote getting.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. VELDE] has expired

Mr. McCONNELL. Mr. Chairman, I yield such time as he may desire to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, the gentleman from Ohio [Mr. BREHM] has expressed my position exactly on this point. I cannot accept or support that portion of the Lucas bill which provides for a 65-cent minimum wage and a sliding scale based on the cost of living.

I am for a straight 75-cent minimum wage for all employees covered by the present law. I have stated my opinion on this point publicly several times during both the Eightieth and Eighty-first Congresses. My position on this point has been strengthened recently by the fact that the Governor of my State has endorsed this standard and both branches of the legislature have passed resolutions calling for it. Recently I have considered carefully the proposal for a sliding scale and have come to the conclusion that I cannot accept it. A minimum wage should be exactly what the term implies—a minimum wage. That means a fixed amount, not an escalator. We are not seeking to determine a wage scale, but a minimum point and that point should be definite.

I believe, however, that it would be most dangerous to pass the Lesinski bill. Under that bill many of the exemptions contained in the present law are removed and small business enterprises, which are actually intrastate in their character, will be brought under the requirements of the act. Others will be in a quandary as to whether they are under the act or not. Certain processors of farm produce would also be included. Furthermore, the bill contains several vicious provisions, one of which will add confusion to the question of overtime on overtime; and another, section 7, authorizes the Secretary to bring suits on behalf of the employees, which will cause untold confusion and a multiplicity of lawsuits.

I earnestly hope that when the final vote comes on this question we shall not be compelled to choose between a minimum wage less than 75 cents or a law which may endanger small business enterprises and deprive their employees of work. I am willing to go a long way in supporting the 75-cent minimum wage, but I doubt if I can pay the price of accepting the Lesinski bill in its present form.

The Lucas bill clarifies the present law, preserves its safeguards, and if amended to provide a 75-cent minimum, would in my opinion be the best legislation we could enact. I shall support such an amendment to the Lucas bill and if it is adopted vote for the bill. If the Lucas bill is not adopted, I trust that proper amendments may be adopted to the Lesinski bill to restore existing exemptions. In which case, I could support that.

I do not care what name may be given the act, or what its number may be, provided we increase the minimum wage to 75 cents an hour and preserve the exemptions and safeguards of the present law.

Mr. McCONNELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I express the same sentiments as the gentleman from Ohio [Mr. BREHM]. At this time I would like to indicate my support for a proposed amendment to the Lucas bill by the gentleman from Ohio, Representative BREHM. It is my understanding that an amendment will be proposed by him striking from the Lucas bill the 65-cent base as well as the sliding-scale provision based on the cost of living index. In my estimation a flat 75-cent minimum is preferable to the present or original provision in the Lucas bill.

Everyone knows that we in Michigan pay far more than the 40-cent minimum under the existing law. Furthermore, practically everyone agrees that a new minimum of 75 cents would not be detrimental to management and industry in western Michigan. As a matter of fact, a 75-cent minimum would probably be most helpful to both employees and employers in the State of Michigan. Certainly the competitive position of our furniture industry would be aided if the furniture manufacturers in the South were forced to pay a decent wage to their employees.

The sliding-scale provision if adopted would lead to serious administrative problems. An increase or reduction in the minimum wage based on a change in the cost of living index conceivably might compound the difficulties experienced by management in trying to live within the law and the wage-hour administration trying to enforce the Fair Labor Standards Act.

If we can adopt the amendment to be proposed by the gentleman from Ohio, Representative BREHM, the Lucas bill would be good legislation. In contrast to the new proposal by the gentleman from Michigan, Representative LESINSKI, H. R. 5856, is unsound in many particulars. I refer specifically to the provision which gives the administrator the right to sue, on behalf of an employee, for back wages allegedly due. This dangerous provision in the Lesinski bill must be removed, and I intend to submit such an amendment for consideration by the House.

In closing, I repeat the need and necessity for a flat 75-cent rate under H. R. 5894, and therefore urge favorable consideration for the proposed amendment by the gentleman from Ohio.

Mr. KERR. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include a speech by Maj. Gen. Clovis E. Byers, of the Army General Staff, at Windsor, N. C., on Veterans Day.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, it seems to me that if we are going to pay our national debt we must maintain a high national income. There is no better way to maintain a high national income than to stabilize our economy by

putting a floor under wages. Many of us contend that a meager $30 a week should be guaranteed to workers throughout this country engaged in interstate commerce.

The Lucas bill, H. R. 5894, proposes that the minimum wage be modified with reference to a change in the index in the cost of living. This is a procedure to which I am utterly opposed. It means frequent changes in the minimum wage by small amounts, perhaps a cent or two per hour, and leaves everyone in the dark as to what the minimum wage actually will be annually.

The 75-cent minimum is the least which the economy can afford under present conditions. It is a true floor for the wage structure. It is so far below actual minima being paid in many industries and localities that there is no need to tinker with it as the general index of the cost of living goes down by a few points. Of course, if there were a precipitous decline in the cost of living or in general prices, there would be nothing to prevent Congress from reconsidering the problem again.

What does this Lucas bill provide? It provides 65 cents an hour until December 31. Assuming that the amendment to be offered by the gentleman from Illinois was adopted, amending the Lucas bill from 65 cents to 75 cents, it would only provide 75 cents an hour until December 31, 1949. It would be possible next year for the rate to be 50 cents an hour, and I am sure that there is not a Member of this body who does not want to look beyond next December 31 and head off the possibility of the minimum wage next year being 50 cents an hour. That is the reason I say that if we vote for the Lucas amendment we are short-sighted insofar as trying to plug up holes that now exist in our economy in order that we may stabilize our economy.

Those of us who have faith in the minimum-wage principle believe that a stable statutory minimum wage does prevent wages from breaking too sharply, with the expectation of still further breaks to come. We must remember that a fundamental purpose of all minimum-wage legislation is to fix a floor for wages and to prevent hesitation, delay, and uncertainty that arise when producers have no measuring rod whatever to define what their competitors' costs and prices might be.

We must recognize also that the administrative problems created by frequent changes in the statutory minimum wage would be considerable. It takes time and frequent visits from investigators to get across the requirements of a minimum-wage law to all employers. We know that many violations are unintentional and that once the matter is explained there is less of an enforcement problem thereafter. If minimum rates were changed by some index of the cost of living, this might involve small annual changes up and down frequently enough to make the problem of compliance and investigation more diffcult to enforce, while the question of good faith and the application of the penalties of the law would always be involved.

This Congress recently showed its disapproval for flexible price supports, and I am of the opinion, after careful consideration is given to the Lucas bill, H. R. 5894, which provides a flexible minimum wage tied in with the cost of living, that this Chamber will overwhelmingly vote down such legislation which could have a disastrous effect upon our economy.

To get away from the fear that exists today, we should plug up these holes which are materially affecting our economy. I cannot think of any greater asset to our economy than passing an inflexible minimum-wage law with the floor at 75 cents.

As a member of the Committee on Education and Labor, I voted for H. R. 3190 because I felt that an increase in the statutory minimum wage is necessary to promote the general welfare. In the light of our 10-year history with the national minimum wage law, I am convinced that an increase in the statutory minimum wage to at least 75 cents an hour is necessary, first, in order to bring the statutory 40-cent rate into conformity with postwar prices and the cost of living, and second, in order to require industries in interstate commerce to pay a living wage to their workers.

It is a curious thing that those who oppose an increase in the statutory minimum wage are the very ones who seem to be so fond of the principle of adjusting wages to changes in the cost of living. Yet it is a fact that the 40-cent minimum provided in the law of 1938 was adopted by some industries as early as 1940 and was generally attained in practically all industries by 1942. At that time the index of consumers prices for moderate-income families was 116—1935–39=100.

At the present time this index of consumers prices stands at about 170, two or three points below the high reached during the postwar period. In other words, the cost of living is about 60 percent higher than it was in 1942. Anybody who received only 40 cents an hour in 1942 and is not receiving 65 cents an hour for the same work in 1949 is being paid less than the minimum wage which was established in 1938, when we had a national income of about $65,000,000,000, in contrast with the national income running over $200,000,000,000 in 1948 and 1949.

Considering the sharp increase in income from all sources, it is altogether unreasonable to maintain the same minimum wage standards which we adopted in 1938 when the national income was only $65,000,000,000 and we had about 8,000,000 unemployed. The 40-cent minimum rate of 1942 is the equivalent of 65 cents in today's purchasing power.

The 10-cent additional increase which carries the statutory minimum to 75 cents is another 6-percent increase in terms of the purchasing power of 1942—altogether an increase averaging about 1 percent a year since 1942. The increase in real wages through the years has averaged about three times this amount. As early as 1945 the Senate Labor Committee approved a 65-cent minimum with an automatic rise to 75 cents.

In 1946 the House also voted out a 65-cent minimum. Since January 1946, average hourly earnings in manufacturing industries have gone from $1 per hour to $1.37 per hour, or an increase of 37 percent. An increase of 10 cents per hour over the proposed 65-cent minimum rate in 1946 is less than half the 37-percent increase for all workers. And this does not take into account the 30-percent increase in the cost of living since January 1946. This shows how much these lowest paid workers need the assistance of a higher minimum-wage law.

We know from studies made available to the committee and from material furnished at the hearings that 75 cents an hour or more is the actual minimum being paid in most of American industry today. In most establishments no change will be necessary. I was impressed with the fact that the average employer did not have to be confronted with a change in the law in order to increase the minimum wage he is actually paying. However, some employers could not and other employers would not increase the minimum wage which they are paying unless such an increase were made generally applicable to all their competitors.

Since fewer than 1,500,000 workers all over the country are receiving less than the new minimum, and most of these are already being paid more than 70 cents per hour, the adjustment at this time should not be difficult.

The adjustment which will be required by the 75-cent minimum will be much less than that required when the Fair Labor Standards Act of 1938 was first put into operation. We learned then that an effective minimum wage raises the wages of the lowest paid workers and preserves and encourages competition on a higher plane. Employers who pay unjustifiably low wages are not then given a competitive advantage over those employers who pay a decent minimum wage.

I said that in addition to the need to bring the statutory 40-cent rate into conformity with present prices and the cost of living, a 75-cent minimum is necessary in order that industries engaged in interstate commerce actually pay a living wage to their workers.

I am not now thinking of a wage necessary to support a family, but just the amount of money required for any self-respecting person to live in any community in the United States. Admitting that the cost of living is higher in our larger cities than in the smaller communities, it must be recognized that 75 cents an hour is only $30 a week even at full employment. In cities like Chicago, New York, Philadelphia, and Los Angeles the going minimum rate is higher than 75 cents an hour, and should be.

The 75-cent rate will just barely provide a living wage for a single person in medium and small-size communities. It is necessary for the health and self-respect of the workers and can in no way injure the industries which may have to increase the wages of a small number of their employees by a few cents per hour.

I want to say that I was personally in favor of the provision in the original bill which would have enabled industry committees, industry by industry, to raise minimum wages up to $1 per hour.

There are a number of industries where most of the employers already pay more than a 75-cent minimum, and if such a rate were made applicable to all competitors, many industries would be agreeable to establish a minimum rate above 75 cents per hour. However, we did take that provision out of H. R. 3190, and it is also omitted from H. R. 5856. The minimum wage provided in H. R. 5856 calls for only 75 cents an hour in all industries.

There was one other provision of H. R. 3190 of which I heartily approved. This has to do with the application of the minimum wage to retailing. Under the act as originally passed in 1938, the phrasing was so general that the Administrator had little guidance in determining the intent of Congress as to who was and who was not covered in the retail field and he requested a clarification of the provision. We had drawn the line at the point where an establishment did an annual business of over $500,000.

The retailing provision appears under the section of the bill dealing with exemptions. This provision exempts from both the wage-and-hour provisions any employee of a retail or service establishment whose employer did a total annual business of less than $500,000 during the preceding annual year.

In other words, it exempts from the minimum-wage requirement practically all the neighborhood stores. To do an annual retail business of $500,000 a retail establishment would have to employ from 20 to 30 workers. This would be $17,000 to $25,000 annual sales per employee, which is way above the known average. In service establishments, where sales per person are much less because the cost of the goods is not counted, it would mean an establishment employing 40 or more persons. In other words, only the large retail and service establishment, mostly the chains and department stores, would have been covered by H. R. 3190. Testimony was introduced before our committee that showed some of the large department stores of this Nation paying their employees a ridiculously low wage.

And why should not they be required to pay the minimum wage? To do an annual business of $500,000 a retail store or service organization can practice modern economies, can purchase on a large scale and engage in business on an efficient basis. There are millions of American workers employed in retailing and there is no reason why those large employers in interstate commerce should not be subject to the same minimum-wage standards of business in other lines.

It is better to draw the line at some definite point which can be determined than to leave the decision subject only to administrative rulings and the possible unequal application of the law. When we permit a man to vote at the age of 21 we have made a firm decision that he is or ought to be a man; this does not mean that there are not some young men under 21 who would not be fit to exercise the franchise or that even occasionally a man over 21 ought not to be given a little more time to find out what it is all about. Still it is better to have a definite guide of calendar years than to go into the circumstances of each case.

By drawing the line at such a large volume of business as $500,000 a year, we have assured that the family concern, the neighborhood stores and service shops and the small struggling establishments will be able to work out this problem in their own way and without the legal requirement imposed on the chains, department stores, and the large retail and service establishments.

However, the committee has deleted this provision from their substitute bill, H. R. 5856, which many members of the Committee on Education and Labor reluctantly agreed to, including myself.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-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. 168]

Bailey	Gilmer	Poulson
Bentsen	Gordon	Powell
Bland	Gore	Rains
Blatnik	Gregory	Ribicoff
Bolton, Ohio	Halleck	Richards
Boykin	Hand	Rivers
Breen	Harrison	Rogers, Fla.
Buckley, N. Y.	Hinshaw	Roosevelt
Bulwinkle	Hope	Sadowski
Burke	James	St. George
Burleson	Jonas	Scott, Hugh D., Jr.
Burton	Kennedy	Smith, Ohio
Byrne, N. Y.	King	Smith, Va.
Cannon	Kirwan	Thomas, N. J.
Celler	McGregor	Towe
Chatham	Mason	Welch, Calif.
Chiperfield	Miles	Whitaker
Christopher	Morrison	Wigglesworth
Clevenger	Moulder	Withrow
Crosser	Norton	
Dawson	O'Hara, Ill.	
Dolliver	Patman	
Eaton	Pfeifer, Joseph L.	
Engle, Calif.	Plumley	
Fellows		

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOLEY, 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. 5856, and finding itself without a quorum, he had directed the roll to be called, when 356 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.

Mr. LESINSKI. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, in last night's Washington Star in the news stories on yesterday's debate on the pending bill and under an AP dispatch appeared a very interesting observation made by the writer that attracted my attention. He said:

> Many southern Democrats and Republicans were lined up tentatively—

I hope it is only tentatively if what he said is true—

> behind the measure sponsored by Representative LUCAS, Democrat, of Texas, a Labor Committee member.

By "Democrat" he means Members who represent districts in States located in the South and his reference was descriptive for purposes of brevity.

I cannot believe that many Members from districts in the South will favor and support the Lucas substitute. The results of the Roosevelt and Truman leaderships, particularly along economic lines, have been very favorable not only to the entire country but to the South. Let me briefly refer to them: The Tennessee Valley Authority, agriculture. Where was cotton and wool 16 to 20 years ago? What kind of diversified farming did the South have then? It was under the late Franklin Roosevelt and still later under President Truman that new life was injected into the veins of the system of our whole economic life and the record shows it has particular application to the South.

Under what administrations have greater considerations been expended through rivers' and harbors' improvement, flood control than under that of the late Franklin Roosevelt and now under President Truman? The wage-hour law has been very beneficial. It has brought greater income and the benefits that flow therefrom to millions of men and their families with hope for the future and with stronger moral outlook through the strengthening of the family life.

What about rural electrification? What about the elimination of the farmer-tenant system?

These are all monuments to the memory of the immortal Franklin Delano Roosevelt, which our courageous President, Harry S. Truman, is completing and extending.

The late Franklin D. Roosevelt and President Truman have on several occasions recommended increasing the present minumum wage from 40 cents to at least 75 cents per hour. The 1948 Democratic platform called for an increase to at least 75 cents per hour.

The passage of the Lesinski bill, the main feature of which is the 75-cent minimum wage, is for the best interests of our country.

It seems to me it is particularly so for the people of the southern part of the country, beneficial to all, but certainly not to the exclusion of any part. I therefore cannot believe that many of my collegaues from districts in the South will support the Lucas substitute. It would certainly not be in the best interests of the people as a whole to do so.

In relation to the other observation of many Republicans lining up tentatively behind the Lucas substitute, it will be interesting to note the vote. If the Lucas substitute should be adopted in the Committee of the Whole, and I doubt it, and hope it will not be adopted, there will be a roll-call vote on it in the House. If that should happen that vote will determine the position of Members for or against the 75-cent minimum wage. No matter how much a Member may think he is hiding the issue, that will be the issue.

The Republican Party had a meeting recently of members of its national committee to choose a new national chairman. This is the first question of import to the people since the election of a

new chairman by the Republican Party. I wonder what his, the new chairman's, position is on this bill?

At that meeting our colleague from Pennsylvania [Mr. HUGH D. SCOTT, Jr.], former national chairman, is quoted in the press as saying:

> Unless we search our souls and stand very clearly in the public mind for things which people instinctively feel are good for them, no amount of well financed public relations will make up for the lack of such a public policy.

Let us all, Democrats and Republicans, "search our souls" and ask ourselves and answer the question: "Is 75 cents an hour too much to pay to persons covered by the wage-and-hour law?"

This bill affords to workers covered the minimum of decent legal consideration. That is the least we can and will do if we only "search our souls."

If the Lucas substitute should be adopted, which I doubt, on roll call, it will be interesting to see, as our friend from Pennsylvania [Mr. HUGH D. SCOTT, Jr.] recently said outside of these Halls how many Republicans have searched their souls.

One thing is certain, the American people are watching this legislative battle. They know the Lucas substitute can only be adopted by the great majority of the Republican Members, plus some Democrats voting for it. The American people have not been deceived or fooled in the past by such tactics. Note I said "some Democrats"—not all, naturally. We have great men from all sections of the country.

The American people have not been deceived or fooled in the past by such tactics. The 1948 election is the best evidence of this assertion.

The American people want progressive leadership in Government. They quickly detect and on election day repudiate a party of blind opposition, or a political party that fears making its own record by following the leadership of a member of the other party.

As our friend from Pennsylvania [Mr. HUGH D. SCOTT, Jr.] said, and he is former Republican national chairman, and his statement is significant today, every one of us if we "search our souls" will vote against the Lucas substitute and for the Lesinski bill.

Let us see what the facts are. There are about 22,600,000 persons now subject to the minimum-wage provisions of existing law. Out of this large group about 1,500,000 persons earn less than 75 cents an hour. So, what we are dealing with, those covered by the Lesinski bill, is 1,500,000; not a wage increase to 22,600,000, but 1,500,000, and that is an answer to those who say it would have a serious impact upon our national economy.

H. R. 3190 would have included about 5,000,000 more workers as the result of the changes in its coverage and exemption provisions. Of this 5,000,000 only 900,000 would benefit; this deserving group receiving less than 75 cents per hour.

Under the Lesinski substitute it will be less than 5,000,000, and therefore less than 900,000 newly covered employees who will benefit if this bill is passed. So, under the original House bill as reported by the committee, 2,400,000—1,500,000 under the present law and 900,000 of the 5,000,000 covered by extended coverage—would benefit. It is only that group that receives less than 75 cents an hour; all the others, through collective bargaining and increases given by their employers, receive a rate of 75 cents an hour or more. The Lesinski substitute reduces the number of both groups provided for in H. R. 3190.

Now, another interesting thing. Of the 1,500,000 workers subject to present law and receiving less than 75 cents per hour, about 1,000,000 are employed in manufacturing industries and about 500,000 in nonmanufacturing industries. Even if the original bill is adopted, as I said, only 2,400,000 workers would benefit by the increase, and one-half of them now earning less than 75 cents are being paid between 65 and 75 cents an hour. Under the Lesinski bill it would be less in number. But, of the 1,500,000 now covered under existing law getting less than 75 cents, and of the additional ones to be included, less than 900,000, one-half of them receive from 65 to 70 cents an hour at the present time.

I refer to this for two reasons: First, to show that the passage of the Lesinski substitute does not mean an increase for all workers covered by the present law, 22,600,000, and by his bill; second, more important is the fact, that the wage provisions of the Lucas substitute is an attack on the present wage structure. While I assume he does not intend same, it is, in fact, a wage-cutting bill. That is what the Lucas substitute is. Certainly if anyone is going to vote against the Lesinski bill, he does not want to vote for a wage-cutting bill of present wages that the financially unfortunate workers, the 22,600,000, are presently receiving. Who wants to knowingly vote for a wage-cutting bill, particularly to the fine Americans, but unfortunately financially situated persons covered by the wage-and-hour law or by the provisions of the Lesinski substitute?

Let me state another pertinent fact. The average increase required to increase the wages of these low paid employees to 75 cents per hour, very few of who earn as low as 40 cents per hour, is anywhere from 5 cents to 15 cents per hour. We must remember that we are today considering a bill that relates to and affects low paid employees, but we also must remember they are human beings, just like you and me. What will be the effect of the increase under the Lesinski bill and under existing law to our whole economy if we provide for a 75-cent minimum? That is a pertinent question. It cannot be much more than $400,000,000 annually. Under the original House bill, H. R. 3190, it is estimated at $500,000,000 annually, so it will be less than $500,000,000, and not much more than $400,000,000 annual increase in wages. It would represent a little more than 1 percent of the total wages now paid to the 22,600,000 workers covered by the present law. It is a relatively small increase. A 75-cent maximum would have no harmful effect, in fact it would have a beneficial effect on our economy as a whole.

Let us look at the $400,000,000-plus increase from another angle. Last year there was voluntarily paid a $12,000,000,000 increase in wages and salaries throughout the country. Compare this $400,000,000-plus to be paid to this unfortunate group to the $12,000,000,000 voluntary increase in wages. What kind of effect would that have upon our national economy? It would have a beneficial effect, in my opinion, but certainly it would have no adverse effect. We would simply be doing justice—the first job of government, justice—to a fine class of people, Americans, but again, all human beings. Certainly for anyone to argue that this increase in such a deserving direction would adversely affect our national economy seems to me ridiculous.

Let us, in searching our souls—oh, what beautiful words they are to express, but what meaning there is in them if carried into effect, these words expressed by a colleague of ours, the former chairman of the Republican National Committee—let us in searching our souls examine the bill and its effect from another angle. It is simply extending justice to these workers. It is an attack on economic insecurity in a sound, healthy way. It is strengthening the family life of America, and the family life of those workers means just as much to them as your family life means to you and my family life means to me. The stronger we make the family life of America the stronger we make our Government. When we pass this bill we are not only bringing to these people confidence in the leadership of our Government and in our Government but we are strengthening their family life, and by strengthening their family life we are strengthening American society, we are strengthening our Government, for after all the very basis of our Government and the very basis of our society is the family life. Strong family life, strong government; weak family life, weak government.

Without regard to party, my colleagues, I say, in the words of our friend from Pennsylvania, "Let us search our souls." If you search your soul and vote your soul you will vote against the Lucas bill. No matter what amendments you may vote for in relation to the Lesinski bill, you will vote for a 75-cent minimum wage for the persons covered by the wage-and-hour law.

Mr. McCONNELL. Mr. Chairman, I yield myself 20 minutes.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. BREHM. Mr. Chairman, if I correctly understand the parliamentary situation, the vote on the Lucas substitute will not come until after the Committee has had the opportunity of amending it. Now if the Lucas bill should be amended raising the minimum wage from 65 to 75 cents an hour and also if the formula of basing the rate on a cost-of-living index is removed, then the statement just made by the majority leader the gentleman from Massachusetts [Mr. McCORMACK] is inaccurate. For instance, the gentleman from Massachusetts just made the assertion that anyone who voted for the

Lucas bill on a roll-call vote would definitely be putting himself on record as being opposed to a 75-cent minimum wage.

Now, Mr. Chairman, my position on this legislation is well known. I have been on public record for quite some time as favoring a 75-cent minimum wage in those industries which are engaged in interstate and foreign commerce. Therefore, assuming that the Lucas bill should be amended as I have indicated and the vote then come on substituting the Lucas bill for the Lesinski bill, the statement made by the gentleman from Massachusetts [Mr. McCORMACK] would, as I have previously stated, not be accurate. I want the record to definitely show this distinction.

There are several provisions contained in the Lucas bill which I prefer over the Lesinski bill. However, I favor that provision of the Lesinski bill which fixes the rate at 75 cents in preference to the Lucas bill which fixes it at 65 cents with future rates being tied to a cost-of-living index. Therefore, my position is quite clear. If the Lucas bill cannot be amended in at least these two specific instances, then I will support the Lesinski bill and attempt to amend it in certain instances. Even if the amendments fail, which I have in mind, I will still vote in favor of final passage, as in my opinion the minimum wage should be increased beyond 40 cents in those industries or businesses engaged in interstate and foreign commerce.

It is my intention at the proper time to offer an amendment to the Lucas substitute in an effort to accomplish the above objectives.

Mr. McCONNELL. Mr. Chairman, I am sorry this issue has to be put in the realm of partisan politics. I do not know of anyone who has searched his heart and soul more than I have over the past 3 years for a correct solution of this problem. First of all there is quite an argument among various people as to the correctness of a minimum wage law—as to whether it is workable in a free economy. Some people believe it should cover every employee in America. There are others who believe it is sound but think there should be many exemptions so that very few will be covered by such a law. Others think we should have a flexible rate while still others say we should have a rigid rate. Frankly, there is a great deal of sincere earnest searching for a correct solution of a difficult problem.

We have heard it said rather jokingly, and I think this expresses the situation as I have discovered it over the past several years—it was said to me in a joking way—"Sam, why do not you make the rate from two to five dollars an hour and then exempt everybody?" That is the attitude I have found frequently. They do not mind higher rates, but then they say, "Exempt certain industries in my locality." For goodness sake, we must play it down the line and be level with everybody, but you just cannot make something that will suit the entire Membership of the House. That is one of the reasons a flexible rate was considered as probably answering the objections of many types of people in their thinking and in their approach to this problem. I will give you a very glaring example. We just heard a speech a few minutes ago on the floor about the desire to help the poor workingman, and yet the present Lesinski bill does what has not been done before, in the Fair Labor Standards Act, and what we are not advocating in the Lucas bill. It exempts large mail-order houses from coverage by the Fair Labor Standards Act. We are not advocating that, but the side which is saying that the soul should be searched, as far as we are concerned, has deliberately exempted the employees of the large mail-order houses from coverage by this act.

Let us consider another matter. It is almost shocking when you hear it. An exception has been put in here particularly for the Louisiana sugar cane processors that would permit them to work their Jamacian workers 80 hours a week, and pay them 40 cents an hour or less. Is that so humane? Let us call these shots where they fall. I tried to be reasonably patient in this, but I do not like to be put in the classification of being inhuman. We are trying to be human. We are trying to protect men not only as to their jobs but also as to the purchasing power of their dollar when they buy the necessities of life.

I think I made this very clear yesterday when I said that if we could find some way of applying the provisions of this act as it was originally intended by Members of Congress, or if we made it applicable to manufacturers, mining, and transportation—those industries in interstate commerce—I would be able to support a 75-cent rate.

We are not cutting wages. To my mind that is the most absurd statement I have heard so far during this debate. We are not cutting wages. We are calling for an increase in the minimum rate at the present time of more than 60 percent. I am not arguing about the correctness of 65 cents as a starting point. I do not know. I am seeking the right level at which to start the flexible rate. I have not even made an effort to force acceptance of a flexible rate during the years. If there is a better answer, let us find it, but there is one thing I shall insist upon, and that is that I shall be credited with sincerity in my approach to this problem.

When I said I would support a higher rate if a bill were applied to interstate commerce, to big business, but did not extend into the various local small businesses of our economy, I was aware of some statements made in prior years, and I would like to bring them to your attention:

When the late President Roosevelt asked Congress to enact the Fair Labor Standards Act, he said it was to protect "those who toil in factories." He further proposed that those in purely local pursuits and services not be covered.

At the joint committee hearings on the act in 1937, Assistant Attorney General Jackson—now Justice Jackson, Secretary of Labor Perkins, and Chairman Black of the Senate Labor Committee—now Justice Black—all emphasized that the bill was directed at producers for interstate commerce—and that it did not attempt to cover purely local pursuits or intrastate service trades. I will repeat, if this act applied only to those originally intended or if it applied only to manufacturing, to mining, and to transportation, I would advocate a higher statutory minimum wage than I now support. It should be clearly understood that the issues involved in this bill are the coverage and overtime provisions, and not the minimum wage rate. The wage rate becomes an important issue only because of the effect it would have on small local businesses which were not intended to be covered in the first place. But congressional intent to leave local business to the protection of the States has not been respected. Gradually and persistently the courts and the Administrator have extended the law's coverage to bring within it many local businesses.

As many of you are aware, the Fair Labor Standards Act is probably the most complicated piece of legislation that this Congress will be asked to consider. Fortunately, there are general areas of agreement as to many parts of the two bills, which we will be asked to consider. Therefore, we can simplify our task to some extent if we confine ourselves to a discussion of the controversial sections of the bills. These issues are the coverage and exemption provisions, the minimum-rate and maximum-hour provisions, and the administration of the act.

I do not have enough time available to do it now but I am hopeful that during the 5-minute debate we shall be able to clarify the various features of the bill that will be before us.

Since the most important issue is the coverage provisions, I shall begin by discussing them.

Late last week a mimeographed summary of the Lesinski bill, H. R. 5856, was delivered to my office. It contained the statement that "all" retail and service establishments are exempt. The word "all" is underlined. This statement is true—as far as it goes. However, the mimeographed summary does not point out that there is a tremendous difference between what we think of as a retail or service establishment and what such terms mean when used in the Lesinski bill.

Now ordinarily, we would not think the employees of a local window cleaning business would be covered by the act. However, the courts have upheld the ruling of the Administrator that employees of such a company who clean windows in buildings where workers produce goods for commerce are covered by the minimum-wage and overtime provisions of the act.

I can cite you other actual court decisions and administrative interpretations of the act which are even more ridiculous. Now you are undoubtedly interested in how the coverage provisions of this act have been allowed to run so far afield from congressional intent. If you will study the definition of the term "produced" contained in section 3 (j) of the Lesinski bill, you will find the answer to your question. "Produced" is defined as any process related—or occupation necessary to the production of

goods for commerce, which is the same language as is found in the Fair Labor Standards Act. The Administrator has ruled that he will interpret the coverage provisions broadly. In his interpretation of the act, the Administrator stated:

It is evident that, apart from certain specific exemptions enumerated in the statute, Congress intended a very wide application of its regulatory power over interstate commerce.

Just like every river must eventually flow to the sea—so every worker by some stretch of the imagination—is necessary to the production of goods for commerce. Therefore, the language of the act can be stretched to cover millions of additional workers in this country—whenever the Administrator is ready to do so.

Since there is no question that employees of local retailers and intrastate service establishments would be covered unless specifically exempt—it becomes necessary to determine whether they are exempt under the Lesinski bill. The answer depends upon whether such business fits within the narrow definition in the Lesinski bill—and it is impossible to understand the effect of the retail and service definition in the bill unless you know the meaning it has been given under interpretations by the Wage and Hour Administrator.

In order to bring employees of local retail and service establishments under the act, the Administrator has invented a class of businesses designated as nonretail.

To you and me, a nonretail establishment would look like a retail establishment. But that is because we are not acquainted with the nonretail tolerance—which has also been invented by the Administrator. Under the nonretail tolerance, a businessman who would otherwise be thought of as a retailer loses his exemption if more than 25 percent of his dollar volume is derived from nonretail service or selling. This includes:

First. Any sale in quantities larger than ordinarily sold by such establishment.

Second. Certain types of sales at a discount.

Third. Any sales to other businessmen—regardless of quantity sold—if the goods are resold by them.

Fourth. Any sales of goods not ordinarily bought by individuals for their own consumption.

Most retailers make some sales in each one of these categories—but, nevertheless, they are still considered to be retailers by other members of the trade and by the public generally. But if more than 25 percent of his dollar volume is derived from such sales, a businessman loses his status as a retailer under the Lesinski bill. As you can see, it is quite a feat to be considered as a retail or service establishment under the Lesinski bill. Many of this country's small local businesses would not fit within the definition—and these would not be exempt.

After general debate on this matter has closed, it is expected that H. R. 5894—the Lucas bill—will be offered as a substitute to H. R. 5856, the Lesinski bill. It might be well to consider how the Lucas bill treats the coverage of small-business establishments by modifying the definition of the term "produced" in section 3 (j). In the Lucas bill, production of goods for commerce means an activity "closely related or indispensable" to such production. Therefore, employees of certain businesses will no longer be covered by the act simply because their work is but remotely connected with the production of goods for interstate commerce, as is now the case.

In addition to limiting the coverage provision, the Lucas bill establishes a practical test of a "retail and service establishment." While, the Lesinski bill gives an artificial definition as to what constitutes a retail or service establishment—based on arbitrary interpretations of the Administrator—the Lucas bill exempts all retail and service establishments which are recognized as such in their particular industry, and do not derive more than 25 percent of their dollar volume from sales for resale, as resale is defined in the bill.

The Lucas bill also exempts laundries which do not derive more than 25 percent of their dollar volume from customers in mining, manufacturing, transportation, or communications business. It also provides that local retail and service establishments shall not lose their exemption simply because they process the things they sell. This provision exempts drug stores where prescriptions are made, small bakeries, tailor shops, and other businesses which do some work on the goods they sell. These could be covered—in whole or in part—by the Lesinski bill.

As I have said, it is important to consider that small businesses in all sections of the country will be affected by the minimum-wage rate. However, this far-flung coverage of the act is even more important in regard to its overtime requirements than in its minimum-wage provisions. At present almost every business, large or small, is paying its employees more than the statutory minimum of 40 cents. They have to, in order to get the kind of employees they want. It is the overtime provisions that hurt these employers—especially in small towns serving a rural area where working hours must be adjusted to the convenience of customers. In such cases the stretched coverage of this act affects the employer even if he is paying his employee $60 a week—because he is required to pay time and a half for overtime work which is necessary. It is important to remember this fact—that the humanitarian appeal for a minimum wage will apply only to a few fringe workers—but the overtime requirements will force many employers to pay certain employees as much as $7 to $10 an hour, and even more. That is the real danger of letting the coverage provisions of the act get completely out of control.

I shall not use this time to discuss the argument for and against a minimum-wage law. The common purpose of a minimum-wage law is to prevent the payment of unduly low wages—or oppressive wages. This law is not concerned with regulating wages among all levels of workers, but only with eliminating the particular cases where they are below a minimum standard—such as sweatshops and the exploitation of certain types of workers. Its function is not to affect all wage earners, but merely to protect certain individuals at the lowest fringe of the labor force.

Today we are to consider the problems to be encountered in determining a correct minimum-wage figure; whether it should be a rigid 75-cent rate or a flexible one based on the cost of living. An example of the defect in a rigid minimum-wage rate is the present law, which has not been changed to reflect the fluctuation upward in the cost of living. Every time there is a marked change in the cost of living pressure is put on Congress both for and against changes in the rate. All of this would have been eliminated if the minimum wage would have been automatically adjusted each year to the changes in the cost of living—similar to the provisions of the Lucas bill.

Many qualified persons are divided in their opinion concerning future economic changes in this country. During such an uncertain period, there is an understandable caution in the fixing of a rigid minimum rate at any figure. If the inflationary cycle resumes its upward march, Congress may be fixing too low a rate. If a sharp readjustment occurs in the economic structure, then there is an inherent danger of setting too high a figure—dangerous to employee and employer alike. With the objective in mind of protecting the relative purchasing power of the marginal worker and with a desire to act in an equitable and just manner, it seems sensible and sound to adopt an automatically adjustable rate at this time.

The advantages of such a provision are, I hope, too obvious to need extensive exposition. Clearly, since the basic purpose of a statutory minimum wage is to assure a worker a certain minimum purchasing power, the only means by which this can be assured is not by just giving him so many cents an hour, but only through tying what he gets in wages with the prices he has to pay for what he buys. The best measure of such prices for this purpose is the BLS cost-of-living index.

I am not going on with this at the present time because when the amendment is introduced under the 5-minute rule the various provisions will be clearly explained. But I would like to make this last-minute appeal to you, then I shall yield. No matter how you feel about the minimum-rate provision—whether it should be fixed, whether it should be flexible, whether it should be higher than 65 cents, or whatever it should be—fundamentally, if you really want clarification for the small-business establishments of this country so that they will not be forced either to go out of business or lay off some of their workers if you want that, then the Lucas bill by all means over the Lesinski bill.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Kentucky.

Mr. PERKINS. Going back to the retail provision that the gentleman just

discussed, I believe that on page 28 of the Lucas bill under exemptions it is provided that any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located, is exempted. Now, that is the exemption provided in the Lucas bill, so far as retail and service establishments are concerned?

Mr. McCONNELL. We did not exempt the large mail-order houses.

Mr. PERKINS. Let us take a man engaged in the retail business near a State line. Under the Lucas bill, if it is established that he does more than 50 percent of his business across the border—in other words, interstate—then under the Lucas bill he is covered?

Mr. McCONNELL. That is quite correct. No serious objection has come from the retail and service establishments on that. If more than 50 percent of their business is interstate, they expect to come under the act.

Mr. PERKINS. Under the Lesinski bill, the illustration I just gave would not be covered. In the event he was doing more than 50 percent of his business interstate, he would not be covered?

Mr. McCONNELL. Under the Lesinski bill?

Mr. PERKINS. If he was doing 75 percent of his business interstate he would not be covered?

Mr. McCONNELL. There is no test in the Lesinski bill so far as interstate and intrastate business is concerned.

Mr. PERKINS. Under the Lesinski bill he is completely exempted, regardless of the interstate or intrastate character of his business, am I correct? That is, referring to retail and service establishments.

Mr. McCONNELL. In other words, according to the Lesinski bill all types of business, retail or service, large or small, are exempt from coverage so far as an interstate and intrastate test is concerned. That is true.

I presume what the gentleman is trying to make out is that this is objectionable to the retail and service establishments. They are not seeking to eliminate the intrastate qualification section of the present Fair Labor Standards Act as it refers to retail or service establishment exemption, and they are not making their fight on that proposition. The real fight is on the arbitrary ruling of the Administrator, whereby a certain type of selling or servicing is designated as nonretail. We have had a stream of small-business people, retail and service people, coal dealers, barber shops, laundries, bakers, retail establishments of various other descriptions, all disturbed because they are uncertain whether they are covered under the act. They do not do an interstate business. They are not arguing that. The matter they are arguing is whether they are classified as retailer or nonretailer under the act.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Iowa.

Mr. JENSEN. In the building-material industry without a doubt more than 25 percent of the business is done on a big scale, that is, they sell big bills. Now, then, under the Lesinskil bill, are they considered nonretail?

Mr. McCONNELL. They are considered nonretail under the Lesinski bill on account of the quantity and the resale provisions. Much of their business, as the gentleman says, is big business.

Mr. JENSEN. Does the Lucas bill take care of that?

Mr. McCONNELL. Yes; to the satisfaction of the retail-lumber dealer.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Michigan.

Mr. LESINSKI. I understand it is a question of who has the right to promulgate the rules, and everybody knows that the Administrator has not got those rights. Is it not proper that we should have some department that would have the right to promulgate rules?

Mr. McCONNELL. I would like to state that I object to the rule-making power in the Lesinski bill which would have applied to it criminal penalties, and so forth. I would object to that, but I am not even addressing myself to that problem. I am addressing myself to the twisted phraseology and the twisted meaning that the Administrator has put on the Fair Labor Standards Act. Even if you give him rule-making power, you have to be sure how he is going to interpret the rules, and I know and you know how he has interpreted them in the past, and we also know that the courts follow the rulings of the Administrator to a marked degree.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KARSTEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Chairman, legislation to broaden the Fair Labor Standards Act and to increase the minimum-wage rate is long overdue. The original law providing for a minimum wage of 40 cents per hour was passed over a decade ago. There have been practically no changes in the law since that time, except of a minor nature, and the law is badly out of date.

The committee bill, H. R. 5856, provides for a 75-cent-minimum-wage rate, thus bringing up to date the long outmoded 40-cent minimum wage rate established in 1938. It also provides for broader child-labor coverage and takes some forward steps in connection with the act's exemption provisions. Certainly this bill represents the minimum improvement of the act that can be supported by proponents of minimum fair labor standards.

The history of legislation of this type shows that it must be improved as we continue to progress. I was here when the original law was passed and I recall that many, at that time, opposed it. Some said then that business could not stand such a law and that it would drive many industries out of business. Despite the dire predictions since the passage of the act, American industry and business is in a much better financial condition today than it was at the time of the passage of the original law. Profits are at record levels and business in general is enjoying the greatest prosperity in the history of our country.

This bill will help business and industry which must depend upon the workers to purchase the products they manufacture. It is a sort of insurance of future purchasing power and a 75-cent-minimum wage will stabilize our economy at a much higher level than the original legislation.

It is a shocking thing to know that there are today thousands of persons employed in the United States at wages of less than 40 cents an hour. On the basis of 40 hours' employment, their income is $16 a week. These deplorable conditions exist all over the country including my own State and I am anxious to see them corrected.

The 75-cent minimum wage provision of this bill has no strings attached in the form of so-called cost-of-living ties. This is the rate which has long been widely recognized as a fair and practicable minimum wage rate. Approval of this rate was a major plank of the 1948 Democratic platform, and a campaign commitment of many members of the Republican Party. Adoption of any lower rate would represent gross injustice to the less fortunate workers, condemning them to support their families on incomes of less than $1,500 a year.

This bill will not make the Fair Labor Standards Act a perfect instrument for maintaining decent minimum living standards. The measure does broaden the coverage of the law, but I would like to see legislation passed that would further extend this coverage. The bill represents fair progress and while I would like to see the legislation go further than it does, I am going to support the measure.

Mr. RODINO. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Chairman, I shall vote for the 75-cent-minimum-wage bill because I believe elementary social justice requires this. Indeed it is incomprehensible to me that we as a Nation have delayed for so long in overhauling the Fair Labor Standards Act and in bringing it up to present-day standards. It is my conviction that no employer whose operations are within the scope of Federal legislation should be permitted to pay workers less than a subsistence wage. This is both sound ethics and sound economics. The employer who persists in paying substandard wages is forcing the community to bear a cost of what should properly be his basic cost of production. No human being can support himself or herself and maintain sound health and live under decent conditions at a wage of less than 75 cents an hour. Therefore, the worker who receives less than this amount must obtain

some subsidy from charity, from relative, or from some other source. Sweatshop wages are at the root of many of the social ills which local, State, and Federal governments must spend millions annually to correct or alleviate.

Although my advocacy of the 75-cent statutory wage and extended coverage of the Fair Labor Standards Act is based primarily on humanitarian grounds, the practical arguments for this long overdue legislation are equally compelling. The statistics regarding average wages paid to workers in industry make it abundantly clear that only a very small group of employers are paying less than 75 cents today. It is clear, therefore, that the fair employer, the concern that pays decent wages and wishes to continue to do so, is jeopardized by those who pay substandard wages. In a period when unemployment is increasing in certain areas of our economy the competitive situation again becomes acute. If the rate is raised to at least 75 cents, the competitive struggle will not be waged at the expense of the basic living standards of the working people in these concerns. The fair employer will have some measure of protection against the unfair concern.

Let me cite for a moment two situations from my own district which will illustrate my general contention. For many years the oldest and largest thread company in this country operated in Newark, employing over 1,100 people. The concern, although nonunion, paid the going wages in the northern section of the cotton-textile industry. Certainly its wages were well above those that would be required if the present legislation becomes law. About a year ago this concern closed down its Newark mill and moved to Georgia. It made no secret of the fact that it did so that it could pay the lower wages prevailing in that section of the South. I am informed that this mill now pays rates from 20 to 30 percent less than it was obligated to pay in the North.

Enactment of the pending legislation would not require a manufacturer to pay the identical wages in the South that are paid in the North. What the law would do, however, would be to substantially narrow the wide wage differentials that have existed between various sections of the country. The practical effect of narrowing this competitive gap would be to slow up at least the migration of old-established plants from high-wage sections to low-wage areas. If a manufacturer can legitimately achieve lower costs in one place as against another without taking unfair advantage of his workers no one can object to that type of migration. But as a practical matter we know that in the consumer-goods industries at least that there will be far less shifting about of established plants when this Congress enacts a statutory wage of 75 cents per hour. This proposed legal minimum is fairly close to the minimum which most of these industries, which tend to migrate, now voluntarily pay.

I am not arguing against the establishment of new industries in the underindustrialized sections of our country. What I am arguing for are proper safeguards which will protect established communities but which will at the same time protect inexperienced workers in places where hitherto there has been little industrial employment. This would be the effect of a sound national minimum wage such as provided in the bill now before you.

Let me refer to another case of a textile mill which left my district about a year ago. One of the oldest woolen mills in the United States, employing about 800 workers closed its doors and went out of business. Those who know most about why this company took this action are convinced the reason was that this employer found it difficult to compete under present conditions in his industry. Woolen mills are now opening up in the South, I am informed, and are paying rates far below the established rates in the North. No one in his right mind will say to any manufacturer "You cannot move wherever you please"; nor would anyone in his right mind argue that woolen mills cannot operate successfully in the South. What I am arguing for is a code of fair competition. The Government should set up certain standards which would permit private industry to exercise every bit of ingenuity, skill, and enterprise possible. But there should be a definite floor under wages below which no one can cut. The clever employer can always succeed without taking advantage of his workers. The unfair employer will be prevented from going to such lengths in his treatment of labor that both the individuals concerned and the economy as a whole will suffer. I insist that far fewer plants will close down in the North if a fair and reasonable minimum wage law is speedily written into law. Nor will this law in any way limit the expansion of any legitimate industry which wants to build new plants or go into new territory.

Finally let me mention that in my district there are thousands of veterans of both world wars. I am in close contact with these men and their families. A large proportion of these ex-GI's had no real trade before they went into the Army and some of them were either unable to get training after they were discharged or did not see the necessity for such preparation. The result is that a great many of these veterans are today working at very low wage jobs. Many of them have been forced to take employment in what can only be called sweat shops. While my district is no worse than any other and is better than most in this respect, there are in every industrial center some very low-wage concerns right next to places that pay standard rates. Do not run away with the idea that low wages are only found in rural areas or in the southern part of this country. Unfortunately all of us have some small pockets of disgracefully bad wages in our own back yards. I have been made especially conscious of this fact through my work with the veterans. I have found hundreds of these fine young chaps now obliged to work at jobs which pay very much less than a living wage. Many of these men who risked their lives for their country are now trying to exist at jobs paying less than 75-cents an hour. As of June 30, 1949, the New Jersey State Employment Service reports approximately 10,034 unemployed veterans in my district. This is in part due to the shifting industry from the North to the South. I say this is a shame and a disgrace and that we must put an end to such conditions as quickly as we can reach a vote on this bill and as quickly as it can finally be enacted into law.

Mr. DOLLINGER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOLLINGER. Mr. Chairman, this Congress now has the responsibility of deciding whether or not American workers will receive wages which will adequately pay them for their labors and enable them to meet at least the minimum costs of food, housing, clothing, and health. It is not conceivable that anyone would wish to deny workers just returns for their efforts—and it is our duty to help them achieve decent standards of living.

Many bills to amend the Fair Labor Standards Act of 1938 were introduced and considered by the Committee on Education and Labor. Taking living costs into consideration, I introduced H. R. 1352 on January 13, 1949, providing for a $1 minimum hourly wage. This wage, in my opinion, is still not adequate.

H. R. 5856, now before us, although a compromise, is a step in the right direction, and I shall support it, inasmuch as it is the best bill that we could get action on at this time. The bill provides for a minimum wage of 75 cents an hour. The Members of this House need not be reminded of the high cost of living at present, and it must be conceded that it is not possible to supply a family on less than that sum. This would provide only the necessities of life—not luxuries. Those who receive less must do without proper foods and necessary medical care for themselves and their children.

Various budgets prepared by our governmental departments show the need for a minimum of at least 75 cents per hour—and in fact, the cost of a minimum health and household budget is far in excess of this sum.

We know, of course, that if the purchasing power of the worker is not maintained, business will suffer. If wages are kept up, purchasing power will be kept up—there will be money to buy what is produced, and production can continue. I repeat, a minimum wage of at least 75 cents is necessary for our workers at this time. They cannot exist decently on less, and to provide for less would be a betrayal of the working people of America.

While we are on the subject of assisting workers, we must not forget our faithful postal workers and Federal employees. We can hardly insist that private industry meet its obligations without recognizing our own. It is my hope that we will soon have the opportunity to take care of these loyal employees.

The bill now before us would provide protection to a great percentage of the

hundreds of thousands of workers not now protected by our fair labor standards laws. It would bring hundreds of thousands more under the protection of the overtime provisions. Our children are further protected under the child labor provisions of the bill. If we are to lay a firm foundation for the future of this Nation, we must see to it that our children are not exploited, but are given the opportunities of education and normal childhood—the birthright of every American.

This House should pass H. R. 5856 without delay and without compromise. However, I serve notice now that the passage of this bill will not solve our problem, and I shall continue to fight for the passage of my bill, which provides for a minimum wage of $1 per hour. We must raise the living standards of workers in this country and this cannot be done unless workers are paid a fair return for their labors.

Mr. BARRETT of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT of Pennsylvania. Mr. Chairman, although several Members have already outlined in detail the background and coverage of H. R. 5856, there are still many persons who are opposing this measure on the theory of minimum wage legislation. The arguments being given against a 75-cent minimum wage today are practically identical with those given by the opponents of a 40-cent minimum wage in 1938. The intervening years have proved that the establishment of a minimum wage did not cause unemployment and did not wreck American industry, as predicted by the opponents. After considering the number of workers who are already above the 75-cent minimum proposed by H. R. 5856 and the number of persons who are exempt from its coverage, there are only approximately one and a half million workers who will be affected by this legislation.

To me it seems superfluous to debate the need for a 75-cent minimum wage and to point out the inadequacies of the present 40-cent minimum. I think it would be more in accordance with existing economic conditions in the country to be considering a dollar per hour minimum wage. The increase in the cost of living since 1938, which is currently given as 119 percent, is sufficient evidence of the need for an increased minimum wage. But there are other facts which, when taken into consideration, make one realize the need for a higher minimum wage than proposed here today and which make it difficult to understand the opposition to a figure of 75 cents.

The proposed 75-cent minimum amounts to a weekly income of $30 per 40-hour week before social security and other pay-roll deductions are made. The take-home pay of an individual with a $30 weekly salary often represents the sole income for a family of four or five or more. There is also the fact to be considered that a large number of persons falling within this low-income category do not work a full 40-hour week. Aside from being deprived of many of the things which we have come to regard as the necessities of life, these people are unable to afford proper medical care and the education of their children is neglected, both of which are so essential to the future of the community and the Nation. A rise in their income will result in improvement of their personal welfare and a more contented outlook on life, which will diminish whatever possibilities there might be of their weakening to the propaganda against our form of government.

In the absence of an opportunity to vote in favor of a dollar an hour minimum wage, and in the interest of those persons whose living conditions are pitifully substandard, I consider it my obligation to urge enactment of H. R. 5856. Such progressive legislation is in keeping with the progress and development of our great Nation.

Mr. GRANAHAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRANAHAN. Mr. Chairman, I favor the passage of H. R. 5856, the new Lesinski bill to amend the Fair Labor Standards Act. It is not as liberal as H. R. 3190, the bill originally reported by the Committee on Education and Labor.

This substitute measure is not wholly satisfactory to the friends of labor. It is relatively a moderate measure, but it is probably the best we can hope to get at this time. Certainly, however, we cannot accept anything less than this, which is, in effect, a compromise bill—and we should certainly not adjourn this session of Congress without passing this bill.

The opposition to increasing the minimum-wage provisions of the Fair Labor Standards Act and to extending its coverage comes from the same sources which fought the housing bill, which fought extension of rent control, and which has opposed every program for the progress and welfare of the average citizen.

It might be well to recall the origins of this legislation. In his message to Congress on May 24, 1937, President Franklin D. Roosevelt called for action to establish minimum wages and maximum hours. He said:

> The time has arrived for us to take further action to extend the frontiers of social progress. Our Nation, so richly endowed with natural resources and with a capable and industrious population, should be able to devise ways and means of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work. A self-supporting and self-respecting democracy can plead no justification for the existence of child labor, no economic reason for chiseling workers' wages or stretching workers' hours.

The result was the Fair Labor Standards Act of 1938, establishing a minimum straight-time hourly rate of 40 cents for all workers, requiring the payment of time-and-a-half for all hours over 40 a week, outlawing all "oppressive" child labor, and industrial homework in most of the industries in which sweatshop methods had prevailed.

Passage of this act was bitterly opposed by the Republicans in both Houses of Congress, but it was put through and 20,000,000 workers were brought under its provisions.

But the 40-cent minimum is today, and has been for some time, a vestige of the past. Efforts to increase it have been under way since 1944.

President Harry S. Truman in his comprehensive postwar policy message of September 6, 1945, called upon the Congress to amend the act, saying:

> I believe that the goal of a 40-cent minimum was inadequate when established. It has now become obsolete. Increase in the cost of living since 1938 and changes in our national wage structure require an immediate and substantial upward revision of this minimum.

President Truman called also for the extension of the act to give wider coverage. But there was no action. Again, in his state of the Union message, of January 14, 1946, the President expressed his support for this legislation, declaring:

> Lifting the basic minimum wage is necessary, it is justified as a matter of simple equity to the workers, and it will prove not only feasible but also directly beneficial to the Nation's employers.

The issue came to a vote in the Senate in April 1946, but was confused by an amendment to include the cost of farm labor in the parity formula for the calculation of farm support prices. In the House no action was taken.

President Truman has continued ever since to press for an increase in the minimum wage—in his state of the Union message in 1947, in his message approving the Portal-to-Portal Act in May of that year, and again in his state of the Union message last year, and still again this year following his election to a full term of office.

By the majority vote which put President Truman in office and restored Democratic majorities to both branches of the Congress, the people of the United States plainly indicated that approval of the program which calls for this reform.

Let us perform our duty and pass this bill.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUCAS. Mr. Chairman, my amendment has been attacked on two grounds. First, it is said that the amendment expands the present retail and service establishment exemption, thus depriving many employees of the act's protection. The number so deprived is estimated by the Administrator to be about 50,000 employees. The Administrator gives no basis for this estimate however, and in fact admits that it is impossible to make such an estimate with any degree of accuracy.

The Administrator concedes in his 1948 annual report to Congress that the Supreme Court's decisions have virtually

destroyed the exemption for all retail and service establishments located in the rural communities and selling and serving farmers. He further concedes that such decisions cast considerable doubt upon the application of the exemption to any retail or service establishment, wherever located, making some sales to business users. Since practically every retail or service establishment makes some such sales, this means that the status of all retail and service establishments is doubtful under the present exemption. My amendment clears up that doubt by exempting the establishments which are traditionally regarded as retail. It is only in the sense that it clarifies such doubt that my amendment can be regarded as expanding the present exemption. But in a real sense it is not expanding the exemption at all but simply confirming it for those establishments which the Congress always intended to exempt. The contrary view must assume that in granting the retail and service establishment exemption, Congress intended to reject what is traditionally recognized as a retail sale or service in an industry and to adopt an arbitrary concept of what is retailing or servicing.

The other charge against my amendment has been that it would make the exemption difficult, if not impossible, to apply, because years of litigation would be required to ascertain what is recognized as a retail sale in various industries. This charge is completely baseless. The Administrator, through his 11 years of administration of the existing law, has come to know quite well what sales and services are recognized as retail in each particular industry. Moreover each industry knows also what such sales and services are. Only in the rare instance where the Administrator and industry disagreed on this matter would a court test be required. In any event, no enforcement burden is placed upon the Administrator. The employer claiming exemption would have the burden of proving that at least 75 percent of his sales are recognized as retail in his industry. The problem is the employer's and not the Administrator's. The latter, therefore, is in no position to complain about the difficulty of establishing whether particular sales are recognized in the industry as retail.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. BEALL. Mr. Chairman, will the gentleman yield?

Mr. KELLEY. I yield to the gentleman from Maryland.

Mr. BEALL. Is it the gentleman's understanding that restaurants and laundries doing a retail business are exempt under the bill?

Mr. KELLEY. That is my understanding.

Mr. Chairman, one cannot approach a discussion or amendment to the Fair Labor Standards Act without thinking of the former chairman of the House Labor Committee, the gentlewoman from New Jersey [Mrs. NORTON]. It was she who sponsored and piloted the original bill through the House under very severe difficulties. I wish to say for my part that it is a great tribute to her, and she deserves the gratitude of all those 22,000,000 people she so valiantly assisted.

I am opposed to any reduction below the 75-cent minimum. It is not a question of examining your consciences to see whether the 75 cents is too much; it is a question of examining your consciences to see whether the 75 cents an hour is enough. I am satisfied that if you proceed on that basis you cannot help but come to the conclusion that the 75-cents-an-hour minimum is still too low.

I regret very much that the substitute Lesinski bill, H. R. 5856, does not carry as much coverage as the original bill, H. R. 3190. What is needed is further coverage, just as much as an increase in the minimum rate. However, as the gentleman from Pennsylvania preceding me said, there were so many requests for exemptions from the various districts and areas of the United States that the committee was plagued with requests for exemptions. It occurred to me as a member of that committee that everyone was satisfied to have the minimum wage apply to everyone else except themselves. They wanted to be exempted. If we exempt everyone who applied for an exemption, I am afraid we would not have much of a bill left.

I want to urge immediate enactment of the Lesinski bill, H. R. 5856, but I want to talk particularly about the raising of the minimum wage to 75 cents which, to me, is the most important part of the whole bill. Eleven years ago we passed the Fair Labor Standards Act of 1938. Under that law employers of any employees who are engaged in commerce or in the production of goods for commerce are required to pay those employee not less than 40 cents an hour. That was the law we passed in 1938. We have had a war since then. We have a war inflation and a postwar inflation. The cost of living has gone way up. The cost of food has more than doubled. A man trying to support himself and his family on wages of less than 75 cents an hour spends a much bigger share of his take-home pay on food than does the high-paid worker. Everyone knows how present-day prices hit the low-paid worker. Back in 1938 you could still get some cuts of meat for less than 20 cents a pound. You cannot touch them for less than 50 cents a pound now. With all of this, the minimum in the law is still 40 cents.

Nobody who was in favor of establishing a decent minimum fair labor standards in a Federal law when it was being debated in 1938 thought that 40 cents an hour would provide luxury, or comfort, or even a decent minimum standard of living for an American worker. We thought we should at least give him that much rock-bottom protection. The law is still on the books, but it gives him no protection whatever now, and it will not give him any protection unless it is changed to say that his employer must pay him not less than 75 cents an hour. All that this will do is to give him back about the same kind of protection he had before. He needs this protection desperately and we must not allow any complicated arguments to stand in the way of that basic human fact.

I agree with the general economic argument that we need a 75-cent minimum to protect the wage structure against a downward spiral of wage cutting such as we saw in this country back in 1932. We need the 75-cent minimum to help keep the income of this country at a high enough level to meet the expenses we have in these troubled times to make sure that this country can be defended in case the trouble gets worse. I will leave it to others to discuss these important economic questions. What I am talking about now and what I keep thinking about is the million and a half workers who are supposedly protected by a Federal law setting up a decent minimum fair labor standards, and who are today getting less than 75 cents an hour.

I want no one to overlook the real human need that this represents. I want no one to think that it is a problem for someone else but not for him. I want no one to think that such shamefully low wages are paid only to office boys. These million and a half workers work and try to live in big cities as well as in small towns. Workers who are covered by law and are now getting less than 75 cents an hour are trying to make ends meet in Birmingham and in Chicago; yes, even in Philadelphia and Pittsburgh. As to the office-boy argument, let us get rid of that once and for all. There are not that many office boys. Hundreds of thousands of workers getting these shockingly low wages are married men trying to support families on what they earn.

We should have raised the minimum wage in the Fair Labor Standards Act long ago. We did not. We had better do it now. When three or four million people looking for jobs start bidding for those job wages go down. I wouldn't want anything to add more workers and more American families to the million and a half who are now so grossly underpaid. Instead we should right now see to it that all of these million and a half workers get their wages raised to 75 cents an hour, and we must do it by putting it in the law, so that their wage cannot be cut.

The minimum has long since been obsolete. Simple economic justice requires that it be raised and that it be raised very promptly. I have great hopes that the House of Representatives will pass this week a bill which will raise this minimum and otherwise improve the act.

There are two major bills before the House in its debate. One of these, introduced by the chairman of the House Education and Labor Committee, will raise the minimum to 75 cents an hour. That minimum will do little more than adjust for the increases in the cost of living since the act was originally passed, considering that costs have risen more for the low-paid workers. Even so, a million and a half workers at the bottom of the wage ladder of workers covered by the act will benefit from this modest minimum, this long overdue minimum of 75 cents which will again put meaning

into the purpose of the act: "the maintenance of the minimum standard of living necessary for health, efficiency and general well-being of workers." In the weeks of testimony before the committee, no single witness asserted that a lower minimum would be adequate for these purposes, and there was a great deal of data showing that even 75 cents was all too low.

There is an opposition bill introduced by Representative WINGATE H. LUCAS, of Texas, which would merely raise the minimum of 65 cents an hour, less than the rise in the cost of living to moderate-income families in large cities would require, and even more woefully inadequate for the changes in living costs of the low-paid workers. This proposal, I might add, is no higher than the Senate voted in 1946, it is the same as the House Labor Committee voted to report out in the spring of 1946. Since that time, the cost of living has increased by almost one-third, but the Lucas bill gives no consideration to this important fact.

As a result, the Lucas bill would benefit less than half a million workers, and these very little, since the workers who get less than 65 cents an hour generally earn just below that figure. This is the contrast I want you to understand. The House this week will either support the Lesinski bill with a 75-cent minimum directly benefiting a million and a half workers, and indirectly benefiting other workers by placing a realistic floor under wages. Or it will support the Lucas substitute, a poor substitute, which will hardly help anybody, which has a 65-cent minimum set at a figure too low to prevent a disastrous beginning to a cycle of wage and price cutting should depression set in. Even that low minimum, I might add, is not a firm, solid floor, but a rubber floor, which would sag with every drop in the cost of living.

Even this is not the whole story. By chipping here, and by gouging there, the Lucas bill would deprive the benefits of the act to more than a million workers now covered by its provisions. By contrast, the Lesinski Act would extend the protection of the act's minimum-wage provisions to more than a hundred thousand workers not now covered, and would give overtime protection to about 700,000 more workers.

Unfortunately, I do not have time to go into detail concerning the many other ways in which the Lesinski bill is a better bill than the Lucas bill, but I do want to mention a few. The Lucas bill gives many new protections to the chiseling employer, while the Lesinski bill would strengthen the administration of the act, by making it possible for both employers and employees to know exactly where they stand and by assuring that wages Congress intends should be paid shall in fact be paid to workers protected by the act.

The Lesinski bill is the better bill for protecting children from oppressive child labor. It is the better bill in protecting the overtime standards. And above all, to return to my first point, it is by far the better bill in establishing a decent, realistic floor under wages, which will directly benefit many workers and will help all of us by stabilizing our economy.

Mr. McCONNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, it may seem peculiar that one who comes from an agricultural State would have the temerity to ask for time to speak on this bill. May I call your attention to the fact that out in Wisconsin there is a lot of this New Deal stuff which does not mean very much to us because, if you will look up the record you will see that we had unemployment insurance and other labor legislation passed long before anyone ever heard about it here.

The reason I ask for this time is to say that I hope we pass a bill this time so that when a Member of Congress writes to the Department to find out who is covered and who is not covered he will be able to find out. That is something I have been unable to find out in the 10 years that I have been a Member of Congress. That situation obtains in most cases.

Last week I was very much distressed to see my colleagues who are particularly interested in minimum-wage legislation vote against the Gore bill. The Gore bill provides a 50-60-cents-per-hour labor return to the producers of foods and fibers in our country. This is a 19-year study and you can find it in the Appendix of the June 8 RECORD. This study indicates a 50-60-cents-an-hour labor return. The exact hourly return depends on the weather and a number of other factors. But over these 19 years it provides the producer an average of between 50 and 60 cents an hour for labor. I could not understand why so many people were opposed to the farmers getting that much for producing the food and fiber for this Nation.

Let us stop and look at the year 1939. That is the seventh year of the more abundant life. The figures show for different types of farms—16 cents an hour, 14 cents an hour, 32 cents an hour, 18 cents, 17, 17, 30, 21, 22, 7, 35, 25, 24, 21, and 21. Now, that is what happened in the seventh year of the more abundant life, so far as the labor returns to the farmers of this country are concerned. There is not anyone who can dispute that fact because these figures are from the BAE and this is their study. If there is anybody who believes that 90 percent of parity gives the farmers any more than 50 to 60 cents an hour, I can tell him a good way to prove it to himself. Just go out and buy a farm, pay 50 cents an hour and then sell your product for 90 percent of parity and see how you come out at the end of the year. If you study this Dr. Wiley report you will note that the labor return was over $4 in the Southwest in 1948. But you must remember that wheat was more than parity and the crop was above normal. That is No. 1.

No. 2: I have heard much talk around here in the past few days about the State of Louisiana. I have heard folks saying how we bad Republicans—black Republicans—are against all these things. I just wonder how many people ever checked up and found out that we already have a law which gives the Secretary of Agriculture the authority to fix a minimum wage in one part of American agriculture. Did you know that? Pretty nearly everyone here voted for it, too, and that is the sad part of it, because that is what you voted for in the Sugar Act. What does the Sugar Act provide? The Sugar Act provides that the Secretary of Agriculture—now, remember, this is not some black Republican who cuts the ears off little children and does a lot of bad things—this is a member of the President's Cabinet—then has the authority to fix minimum wages. The Sugar Act provides that the Secretary of Agriculture has carte blanche authority under the law to fix this minimum wage.

So when they tell you that the sugar people in the State of Louisiana is able to get out from under the Lesinski bill they are not giving you all the facts, because the facts are that they are already out from under it because the Secretary of Agriculture, having this carte blanche authority provided in the Sugar Act, said that the minimum wage for Louisiana should be set at 32 cents an hour to 39 cents an hour. Everyone knows about these DP's. They had about 300 of them, and half of them have evaporated; they cannot find them. They heard about what wonderful opportunities they were going to have in the United States and when they got down in the sugar fields they did not like it, so they just disappeared. I do not know whether they have found them yet or not.

The Secretary of Agriculture, a member of the President's Cabinet, the party who speak so often of minimum-wage legislation, also goes down to Florida and gives them 45 cents an hour minimum wage. The question is, If a member of President's Cabinet has authority to say what the minimum wage should be, why did they not make it 75 cents an hour? It is a little better than 75 cents an hour in the Hawaiian Islands. Out in California and Colorado it is 60 and 65 cents an hour. Sugar from California and Colorado must be just as sweet as sugar from the 25-to-45-cent-per-hour area.

I am just talking about the field work. I am not talking about the folks in the factories. So the question is, Here is a member of the President's Cabinet, not any black Republican that cuts off children's ears, but here they are, with carte blanche authority, and they go down to Puerto Rico, and what do they do? They figure that 29 cents an hour is enough for the Puerto Ricans.

Is that how much they are interested today in minimum wages? I hope not.

Then they go to the Virgin Islands and they figure that Puerto Rico's 29 cents is too much and they give them 25 cents an hour. It is in the official letter in the May 20, 1949, RECORD.

So I do not want to be kidded too much in connection with this wage-hour legislation.

I happen to come from a State where labor has had recognition for years and years. The labor legislation in Wisconsin was enacted under Republican administrations, too. Occasionally some outside fellow comes in and tells us how bad we Republicans are, but we do not find all these controversies that you have.

Our State is pretty well divided industrially and agriculturally, as far as business is concerned. In that State you do not find anybody who is antilabor in any political office that stays there very long. You will say probably that one reason is because the State's economy is based on the dairy industry. Anyone knows that if you are going to buy dairy products you have to have good wages or you will not be able to buy them. That may be one of the reasons why fundamentally you will find Wisconsin right out in front. If forward-looking laws do not work out satisfactorily, we get rid of them. We even had an OPA in 1930. Probably that is one reason why we did not like it in 1940. We put people in jail because they sold too much milk for the money. It did not take them very long to get rid of that law and they did not think much of the OPA in the forties either.

If this minimum-wage legislation is a good piece of legislation, I would like to know why there is not more people blanketed under it. Our colleague, the gentleman from Texas [Mr. BECKWORTH] made a fine contribution the other day. He did not get a very good reception on the floor, but if something is not done in connection with a minimum wage for labor as it relates to agriculture, you will find that in a few years' time we are going to have a few hundred wheat growers in the United States and a few hundred cotton growers in the United States, and so on down the line. One wheat grower produces 500,000 to 600,000 bushels a year and he had already had a subsidy of over $250,000. The gentleman from Texas [Mr. BECKWORTH] wanted to put in an amendment to let the little fellow raise four bales of cotton. He did not get much support on that. But stop and think about it. If we do not provide some kind of a program to give the little fellow some chance to stay in business, he will be put out of business. If you have a set-up whereby you are not going to give any protection to the man who works on this land, as far as a minimum wage is concerned, when we can protect the man who owns the land, as we did last week, with a minimum wage—not only a minimum wage but we also provided him a job at 50 or 60 cents an hour—I say to you that we have some responsibility, our Government has a responsibility, to see that the man who does the work has somewhere near comparable support for the labor he does on those farms. Mr. Hugh Mitchell, of the farm-labor section of the AFL, is one of the most constructive labor men I have met in Washington.

But I just believe the time has come when we have to meet that problem. We are going to say, "Well, the farmers do not want to come under it and we will not put them under it." The time is coming when we had better broaden the base for minimum wages or take it off the books altogether. I for one am willing to stand up and be counted to broaden the base from one end to the other, because if it has merit to it, it has merit for the many as well as for the few.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. McCARTHY. The gentleman raised a question as to those who voted against the Gore bill.

Mr. MURRAY of Wisconsin. I said I was much surprised the other day to see them vote against the Gore bill knowing that it provided only 50 to 60 cents an hour minimum wage.

Mr. McCARTHY. It was a sliding scale.

Mr. MURRAY of Wisconsin. No. There was no slide to it for 90 percent of American agriculture.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I want to vote for a reasonable, fair, minimum wage law; I would prefer its being 65 cents an hour because I sincerely believe a higher rate would not be good for the economy of the section from which I come. I do not impugn the motives of anyone who thinks otherwise. I do not wish to hear again on this floor the statement that money has been sent to the South and because of that we ought to vote a certain way whether we think that way or not. I simply repeat that the amount of dollars that may have been sent or is to be sent will not have, nor have they had, in my opinion, any effect whatever upon the formulation or the changing of the conscientious opinions and convictions of the men from that section.

I do not wish to malign anybody for participating in the writing of this Lesinski bill; I simply want to remind the membership of the House again that neither of these bills are committee bills; neither of these bills have been considered by the committee, not 1 minute. Neither of the bills have been approved by a majority of the committee——

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. If the gentleman will get me more time. The gentleman does not want to deny what I say, does he?

Mr. BAILEY. Yes; I do.

Mr. BARDEN. Then, I will yield.

Mr. BAILEY. Four-fifths of the bill H. R. 5853——

Mr. BARDEN. I am not talking about four-fifths of the bill; I am not talking about nine-tenths of the bill; I am talking about the bill.

Mr. BAILEY. Four-fifths——

Mr. BARDEN. I do not yield further.

I want to call to your attention some of the "bugs," and I repeat that neither of these bills are committee bills, and the gentleman from West Virginia knows it. Now, I want to call to your attention some real "bugs" in this bill that you had better be thinking about. The most important thing in this bill is not the 65- or 75-cent rate, because the amount in either bill can be changed, but it is the internal part of the bill that you must consider and amend.

On pages 27 and 28 you will find the widest rule-making regulation and order-making power ever granted to anybody in the halls of this Congress. And what does it carry with it? The violation of any regulation, or order, or interpretation by the Administrator carries a fine of $10,000 and imprisonment for 6 months, or both. Has it reached the point that this House is going to delegate that kind of power to an administrator of an act of this kind? Who has gone so far afield as he has in the past? Just think of it, that one man could make a regulation or an order and that you would be subject to a fine of $10,000 and imprisonment in jail for 6 months or both. And that is the Lesinski bill.

Was it by accident that it simply overlooked the retroactive provision that we put in the overtime-on-overtime bill? But as the Lesinski bill now is that will be brushed off, and that is out of the picture.

Was it by accident that in this Lesinski bill the statute of limitations was wiped out? As the Lesinski bill stands now the administrator, the Secretary of Labor, can bring lawsuits clear back to 1938 when we wrote clearly a 2-year statute of limitations in the original law. Was it by accident that that provision was put in this bill? Of course it was not by accident. What else do you find in the Lesinski bill?

You will find other provisions where the power of the Administrator is so expanded, and I do not fear so much the coverage as I do the unlimited power of one man. I say to you that no one man should have the power that is granted in the Lesinski bill—to impose so much penalty. If he is a good man he should not want it; if he is a bad man he should not have that power in this great country of ours.

The Lesinski bill has removed the exemption granted the menhaden fishermen as it was written in the original law. Just why, I do not know, for it should be carried forward regardless of which bill is adopted.

Another "bug" in the Lesinski bill, and I think one of the worst ones is the section that authorizes the Administrator to bring suits for the recovery of wages, and so forth. This would mean probably a thousand lawyers to worry every businessman in the country. This provision, together with others, is why I think the Lucas bill preferable.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. O'SULLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Chairman, I support heartily, with a few prospective slight amendments, the Lesinski bill, H. R. 5856, but I do think that it should have included workers from all sections of the country, and all occupations, except agriculture.

As you all know, this type of legislation is not new in the United States at all. In fact already it is an indispensable fixture in our national labor life, but at this time it needs a little progressive overhauling, but not an overhauling of the retrogressive type, as is contemplated by certain reactionary Republicans and

Democrats, who are wont to cast sheep's-eyes in the general direction of the "business high and mighty," and eyes of scorn at the unheralded humble folks.

Lest we forget, I say that national minimum-wage laws are so very necessary in order to protect that class of workers in the lower wage scale brackets who are engaged in work tasks involving interstate commerce, or who are producing or working upon goods, wares, and merchandise which are to be sold and may find their way into interstate commerce. These classes of wage earners usually are not organized and consequently they have no unions to speak for them, to bargain for them, or to protect them against nearsighted, gold-locked, bad-employer vision.

Under the present minimum-wage law, 1,500,000 persons were covered at a minimum wage of 40 cents per hour. Under the Lesinski bill 900,000 more persons would be added and the minimum wage would be 75 cents per hour.

The strong Government right arm must be flexed and poised always, and, if need there be, placed with real purpose and authority upon employer men and employer institutions who put greed for earthly riches above ideas that all labor is entitled to that fair and just wage which moral decency dictates should be paid, not only in the interests of the workers and their dependents, but the sound economy and the Christian welfare of all of the people of the Republic.

Many States of the Union have adopted minimum-wage laws patterned after our national legislation.

Instead of carrying on my discussion further upon the merits of the bill I believe it would be more clarifying and helpful to give you the benefit of the contents of a telegram and a statement, which I will place in the Appendix of the RECORD. They state more succinctly than I am able to do, the meritorious side of these very necessary workers and hence I recommend these documents to you for your careful consideration.

In conclusion let me say that no one can dispute the fact that a minimum wage of 75 cents per hour is not excessive.

Any minimum wage should not be on a sliding scale and harnessed to the cost of living. It should be planetary and not meteoric, or on a sliding scale.

Just reflect for a few minutes upon what chaos and confusion could be caused by recalcitrant management if they had the power to put in motion a movement to lower the minimum hourly wage, as the index of the cost of living went up and down. Would not you like to keep a budget under a sliding-scale, minimum-wage law? If a mistake was made in the cost of living index and too much wages were paid could the employer get back the excess so paid, and if the worker had been underpaid could he sue the employer and recover the additional wages to which he really was entitled?

The plight of the employer and also of these unorganized workers under the sliding-scale, frustrating scheme would certainly be, I think, "confusion's legislative masterpiece."

Mrs. WOODHOUSE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mrs. WOODHOUSE. Mr. Chairman, the principle of a national minimum wage covering workers engaged in interstate commerce or in the production of goods for interstate commerce including any occupation or process necessary to such production unless specifically exempt, has been accepted since 1938. That principle is not under discussion here. The inadequacy of the 40-cents-an-hour minimum is also generally accepted. The question is to what figure should it be raised—75 cents or 65 cents—and should it be a fixed statutory minimum or a flexible minimum adjusted annually—but never allow 50 cents an hour—in accordance with the Bureau of Labor Statistics Consumer Price Index.

A 75-cents-an-hour statutory minimum wage is a bare cost of living adjustment of the 40-cent minimum of 1938. It is a mere subsistence wage. Remember it is a minimum wage for adult men. Yet minimum budgets for employed single women living alone prepared over the last 18 months by State labor departments are for Washington $2,231 a year, California (Heller Foundation) $2,218, Arizona $1,953, New York $2,087, Connecticut $1,949. Taking the manufacturing average working week as 40 hours and 50 weeks in the year, incidentally a very high average to assume under current conditions, these minimum budgets for employed single women would call for an hourly wage of from 97 cents an hour in Connecticut and Arizona to $1.11 in Washington. How then can we regard 75 cents an hour for an adult man with a family as high? It is a very bare minimum of subsistence wage.

A 65-cents-an-hour minimum wage would benefit fewer than 500,000 workers or about 2 percent of those now covered. Wages have gone up, as we all know, since 1938. Most workers who get less than 65 cents an hour are barely below that figure.

A 75-cents-an-hour minimum would benefit 1,500,000 workers but would raise the total wage paid covered workers by less than 1 percent.

The arguments against the 75-cents-an-hour minimum are echoes of the arguments of the opponents of the 1938 bill. The cry is that prices will go up, unemployment increase, the marginal worker lose his job and national purchasing power decline. The same people who protested the 25-cent minimum are making the same protests against the proposed 75-cents-an-hour minimum and their arguments and predictions are as fallacious today as they were a decade ago.

In 1938 it was argued that hundreds of thousands of workers would be thrown out of work because employers would be squeezed between high costs and low prices. Actually between May 1938 and May 1939 employment increased by 680,000. Unemployment did not increase, the marginal worker did not lose his job, business did not go bankrupt. Exactly the contrary happened.

A flexible minimum wage rising and falling within the fixed limits, in the proposal of H. R. 5894—Lucas bill—50 cents to 65 cents, may at first sight seem very reasonable. But it is first, not in accord with traditional American philosophy and practices and second, it would make for serious difficulties in administration.

A flexible minimum changed annually would make for uncertainty for both employer and employee. Yet today both American business and American labor are seeking stability and a stable progressing economy is most definitely the goal of the present administration and of most of the legislation touching on industrial life introduced into this Congress. A minimum wage tied to the cost of living would go down with any reduction in the cost of living. If the minimum wage goes down even a few cents this would look like Government approval of a wage cut and employers who might not otherwise reduce wages would be encouraged to do so.

Though we have had many years of experience with State minimum wage laws it is worth noting that no State has experimented with a minimum tied to the cost of living. It serves rather risky to experiment first on a nationwide scale.

The Bureau of Labor Statistics Consumer Price Index admittedly does not measure total living costs of low-income workers throughout the country. It is rather a measure of prices paid by moderate-income families in larger cities. So the measure of change is not really satisfactory. Then we must consider the serious difficulties involved in administering a minimum wage which changed from year to year. A large percentage of cases of failure to comply have been due to misunderstanding of the law rather than to deliberate intention to evade the law. With a minimum changing from year to year, this problem in administration would be greatly enlarged.

But more important, this idea of a flexible minimum is against the American tradition that all of us share in increasing national prosperity. While unfortunately, we have had booms and busts our economic curve has gone steadily upward. Our national income, our national production, our man-hour productivity have gone up. Wages have followed. While not always getting his full share the American workman's standard of living has gone up with our increasing national production. A flexible minimum tied to a cost-of-living index would hold the standard of living of the lowest-paid worker to a dead level.

This is not only contrary to our American tradition, not only unfair to these low-paid workers who in great proportion do not have the protection of organized collective bargaining, but it would be detrimental to American business.

American business has expanded because purchasing power has expanded. Investment in new business or to expand business is made only if there are prospects of sales. Sales are made only if there is purchasing power. The wages of the workers represent a very great proportion of the annual total purchases.

Keeping wages up means keeping up purchasing power and maintaining a high level of employment, a high level of sales and of business prosperity. The only way we can maintain our industrial prosperity is for more people to buy more goods. We have unemployment and a falling off of business when there is not a sufficient demand to carry off the market the goods and services we produce. The traditional business method of meeting a lack of demand by cutting down production and cutting wages makes little sense if we look at the results.

Excluding inventory, profits are still running 50 percent higher than the wartime peak. It would be good business tactics for business to divert some of these profits into wages which will be spent in buying the products of business. This will help keep a high level of employment and make it possible for business to continue to make profits. It is unfortunate that too many of us look at the profits of this month and forget the question of profits of next year.

We have done a remarkable engineering job of producing goods. The time has come when we must do as effective a job in distributing them in such a way as to maintain our high level of production. To this end we must maintain purchasing power. Production capacity of our manufacturing industries has increased by more than 50 percent since 1939. These goods must be sold if these plants are to operate at full capacity. The minimum wage of 1938 must be brought into line with 1949, and 75 cents is the lowest statutory minimum wage we should enact.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. HOWELL].

Mr. HOWELL. Mr. Chairman, the Committee on Education and Labor, after lengthy hearings, during which all points of view were freely expressed, and after further long consideration in executive session, produced H. R. 3190, which attempted to meet valid objections to the original committee bill introduced by our chairman. It became rather obvious that the bill would probably be defeated in the House, and I believe all of you realize that H. R. 5856 represents a further compromise which I feel is as far as we are justified in going, if we are to produce legislation of any real value and effect.

Any reduction of the 75-cent minimum provided in H. R. 5856 would, in my opinion, make passage of this legislation a meaningless gesture.

I urge the universal 75-cent minimum, not because I believe this amount will provide a genuinely adequate living wage but as a step forward to the eradication of the worst forms of underpayment discrimination and exploitation of the bargaining weaknesses of American workers.

I urge the 75-cent statutory rate as a means of improving the lot of some 1,250,000 workers now covered by the act who suffer from these exceptionally low wages. The 75-cent minimum provides a wage floor to which no employer can truly and properly object. Those employers who exploit the helplessness of workers by paying them intolerable wages should not be allowed to create unfair competition by paying less than $30 for a 40-hour week.

Substantial changes have occurred in the level of wages, in the costs of living, in the standards of productivity, and in our national income during the past 11 years.

All existing measures of living costs indicate higher minimum wage levels than the 75 cents. The city worker's family budget developed by the United States Bureau of Labor Statistics, which provides only a necessary minimum standard, reflects a living level below which deficiencies exist in one or more aspects of family consumption. It is estimated that this minimum budget, which provides for no savings other than a modest amount of life insurance, would cost as of February 1949, for a family of four, in the lowest-cost city, New Orleans, $3,019 and in the highest-cost city, Seattle, $3,579. The average for 18 cities was $3,300, or on the assumption of 2,000 hours of work, about $1.66 per hour.

Even the WPA emergency budget, which is far below the standard of living prescribed in this act, would cost $1.08 per hour in January 1949, on the assumption of 2,000 hours of work per year.

The cost of the minimum health and decency budget for employed women living alone which has been priced by seven State departments of labor since the beginning of 1947 is now well over 80 cents an hour and ranges in some States over $1 per hour. Persons employed at the minimum wage are persons of all ages, men and women, with varying family responsibilities.

The rise in the cost of consumer goods purchased by wage earners from January 1941 to January 1949 as measured by the WPA emergency budget has been 93 percent, which in itself justifies a minimum of 77.2 cents per hour.

National income was $67,400,000,000 in 1938. In 1949 it has risen to $224,000,000,000 or 233 percent. Productivity has risen considerably as indicated by the fact that the gross national product (in current dollars) per employed person has risen from $1,916 in 1938 to $4,254 in 1948, or 121 percent.

Organized workers have shared in varying degrees in these rises. Their bargaining power has been sufficient to wrest from reluctant employers some measure of the benefits, but many workers in unorganized industries, particularly those in which earnings are below 75 cents, are still not enjoying the benefits of this rise.

The 75-cent rate is being offered as a floor and an absolute fall-back rate for the national economy, to prevent a downward spiral, which those who support the lower and flexible minimum seem to seek to encourage, and believe is inevitable.

I appeal for your support of the 75-cent rate, if passage of this bill is to be a real accomplishment.

Mr. McCONNELL. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, a friend related to me the other day a conversation he had overheard. Some one said, "How can Mr. HAYS abandon the Democratic leadership on this important bill?" I was pleased for my friend to answer, "Mr. HAYS is a Democrat, but his people cannot take a 75-cent minimum wage."

You do ask an apology for offering what might appear to be a sectional argument; it is not that. If we establish a permanent Federal policy as to minimum wages, we must begin with the low-rated areas. Any unfairness to them would be inconceivable; we simply cannot do that. So, because the people of the South have suffered from a tough wage situation and have done their best in solving it, first with their own resources, and then with some help from the Federal Government, we have made terrific progress in the last few years, and we do not want to lose it. When the record is finally completed I want it to be remembered, not that I opposed the minimum wage proposed by Mr. LESINSKI, but that I favored raising the minimum wage to 65 cents, which is the very highest that our people can stand. It is not going to be much consolation to you when you get home to be able to say to a worker that you helped raise his minimum if you are to be confronted with a question from others thrown out of employment by an inordinately high minimum wage "Why did Congress do it?" I am predicating my case upon this proposition that if you raise the wage beyond 65 cents, you are throwing elements of instability into many phases of our economic life. I am not confining it altogether to the South, though I am more familiar with that. Hear me on this point. The great differentials are not so much between Chicago and Little Rock as they are between Little Rock and some town in western Arkansas and between Chicago and southern Illinois where the costs of living are lower.

In an effort to meet the problem I went before the Committee on Labor and Education thinking that I had something that might appear to them to be a constructive suggestion. In view of the great readjustment through which we now move, a price readjustment, it seemed to me that it would be wise to provide some kind of storm cellar. I do not know what the wage ought to be; nobody knows as a scientific fact what the minimum ought to be. But, if we set it too high and are wrong, then a flexible wage that provides that it may be reduced provides insurance against a collapse, and that is the only purpose of the flexibility feature. If we are wrong, if we fix it at 75 cents, and a terrific decline in the price structure causes unemployment, then we have a readjustment again and the minimum is lowered, you have saved his job, and the business.

Nobody has spoken to this point yet, nobody has told us just what the minimum wage ought to be scientifically, but I think I have some figures that will throw some light on that and, incidentally, I inserted figures in yesterday's RECORD at page 11234, which I think will be helpful.

First take the relationships of 1938, when the law was first adopted, and then take the increase in the cost of living and apply it to the 25-cent minimum, and you come up with 42.7. That is what it

would be. That is a very low minimum. I do not think this Congress could justify raising the rate only 3 cents, but that is what you would have. But we got a 40-cent minimum in July 1944 through action of the industry committees. We finally reached that goal and it was a good goal. We needed it terribly in Arkansas. Forty-four percent of all the employees in the Nation's lumber industry were getting less than 40 cents an hour when it was put into operation. I think it is a tribute to the lumber industry that they cooperated in raising it, although it meant readjustment. We were in an expanding economy.

If you take that relationship in July 1944 and apply it to your present condition, you come up with an interesting figure, 54 cents and a decimal point, 54.40. I hate to abandon the defense of 54.40. I like to say "fifty-four-forty or fight," because that is your scientific minimum if you apply the relationships that existed in 1944. I think the scientific minimum can be defended, though, if you go to 65 cents I think there is some justification for that. Increased productiveness as well as increased costs since 1938 might be invoked to support it.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, as I rise to address this body on the question of minimum-wage legislation I am not unmindful of the fact that I am addressing a body that within the last few weeks raised executive salaries in the Government from $15,000 to $25,000 per year. I hope we get substantially the same response from the same people who voted upon that legislation.

In 5 minutes my remarks must of necessity be general. Since there has been so much searching of souls here I feel that I should like to turn an X-ray upon the soul of a plan that has been suggested. There is much talk about who should and who should not be covered, and that is an important matter. I think the cat was let out of the bag here this morning when it was suggested that possibly it would be well to cover only mining, transportation, and manufacturing businesses. Just who would benefit by it, in view of the well-known fact that everyone engaged in those industries already receive more than the minimum?

Then were we being kidded on the square when it was suggested that possibly the wise thing to do would be to make it $5 an hour and exempt everyone, or was it what we lawyers refer to as the res gestae, the facts speaking spontaneously through the speaker rather than the speaker narrating the facts. There have been a good many things said about the Lesinski bill. I cannot answer all of them in 5 minutes, but I can give you a typical example of some of the objections to the validity of those objections. For example, a few days ago we passed the bill H. R. 858. I opposed that bill on the floor, but so far as I am concerned, this body has passed upon it, and I do not think we should debate the question again. That bill carried retroactive provisions so that a violation of the wage-and-hour law in the past was not subject to action for recovery now. Now, I opposed it on the floor, but you folks settled it. I think it should not be reopened. It was said here on the floor a moment ago that under this bill the retroactive provisions that we enacted in H. R. 858 would be revived. That is not true at all. That is an error upon the part of any Member who says so, because the retroactive provisions were in section 2, which were not amendments to the Fair Labor Standards Act at all. They are part of the law, and if we included a retroactive provision in this bill, it would appear twice in the statutes.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman for a question.

Mr. LUCAS. Then why did the gentleman put other parts of the bill H. R. 858 in his bill?

Mr. JACOBS. Oh, that is an easy question, and I am glad the gentleman asked it. The answer is because the first section of H. R. 858 was an amendment to the Fair Labor Standards Act, and we are enacting a completely new law. Therefore, we incorporated the provisions of section 1. But section 2 is no part of the fair labor standards law. It was wholly unnecessary to reincorporate section 2 of H. R. 858. If you will read from the bill H. R. 858, you will see that that is true. That is the retroactive section, it is simply no part of the law we are amending.

There may be defects in this bill which we are considering here today. If there are, we want to correct them, but I expect that, being the instrumentality of human beings, there are enough defects in it without conjuring up more of them; claiming that there are defects which do not, in fact, exist.

The question is asked by the gentleman from Wisconsin, Why did we not cover someone? Why, members of the Committee, as far as I am concerned, I would cover everybody under minimum wage legislation. I do not think $30 a week is too much for any man to receive. I would. But the people who are now finding these fancied flaws in this bill, such as I have just pointed out to you, these people oppose the covering of the very people that many of them are now saying, "Why are they not covered?" That is why.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. McCONNELL. Mr. Chairman, I yield the balance of the time to the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Chairman, I want first to point out to the Committee that there are two vital parts to the Fair Labor Standards Act. The first one is the subject of most of the discussion—particularly by those supporting the bill—so far today. That deals with the minimum wage.

There is another important part of the act, far more vital to all of us throughout the country and that is the maximum hours provision. It is said, and I believe justifiably so, that this bill was originally treated as a political measure. When these minimum wages were first put into effect, they were treated as the subject of legislating a minimum of income for the people of this country. To be sure we were in a recession or depression, but we were on the upgrade and coming out of it, and still 25 cents was the minimum. Then politically it went to 30 cents. Then politically it went to 40 cents. Never, never to date has this Congress had the courage to make that minimum wage contact the economy of this country in any part of it. Never has it had the courage. Now, today, for the first time, we hear reports that a segment of our country interested in a certain industry wants to make that minimum wage high enough to contact the economy of another part of our country which has a lower cost of living. This effort is made by industry not to raise the wages of employees, but in the hope of driving those wage earners' employers out of a competitive field by making it a crime for their employer to stay in business and pay them what he can afford to pay them.

In the bill there are two purposes that have been expressed. One is to guarantee a minimum cost of living to working people. None of us would oppose it. Our opinions differ when we try to pick one figure as a minimum wage to cover the whole of the United States. Surely no one here will debate the fact that the minimum of food, shelter, and clothing in Washington costs much more than it does in the South, or in Arizona, or in parts of my State. When we arbitrarily set a Nation-wide minimum wage, we know it is too low and ineffective in part of the country or so high as to force unemployment in other regions. So much for the minimum wage.

The justification given for the maximum-hours provisions of the law was that we were going to spread employment. By prohibiting employment over 40 hours, except under penalty, the employers would be inclined to employ more people, and spread employment. I am interested in this bill in its entirety, and I assure you I have given it my full attention for the time we have been able to have these two bills. Personally, I like the Lucas bill because it does not differ so much from existing law, which I think is important when we are considering amendment. I hope to say something on that later.

In connection with the State of California and its fruit-growing industry, there is one change in this bill that I want to call to your attention with respect to the canning industry, and only that part of the industry that processes perishable, seasonal fruits and vegetables. There has never been any controversy about the fact that a maximum workweek, and penalty for overtime, cannot be applied and obtain the purpose of the act. I am referring to the purpose of the penalty for overtime hours, which is to spread employment. The imposition of penalty overtime would not result in spreading work. It will not give more people employment. No one in the course of the hearings that were held on the original Fair Labor Standards Act, or at the many hearings that have been since held on the proposals to amend the act, has disputed this.

The issue has always been the extent to which Congress would attempt to apply the principle of spreading work in the business of processing fruits and vegetables. Even though President Green, of the A. F. of L., the present Administrator, Mr. McCombe, and his predecessor, Mr. Metcalf Walling, admitted that penalty overtime hours would not spread work in the fruit and vegetable processing industry, Congress has sought to apply that principle. For political reasons it has refused to make the admission that it cannot accomplish its express purpose when all witnesses before its committee have made the admission.

The question is, After how many hours a day and how many hours a week should penalty overtime be required, and for how many weeks each year should freedom from penalty overtime be allowed?

I have only 2 minutes left and in this time I wish to have your attention. The gentleman from North Carolina [Mr. BARDEN] has already told you about the penalties under these bills, particularly under the Lesinski bill. I wish in particular to draw your attention to section 11. In conjunction with this read also section 2, and in conjunction with that turn over to page 35, which is section 15, subsection 2, which reads:

> To violate any of the provisions of section 6 or section 7 or any of the provisions of any regulation or order of the Secretary issued under section 11 (b) or section 14 is a criminal act.

I am sure that there is no one in this hall who would like to delegate the powers that are stated in those sections to any one man. Remember that not just the men making less than 75 cents are covered by this act, as the majority leader has said, but every man in organized labor who is engaged in interstate commerce is covered by this act.

If you believe in free collective bargaining, if you believe that there was any degree of sincerity in the administration's opposition to the Taft-Hartley Act, read these paragraphs, then you see the substitute for Government control, for Government order and directive, not only, if you please, for the little man but here lies the rule-making power to destroy collective bargaining.

That was one of the issues before the committee. It is now offered to you here without committee hearings. I ask that you give it your careful attention so that free collective bargaining cannot be interfered with in the absence of a national emergency.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BIEMILLER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Chairman, this country cannot afford to tolerate sweatshop wages, nor continue the ridiculously outdated 40 cent an hour statutory rate. The direct and indirect costs of low wages are many times greater than would be the cost of raising minimum wages to 75 cents per hour.

Let us look at the economic facts of our life today. What does food alone cost for a family of four? The recent Bureau of Labor Statistics study shows that in Birmingham, Ala.—a middle city, as far as costs are concerned, in a group of 34 cities—food for such a family in June 1947 cost $1,057 a year, or over $20 a week. The price rise of 7 percent by February 1948 has brought this sum to $1,311, or over $21.77 a week. The entire income of thousands of families in the United States today is less than $20 a week. On such an income, a diet adequate for health is out of the question.

As would be expected, persons in the lowest income groups suffer from more physical disabilities and longer illnesses than do other citizens. The incidence of sickness declines with rising incomes. For example, chronic illnesses were found among 12.6 percent of the relief families in 1936, among 9.6 percent of the families with less than $1,000 income, and among 4.5 percent of the families with incomes of $3,000 or more.

The draft rejection rates during the war illustrate the relation between low income and physical disability. Rejection rates were highest for North Carolina, South Carolina, and Arkansas, three States that stood near or at the bottom of the list of States according to per capita income.

Moreover, the life expectancy of industrial workers is lower than that of other groups. In 1946 it was 1.05 years shorter than for other members of our society. Increase in incomes of workers during recent years accounts for a reduction in the difference between the life expectancy of workers and other economic groups from 6.5 years to 1.05. Workers on substandard wages cannot afford adequate medical care. What is more, medical facilities often are not available to them. In States with the lowest per-capita income are to be found the smallest proportion of hospital beds per 1,000 population, and the fewest doctors. The financial incentive for doctors to locate in such communities is completely lacking. The result is a higher mortality rate from tuberculosis, malaria, and similar diseases in States with the lowest per capita incomes.

Educational opportunities are limited and housing is poor for families of low-paid workers. Where the per capita income is lowest is to be found the highest proportion of population with no schooling at all or with the fewest school years completed. The people who lack money for proper food, for doctors, whose children are deprived of the opportunity for education, are the same as those who must live in the miserable houses deserted by their more fortunate neighbors.

Children born and brought up in families with substandard incomes are handicapped from the beginning. They are undernourished, and deprived of the opportunity for education and training that would enable them to rise above the economic level of their origin. At an early age they are pushed into factory or mill to help with the family support. They marry young and become the progenitors of the next generation of substandard citizens. The 1940 census reveals that 88.7 percent of the American children were in families with average incomes under $750 a year. The infant sickness and mortality rates are high among children in this group. The children who do survive lack, for the most part, the training and background necessary for good citizenship.

A nation cannot safely ignore these facts. A 75-cent minimum wage cannot correct all these evils, but it would be an important protection against the worst of them. Collectively, we have a responsibility to improve the social conditions of which individuals are the helpless victims and for which they are not to blame. Congress is the proper vehicle through which to secure action, and a revised minimum-wage law as an instrument for putting the remedy into effect.

The full cost of a worker's maintaining himself should come out of industry, just as industry is expected to pay for the cost, maintenance, and replacement of the machine which the worker operates. Maintenance of the worker, as of the machine, means keeping him in good working condition, properly fed as the machine is properly fueled, skillfully treated when ill as the machine is repaired when broken. But it also means properly feeding, clothing, housing, and educating his offspring so that they in turn may effectively take their place in the industrial and economic processes of the Nation.

The realization of this basic principle means that the worker's wages must not only be such that he can buy the goods and services necessary for his support and that of his family, but he must be able, through taxes, to contribute to the cost of educating his children, of protecting his home against fire, his person against assault, and his property against theft.

To the extent to which the cost of his support must come from private or public relief instead of from wages; to the extent to which he must rely on medical care for which he cannot pay and toward which he has not contributed through taxes; to that extent his employer is being subsidized by taxpayers and private charities. Only after meeting the full cost of maintaining its machines and its workers is an industry or an establishment entitled to profit. The consumers pay for these costs in the prices they pay for commodities. It is quite unfair, therefore, that consumers should in addition pay a subsidy to industry in the form of taxes to provide the necessities of life for its workers. A minimum-wage law would relieve the taxpayer of at least a part of the burden that is rightfully industry's obligation.

Workers who suffer from malnutrition or inadequate food are poor producers. They are more frequently ill than others, and, therefore, more often absent from work. It is a recognized fact that persons tortured by poor health and financial worries make poor accident risks, become discouraged, and lose the power adequately to perform the functions of their jobs.

Finally, let me drive home the point that low-wage workers are not the least

competent workers. Those receiving less than 75 cents are often highly productive, industrious, and ambitious. But they happen to have drifted into industries which are poorly managed, or the employer is so situated that he can simply force his workers to take what they are given. Many of the lowest-paid workers are veterans of industry and heads of families. It is one of the most thoroughly exploded ideas to say that people working in sweatshops are all single and only work because they want pin money. People who work for low wages do so because there are no other jobs elsewhere open to them, or because of difficulties of travel or some other similar circumstance.

Hundreds of thousands of workers who earn very low wages are highly skilled and are capable of exercising considerable initiative and responsibility. There are no essential differences between those who are obliged to work for 40 cents or 50 cents an hour and those who are fortunate enough to be able to get and hold jobs paying a living wage.

Society owes these victims of our industrial society a certain degree of equality in regard to their basic wage standard. We must not permit industry to become parasitic, as it inevitably does if it pays such low wages that the community must make up the deficit between what it costs to live and what the wage earner is actually paid.

Mr. LEFEVRE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEFEVRE. Mr. Chairman, I am thoroughly interested in having the definition of a retail establishment clarified. I have favored the last bill introduced by Mr. LUCAS, H. R. 5894. It seems to me that everyone admits that the wage-hour-law was never intended to cover retail and service firms. Therefore, I see no reason why the Congress should have any objection to the spelling out of a clear-cut definition, so we who are in the retail business and interested in the welfare of small business should not have any worries as to the interpretation of the law by the Administrator, whomever he may be.

The present Fair Labor Standards Act was purely an experiment. If such a law is really necessary, it is up to us to improve it, based on the retailers experiences. As a retail dealer in building materials, including lumber, millwork, builders' hardware, paints, and so forth, I can vouch for the fact that a substantial part of our sales goes through the carpenter contractor, the painter, the mason, and the electrician. Except on rare occasions the materials are taken from stock and involve regular retail functions and services. There is no reason in the world why such sales should be classified as resale sales. I feel positive that most of you, whether you were building a new house, remodeling your present home, or making repairs, would make your arrangements through a contractor and, therefore, the materials sold would not be made direct to you from the retailer as a direct-to-consumer sale. In the trade such sales have always been recognized as retail. I believe the chairman of the House Committee on Education and Labor, who, I understand, is a retail lumber dealer himself, has very emphatically said these are retail sales. Since the bulk of the sales of this nature go largely through contractors, it is essential that the term "resale" be clearly defined. This Mr. LUCAS has satisfactorily done by his definition of "resale"—namely "resale shall not include the sale of goods to be used in residential or farm building construction, repair, or maintenance." Another point should be cleared up. There has been entirely too much confusion over the possible interpretation of a retail sale. Referring again to my own business, it has been said that if a local druggist ordered a 1 by 10 pine board for a shelf in his drug store, that sale could be considered a nonretail sale since it went to the man's place of business in industry. That same 1 by 10 board ordered by the druggist delivered to his home would be a retail sale. How ridiculous it all seems, since this type of sale in the industry has always been considered a retail sale. I am sure every Member of the House wants these discrepancies cleared up.

The establishment of a 65 cents minimum hour rate, as provided in the Lucas bill, also seems a better solution than the 75 cents rigid provision in the Lesinski bill. Heaven knows all the retailers I have been talking about in our section of the country pay more than 75 cents per hour today. However, we have to look ahead. I do not care to be pessimistic but just suppose a real depression should set in. Cutting the number of employees would be about the first move the average small-business man would make in an effort to weather the storm. A wage rate connected with the consumer price index, as determined by the Bureau of Labor Statistics, would be the fair method of handling this problem. Any change would be geared to the cost of living. The 65 cents named in the Lucas bill is not a limitation on wages. It provides a floor or wages of 65 cents per hour to January 1 and thereafter the minimum wage is to go up or down each year in accordance with the cost-of-living index.

Ladies and gentlemen, remember this legislation affects a large sector of our population. This is not the time to put additional burdens on the retailers of America when we all are trying to deliver our wares and services at the least possible cost.

Mr. LESINSKI. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, we are approaching the close of general debate. It will not be possible in the limited time that we necessarily have in the allotments that are made to us to go into the details of the pending measure or the substitute that will be offered.

I want to discuss in a general sort of fashion some of its main provisions, and when we get into consideration of the bill under the 5-minute rule, I hope it will be possible for the Members to remain on the floor and become familiar with both the Lucas substitute and with the Lesinski bill, because certainly there is hardly any legislation that will be proposed in this Congress or any other that is fraught with so much potential effect upon the American people, the American Government, and even the world.

There are differences of opinion among us as to the philosophy of minimum wages. There are some who sincerely believe that the providing of a minimum-wage level has nothing to do with the economy of the country. My own conception is that while these wages are up, unless we place a floor under them so as to permit their sagging under the impact of temporary slumps in business, we will sink into a depression that will make the last one look like child's play.

Economists may philosophize about that all they please. I do not subscribe to Lord Keynes' theory, which leaves me about as cold as a dog's nose. About all the economics I learned I received from Adam Smith, and I did not learn too much from him, possibly because I was more or less a dullard. I did learn, however, that there are two sources of wealth on earth—what God gives us in natural resources and what man adds to them by the labor of his brain and brawn. My philosophy, then, along that line is simple.

I remember some facts, and I have been through some depressions in my day. One simple fact I remember is that in no time of low prices have I seen a happy people.

In 1896, at the age of 7, I picked cotton for 35 cents a hundred pounds and you could buy bacon for 7 cents a pound and 50 pounds of flour for 40 cents. But the people were not happy. In 1907 I worked in the sawmills in my section 10 hours a day for $1.25. You could buy a pair of overalls for 60 cents and other commodities in kind. But were the people happy? No. Back in the thirties you could buy a beautiful piece of sliced bacon for 20 cents. But who had the 20 cents? The bread lines and the soup kitchens in this country were feeding millions of our people who could not buy the surplus products that rotted in the bins and the storage places of this Nation.

We have a $254,000,000,000 debt. Do we dare allow the purchasing power of the American people to sweep down? Yet we are faced with a proposal in the Lucas bill of tying the minimum wage onto the so-called living cost. What happens? The living cost goes down. You lower the wage. That being a big element in the cost of a manufactured product, the living cost goes down and the wage goes down, so you just start digging down and down until you hit the bottom of 50 cents, or whatever else is provided. That is all there is to that. Why a minimum wage at all? Because in time of slack purchasing it is natural that the manufacturer or the merchant or the other man will want to move his product. So, in order to do it, he wants to reduce the price, and with manufactured commodities the labor cost is the larger part of it. He begins then to lower his labor. But his competitor has to lower his labor to meet it. So they start, and when they both get to the

same labor level and the cost level, they are no better off than when they were up here. They both have to compete for the same market. So, I think the philosophy of the minimum wage is sound, but I will not have time to go into that.

I want to just make a few general observations and then yield for questions, because I have never seen so much misinformation put out both in the cloakrooms and by the propaganda over the wire inspired by the lobbyists that infest this city as I have seen concerning this Lesinski bill.

Now, that points up the first fact that this is an exceedingly complicated field of legislation. Statements innocently made here a while ago by my good friend, the gentleman from North Carolina [Mr. BARDEN], and by the fine gentleman from Pennsylvania over there are completely beside the facts of the bill, because they do not understand it.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. Will the gentleman tell where I was incorrect?

Mr. COMBS. I understood the gentleman to say that there was a provision in the bill that authorized the Secretary of Labor or the Administrator to prosecute and fine a man for violation of the rules.

Mr. McCONNELL. I made no such statement, but it is true, if that is what the gentleman means. If you violate the law you are subject to penalties. The law says that.

Mr. COMBS. The rule-making power granted in here is essentially to do the things you fellows for two days have preached ought to be done and that is to clear up the fog territory that has infested the administration of this law, and hounded those people who wanted to comply, as you say. But, what does this do? This says that clarifying regulations may be made. Then there is incorporated in the bill, if you will read it, by reference, both the Administrative Procedure Act enacted by the Seventy-ninth Congress, and the portal-to-portal bills, both of which impose the statute of limitations, and the procedure act provides for a court review of any order made under that procedure system in which the administrator's findings will not be binding upon the court unless they are supported by substantial evidence. Furthermore, no prosecution for an offense under this law can be reached except for what? A wilful violation. Second, it is reached in court. Third, the court must find the man guilty and prescribe his penalty, and it can only prescribe a fine for a repeated wilful offender. What is wrong with that?

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from North Carolina.

Mr. BARDEN. The gentleman says I did not know what I was talking about, but the gentleman admits that subsection 2 on page 35 states, "any of the provisions of any regulation or order of the Secretary issued under section 11 (b)." I said it carried a $10,000 fine and 6 months in jail or both. Is that a correct statement? The gentleman said I was incorrect.

Mr. COMBS. That is like asking a man if he has quit whipping his wife. The words the gentleman read there are correct, but this is the meaning. In the first place, those are the criminal penalties prescribed that a court may inflict on the showing of willful violation. The first one is not subject to jail penalty at all.

Mr. BARDEN. Is the gentleman advocating leaving power in the Administrator to pass criminal laws and incarcerate and fine people for violating them?

Mr. COMBS. When we get under the 5-minute rule we will get back on this question.

Mr. BARDEN. I would be glad to debate the gentleman on it under a 30-minute rule.

Mr. COMBS. I would be glad to debate the gentleman under the hour rule or any other rule.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LESINSKI. Mr. Chairman, I yield the balance of the time to the gentleman from Texas.

May I call the attention of the gentleman to the language on page 36:

> No person shall be imprisoned under this subsection except for an offense committed after the conviction of such person for a prior offense under this subsection.

Mr. COMBS. That is correct.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I cannot yield; I have only 5 minutes. When we get to talking about these rules the time slips by so rapidly. Let me make a few observations. I can only make them generally. When we get under the 5-minute rule, let us have these things explained.

A good deal has been said about work being done behind the scenes. It was not a question of the green dragon or the green hornet or some ghost. A number of us fellows scattered about the country, from the South, mainly, did work with some of the boys from the North in an effort to try to reach a common agreement. There was no trading. Some little concessions, and they were exceedingly small and no more than the very minimum we thought we could seek, were granted to certain types of southern industry.

Yesterday the gentleman from Ohio [Mr. BROWN] made the statement that he supposed the southerners traded the committee out of a lot. We did not.

But I did have the privilege of working with a number of members of the committee on this bill. I have never met finer gentlemen or dealt with more fair-minded men. What we have tried to bring in is an honest and a forthright bill. I do not tell you that the bill will work or that it is perfect. I can only tell you in my humble judgment, after 3 months of trying to work out with great care with other Members certain provisions, that it is infinitely better than the existing law and infinitely better than anything that has been offered.

For example, the Lucas bill will leave no relief whatever to the merchants and the service institutions along the border lines of every State from Port Arthur to Texarkana, or any other city of the Nation located close to a State line.

Under the 5-minute rule I hope the gentleman from Alabama [Mr. ELLIOTT] will tell you about that. It will leave them to be continually harrassed and sued. They will have to keep records on every delivery across a State line to see whether it was 50 percent or not. Certainly, that is just one of many omissions.

Again we have exempted under that law these local-service institutions, such as laundries, restaurants, hotels, and many other retail establishments. Why limit it to those who have not over 25 percent of wholesale? In order to bar from lifting the coverage from those large institutions that are engaged in wholesale operations in connection with textile mills and thousands of other big plants which to all intents and purposes are part of the larger plant. We have tried by careful language to make this bill fair to the employer and employee alike. Listen, my colleagues, too many laws have been passed that treated the employer as though he were to be singled out as some enemy of society. It is true that factories cannot operate without men to work in them, but there can be no factories for men to work in unless other men put their money into the factories depending on the faith and conscience and fairness of the American people.

This bill is fair in the careful delineating of the line of coverage. It puts in the Administrator the rule-making power, subject to review of the court, in order to make certain whether a man is covered or not, and thus remove the shadow territory that the courts have created by the construction that these gentlemen have been complaining about. The only way we can figure this out, after weeks of working on the job, is now before you for your consideration.

If you have a plan which you have figured out, why not tender it? I am astonished at my friends on the other side of the aisle that they find themselves here without any bill at all and without any constructive opposition to the Lesinski bill, but with a flank attack upon the bill tendered by the majority of the committee. I should like to ask the gentleman from Pennsylvania this question, if I may:

Is it your plan to offer a substitute bill, or will you and your group and your committee support the Lucas bill?

Mr. McCONNELL. Mr. Chairman, I can only speak for myself. I am supporting the Lucas bill.

Mr. COMBS. You do not know about your fellow-members on the committee?

Mr. McCONNELL. It has not been made a party matter.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, the so-called Lesinski bill, H. R. 5856, to provide for the amendment of the Fair Labor Standards Act of 1938, is before us. I favor substituting H. R. 5894, the Lucas bill, for the said Lesinski bill.

The choice is between the two bills. It is not a question of extending the coverage or of raising the minimum wage, but I repeat that the choice is only between the two bills as to how many additional employees will be covered and as to how high the minimum wage will be increased. There are a number of reasons why I favor the Lucas bill. By interpretation the Fair Labor Standards Act has been expanded far beyond the intent of the original act. Clarifying legislation is essential. The Lucas bill supplies the clarification that is needed. On the other hand, the Lesinski bill not only encourages further expansion by interpretation, but confers unusual powers on the administration to make rules and regulations, a violation of which is punished by fine and imprisonment.

It strikes me that a minimum wage based upon the cost of living is sound. A flexible provision is in order. When the costs of living advance, wages may advance. When the costs of living decrease, wages may be reduced. The Lucas bill contains a flexible provision. The minimum wage is fixed at 65 cents, but if the costs of living decrease the rate may be reduced to 50 or 52½ cents.

There is substantially no extension in the coverage under the Lucas bill, while under the Lesinski bill the coverage, especially with respect to processing, local retailing and servicing establishments, is largely extended. In the Lucas bill retail lumber dealers, local laundries, and also small sawmills, are exempt. Under the terms of the Lucas bill the agricultural exemptions of the Fair Labor Standards Act are continued and restricted. The operations of cotton gins is placed upon the Secretary of Agriculture rather than the Department of Labor. The agricultural exemptions have not been clarified as much as I could wish. Personally I think that cotton gins, oil mills, and cotton compresses should be exempt from both wages and hours, and that the administration of the agricultural exemptions, particularly with respect to cotton gins in the area of production, should be under the Secretary of Agriculture, and the Lucas bill so provides.

I would like to see an amendment to modify the Walsh-Realey Act, but I must be realistic. I know of no reason why the labor costs under Government contracts should be different from the labor costs under private contracts. There should be no discrimination. However, it will be kept in mind that the Walsh-Healey Act can be modified by separate legislation.

Because of the difference in the cost of living in the several States of the Union, because of differences in climate, because of differences in the accommodations furnished agricultural workers as compared with those furnished workers in industry, and because of the difference in agricultural, climatic, and other conditions, I have always advocated that the regulation of wages and hours is for the States rather than the Federal Government. Of course there are exceptions in the matter of interstate commerce involving transportation and other large interstate activities.

I urge that the Lucas bill be substituted for the Lesinski bill primarily because of its clarification of the existing Fair Labor Standards Act, of the continuance of the agricultural exemptions under the Secretary of Agriculture and because the coverage is not materially extended, but reduced. In addition exemptions for retailers are clarified and exemptions for other small dealers are increased.

The CHAIRMAN. All time has expired.

The Clerk will read.

Mr. HARRIS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eighty-four Members are present, a quorum.

REASONS WHY COMMITTEE BILL, H. R. 5856, PROVIDING FOR AN INCREASE TO 75 CENTS AN HOUR IN THE MINIMUM WAGE AND WHICH HAS BEEN APPROVED BY A MAJORITY OF THE COMMITTEE ON EDUCATION AND LABOR, SHOULD BE ENACTED INTO LAW

Mr. SABATH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Chairman, I have listened for nearly 4 hours to the debate on this minimum-wage bill now before us. Half of that time has been consumed by gentlemen who have at all times opposed any and all legislation that was in the furtherance of the cause of labor.

I was amazed that some of these gentlemen would go to the extent that they have in an effort to prejudice the minds of the membership by making unjustifiable and unwarranted statements which are not borne out by the facts or the provisions of this bill.

COMMITTEE BILL CAREFULLY CONSIDERED

I appreciate the fact that some gentlemen, who feel that treating the wage earner decently so he can provide adequately for his family, have adequately answered some of the arguments made by those desirous of emasculating the committee bill. I realize too that the committee bill is one which has been carefully considered by the Committee on Education and Labor, and which committee, in its sincere desire to bring to the floor a bill which would receive majority approval, consulted with the leaders of many sections of our country and agreed on the bill presently before us, namely, H. R. 5856. I understand that shortly the gentleman from Texas [Mr. LUCAS] will endeavor to sidetrack the committee bill for his bill which has not been considered by that committee and who sets himself up above the judgment of the Committee on Education and Labor.

REPUBLICANS ALWAYS OPPOSE LABOR LEGISLATION

I understand also, that many Republicans who always and at all times oppose legislation that is in the interest of the masses and labor, will I am sure, support this substitute. These very Republicans did not have the courage or nerve to introduce a bill of their own or any proposal which would improve, if that is possible, the present Lesinski bill, which as I said before, has been debated these past 4 hours. Their sole purpose and aim is to scuttle and destroy the committee bill. My Republican friends and some of the Dixiecrats do not hesitate, however, to vote millions of dollars for foreign labor, but when it comes to fair treatment for the American wage earner they are deaf and blind to their demands and appeals.

I frankly do not think there are a half a dozen Members, with the exception of the inner Republican coalition leaders that are familiar with Mr. LUCAS' bill because day before yesterday, he advocated another bill but when the majority of the members of the Committee on Education and Labor agreed on a compromise bill, eliminating some of the objectionable—to some gentlemen—provisions, the gentleman from Texas [Mr. LUCAS], not to be outdone, excluded these provisions from his bill also and made other changes which very few Members are familiar with. But the meaning of all this, Mr. Chairman, as I said before, is to destroy the committee bill, if possible.

"LUCAS COMPARISON AND NAM"

Yes, I received from the gentleman from Texas [Mr. LUCAS] a copy of a so-called comparison of his bill to the committee bill. I wonder who aided and assisted in the preparation of this 12-page comparison? Is not it possible that it is the work of experts of the highly paid National Association of Manufacturers in conjunction with the Republican leaders—in fact, that is my candid and strong belief. My many years of experience familiarized me with the shrewd and underhand methods employed by the Republicans in attempting to defeat American legislation that tends to aid, relieve, or bring about a decent minimum wage for the underpaid American wage earner.

FUTILE ATTEMPT OF MR. BARDEN

The gentleman from North Carolina [Mr. BARDEN] has tried to instill fear in the membership by quoting the provisions of the committee bill tha relate to the new power given to the Secretary of Labor and also the penal provisions effective on violation of this proposed bill; but he does not state that all of these provisions apply to second offenders and are not within the power of the Secretary of Labor, for such offenders have a right of appeal and due process through our courts. No, he would not mention that, but the gentleman from Texas, Judge COMES, I feel, has corrected the gentleman from North Carolina, Mr. BARDEN'S views on this point, for the gentleman from North Carolina [Mr. BARDEN] at all times opposes every worth-while bill which might in the slightest degree aid and further the cause of labor. Is all this for the purpose of protecting the Republican carpet-bagger manufacturers who sold out their employees in the East and the West and moved to North Carolina and other Southern States, for the sole purpose of obtaining cheap labor?

WORTHLESS SLIDING SCALE

The gentleman from Texas [Mr. LUCAS] has embodied in his bill and lays great stress on the sliding-scale provision of his proposed substitute, which as I said on the floor yesterday, would mean nothing but uncertainty and confusion.

In this connection I desire to insert a statement that came to me a few minutes ago on this point:

PROPOSAL WOULD MAKE CONGRESS WAGE-CUTTING AGENCY

A minimum wage tied to cost of living puts Congress into the business of wage cutting even if prices drop only a few percent. Employers who might not otherwise reduce wages will be encouraged to do so if the minimum wage goes down only a few cents, following on a drop in the cost of living and blame the cut on the Government. Many employers who could legally have raised wages during the war hid behind the Government; the inducement to do so again would be offered by this proposal.

A minimum wage tied to the cost of living index is an open invitation by Government to employers to reduce wages in the lowest paid industries if prices drop even slightly. It gives Government sanction to wage cuts to workers who can least afford them.

BUSINESS UNCERTAINTY AND INJUSTICE WILL RESULT IF MINIMUM WAGE TIED TO CHANGES IN COST OF LIVING

Contracts will be uncertain. The minimum wage may rise during the life of a contract for manufacture taken during the latter part of the year. What price shall the manufacturer quote? Workers will be unemployed if the firm waits to see what the new minimum will be.

Firms placing contracts may wait if it appears that a reduction in the minimum will take place. Perhaps the principal can find a firm that will cut wages with a reduction in the minimum and quote a price a few cents a dozen lower. That may cause unemployment among the workers where the buying organization normally placed its contracts.

Reasonable stability is replaced by chronic instability and uncertainty.

NO ANALOGY BETWEEN FARM PARITY PRICES AND MINIMUM WAGE TIED TO COST OF LIVING

Changes in the parity price affect all producers of the particular farm product. A change in the minimum wage based on changes in the cost of living does not affect all wage and salary earners; it affects only those in the lowest-wage industries. (It is not proposed to tie the salaries of corporation executives, for example, to changes in the cost of living, but only the incomes of the lowest paid wage earners.)

TYING MINIMUM WAGE RATES TO CHANGES IN COST OF LIVING RUNS COUNTER TO COLLECTIVE BARGAINING PRACTICE

Workers and employers across the bargaining table have worked out wage practices which have tended to give the lowest wage earners the benefit of greater percentage increases during periods when wage increases were obtainable, and, in reverse, to apply policies which gave greater protection to workers in the lowest wage categories, during depression periods.

The proposal to adopt a policy which will encourage wage reductions for the lowest wage workers if the cost of living declines slightly runs counter to these practices.

All of this sliding-scale talk is on the theory that the country may suffer the throes of a recession and the employers may not be able to pay a minimum of 75 cents per hour or $30 per week, if the employees are employed the entire week.

The Republicans, I am confident, would like to see a recession brought about so that it could be used by them for political purposes notwithstanding the damage and harm that it would bring to our economy and to our country. No, they are not interested in the welfare of our great country, but uppermost in their heads is how to fool and mislead the American people in obtaining their votes to serve the vested interests and to accomplish therefrom their selfish ends.

CONTINUED PROSPERITY AND HEALTHY ECONOMIC CONDITIONS

As a matter of fact, that great Republican National City Bank of New York stated in their recent Monthly Letter as follows:

The business news during July has borne out indications that began to appear in June that the hand-to-mouth buying policies and reduction of inventories since the first of the year were clearing the way for an upturn of demand in many lines. For the first time since the slump set in, buying in substantial volume appeared in nonferrous metals, primary textiles, and various other industries, bringing firmer prices in numerous cases and a better feeling throughout business generally.

The American Bankers Association told Senators there is no danger of a real depression, and that business is in fact showing a pick-up.

In the Washington Evening Star of August 3, 1949, Mr. Earl R. Muir, president of the Louisville, Ky., Trust Co., said there can be no real depression when we have in the hands of millions of people some $175,000,000,000 in savings and deposits. We are going through a very fine period of readjustment.

In this same connection, conditions cannot be too bad for witness the statement that appeared in the New York Times under date of August 7, 1949, relative to the Chrysler Corp. profits—this is only one corporation, and many similar situations exist as I have pointed out from time to time in my remarks:

FIFTY-THREE MILLION TWO HUNDRED AND TWENTY-TWO THOUSAND EIGHT HUNDRED AND FORTY-THREE DOLLARS IS CLEARED BY CHRYSLER IN HALF YEAR

A net profit of $53,222,843, equal to $6.12 a share on 8,702,264 shares of capital stock, was reported yesterday by Chrysler Corp. for the first 6 months of the year. Included in the earnings are dividend payments from foreign subsidiaries of $13,080,524 accumulated from profits of prior years not heretofore available for transfer to this country. In the same period last year the company showed a profit of $35,786,010, or $4.11 a share, including $7,318,918 from foreign subsidiaries.

Net sales for half year were $950,927,855, against $662,812,815, covering 573,289 cars and trucks, compared with 439,159 in 1948.

In fact, all reports disclose that business and our general economic conditions are improving; that orders for manufactured products are increasing and even the professional and public short-selling manipulators are being put to rout, since this very week stock and bond prices are rising steadily because of these improved general conditions. We have nothing to fear.

BARKING UP WRONG TREE

Therefore, Mr. Chairman, I feel it is fair to state that the gentleman from Texas [Mr. LUCAS] is barking up the wrong tree when he tries to play into the Republican hands by discussing what might happen if and when a recession ever comes.

ORGANIZED VERSUS UNORGANIZED LABOR

Some of the gentlemen who are opposed to this fair committee bill have been, as a rule, the same people who are opposed to labor organizations. This bill, let me point out, will not adversely affect labor organizations, for all organized labor earns more than the measley 75 cents minimum or $30 per week as provided for herein; rather it will aid and assist unorganized labor, many white-collar workers who receive less than 75 cents per hour, and again, unfortunately, there are many hundreds of thousands of them that find it impossible to make both ends meet in the most prosperous times and in the most prosperous country in the history of the world.

BE TRUE TO PARTY AND PLEDGES

In conclusion, Mr. Chairman, I find it hard to understand why men of supposed intelligence—and they must have some when they can be elected to this House—are devoid of any scintilla of justice, sympathy, and fairness to their fellow men, and that, further, they can be so untrue to their pledges and party under which label they hold seats in this body. This applies to the gentlemen on both sides.

Mr. Chairman, I fervently hope that the Repo-Dixiecrat combination that unfortunately has been formed and has existed for nearly 4 years will not succeed in defeating this extremely meritorious and fair bill that was reported, as I said, after many months of careful consideration by the Committee on Education and Labor.

Mr. Chairman, though this bill has excluded many of the provisions that should have been covered under a minimum-wage bill, I, nevertheless, support it vigorously because it is the best bill that we can secure, due to the unholy alliance, as I said, that exists on the part of the Republicans and the Dixiecrats.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Fair Labor Standards Amendments of 1949."

Mr. LUCAS. Mr. Chairman, I offer a substitute amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LUCAS as a substitute: Strike out all after the enacting clause and insert in lieu thereof the following: "That this act may be cited as the 'Fair Labor Standards Amendments of 1949.'

"SEC. 2. The Fair Labor Standards Act of 1938, as amended (29 U. S. C. 201–219), is hereby amended to read as follows:

"'SEC. 1. This act may be cited as the "Fair Labor Standards Act of 1949."

"'SEC. 2. (a) The Congress hereby finds that the existence, in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in

commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

"'(b) It is hereby declared to be the policy of this act, through the exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct and as rapidly as practicable to eliminate the conditions above referred to in such industries without substantially curtailing employment or earning power.

"'DEFINITIONS

"'SEC. 3. As used in this act—

"'(a) "Person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

"'(b) "Commerce" means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

"'(c) "State" means any State of the United States or the District of Columbia or any Territory or possession of the United States.

"'(d) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee but shall not include the United States or any State or political subdivision of a State, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

"'(e) "Employee" includes any individual employed by an employer.

"'(f) "Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

"'(g) "Employ" includes to suffer or permit to work.

"'(h) "Industry" means a trade, business, industry, or branch thereof, or group of industries, in which individuals are gainfully employed.

"'(i) "Goods" means goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.

"'(j) "Produced" means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation indispensable to the production thereof, in any State.

"'(k) "Sale" or "sell" includes any sale, exchange, contract to sell, consignment for sale, shipment for sale, or other disposition.

"'(l) "Resale" shall not include the sale of goods to be used in residential or farm building construction, repair, or maintenance.

"'(m) "Oppressive child labor" means a condition of employment under which (1) any employee under the age of 16 years is employed by an employer (other than a parent or a person standing in place of a parent employing his own child or a child in his custody under the age of 16 years in an occupation other than manufacturing or mining or other than an occupation found by the Administrator to be particularly hazardous for the employment of children between the ages of 16 and 18 years or detrimental to their health or well-being) in any occupation, or (2) any employee between the ages of 16 and 18 years is employed by an employer in any occupation which the Administrator shall find and by order declare to be particularly hazardous for the employment of children between such ages or detrimental to their health or well-being; but oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file an unexpired certificate issued and held pursuant to regulations of the Administrator certifying that such person is above the oppressive child-labor age. The Administrator shall provide by regulation or by order that the employment of employees between the ages of 14 and 16 years in occupations other than manufacturing and mining shall not be deemed to constitute oppressive child labor if and to the extent that the Administrator determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

"'(n) "Wage" paid to any employee includes the reasonable cost, as determined by the Administrator, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees.

"'ADMINISTRATION

"'SEC. 4. (a) There is hereby created in the Department of Labor a Wage and Hour Division which shall be under the direction of an administrator, to be known as the Administrator of the Wage and Hour Division (in this act referred to as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $15,000 a year.

"'(b) The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary to carry out his functions and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Administrator may establish and utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Administrator in any litigation, but all such litigation shall be subject to the direction and control of the Attorney General. In the appointment, selection, classification, and promotion of officers and employees of the Administrator, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

"'(c) The principal office of the Administrator shall be in the District of Columbia, but he or his duly authorized representative may exercise any or all of his powers in any place.

"'(d) The Administrator shall submit annually in January a report to the Congress covering his activities for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this act as he may find advisable.

"'(e) No provision of this act imposing any liability, disability, or punishment shall apply to any act done or omitted in good faith in conformity with any written regulation, order, or interpretation of the Administrator or the Secretary of Agriculture, as the case may be, notwithstanding that such regulation, order, or interpretation may, after such act or omission, be amended or rescinded or determined by judicial authority to be invalid for any reason.

"'SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND THE VIRGIN ISLANDS

"'SEC. 5. (a) The Administrator shall as soon as practicable appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to employees in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, engaged in commerce or in the production of goods for commerce, or the Administrator may appoint separate industry committees to recommend the minimum rate or rates of wages to be paid under section 6 to employees therein engaged in commerce or in the production of goods for commerce in particular industries. An industry committee appointed under this subsection shall be composed of residents of such island or islands where the employees with respect to whom such committee was appointed are employed and residents of the United States outside of Puerto Rico and the Virgin Islands. In determining the minimum rate or rates of wages to be paid, and in determining classifications, such industry committees and the Administrator shall be subject to the provisions of section 8.

"'(b) An industry committee shall be appointed by the Administrator without regard to any other provisions of law regarding the appointment and compensation of employees of the United States. It shall include a number of disinterested persons representing the public, one of whom the Administrator shall designate as chairman, a like number of persons representing employers in the industry, and a like number representing employees in the industry. In the appointment of the persons representing each group, the Administrator shall give due regard to the geographical regions in which the industry is carried on.

"'(c) Two-thirds of the members of an industry committee shall constitute a quorum, and the decision of the committee shall require a vote of not less than a majority of all its members. Members of an industry committee shall receive as compensation for their services a reasonable per diem, which the Administrator shall by rules and regulations prescribe, for each day actually spent in the work of the committee, and shall in addition be reimbursed for their necessary traveling and other expenses. The Administrator shall furnish the committee with adequate legal, stenographic, clerical, and other assistance, and shall by rules and regulations prescribe the procedure to be followed by the committee.

"'(d) The Administrator shall submit to an industry committee from time to time such data as he may have available on the matters referred to it, and shall cause to be brought before it in connection with such matters any witnesses whom he deems material. An industry committee may summon other witnesses or call upon the Administrator to furnish additional information to aid it in its deliberations.

"'MINIMUM WAGES

"'SEC. 6. (a) Except as otherwise provided in this act, every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce wages at the following rates:

"'(1) Until and including December 31, 1949, not less than 65 cents an hour.

"'(2) For each calendar year after 1949, not less than the rate prescribed for such year in the applicable order of the Administrator determined and issued as follows: On or before the 10th day of December 1949 and on or before the 10th day of December of each calendar year thereafter, the Administrator shall (A) ascertain the rate, computed to the nearest tenth of a cent, which bears the same ratio to 65 cents an hour as the average "Consumer Price Index for Moderate-Income Families in Large Cities" (as determined and published by the Bureau of Labor Statistics) for the 12-month period ending October 15 of such calendar year bears to the average "Consumer Price Index for Moderate-Income Families in Large Cities" (as determined and published by the Bureau of Labor Statistics) for the 12-month period ending October 15, 1948; and (B) issue an order prescribing as the minimum hourly wage rate for the immediately succeeding calendar year the rate so ascertained (adjusted to the nearest cent): *Provided*, That in no event shall the minimum hourly wage prescribed by the Administrator be less than 50 cents an hour.

"'(3) If such employee is a home worker in Puerto Rico or the Virgin Islands, not less than the minimum piece rate prescribed by regulation or order; or, if no such minimum piece rate is in effect, any piece rate adopted by such employer which shall yield, to the proportion or class of employees prescribed by regulation or order, not less than the applicable minimum hourly wage rate. Such minimum piece rates or employer piece rates shall be commensurate with, and shall be paid in lieu of, the minimum hourly wage rate applicable under the provisions of this section. The Administrator, or his authorized representative, shall have power to make such regulations or orders as are necessary or appropriate to carry out any of the provisions of this paragraph, including the power without limiting the generality of the foregoing, to define any operation or occupation which is performed by such home-work employees in Puerto Rico or the Virgin Islands; to establish minimum piece rates for any operation or occupation so defined; to prescribe the method and procedure for ascertaining and promulgating minimum piece rates; to prescribe standards for employer piece rates, including the proportion or class of employees who shall receive not less than the minimum hourly wage rate; to define the term "home worker"; and to prescribe the conditions under which employers, agents, contractors, and subcontractors shall cause goods to be produced by home workers.

"'(b) The provisions of paragraphs (1) and (2) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Administrator pursuant to the recommendations of a special industry committee appointed pursuant to section 5: *Provided*, That the wage order in effect prior to the effective date of this act for any industry in Puerto Rico or the Virgin Islands shall apply to every employee in such industry covered by subsection (a) of this section until superseded by a wage order hereafter issued pursuant to the recommendations of a special industry committee appointed pursuant to section 5.

"'MAXIMUM HOURS

"'SEC. 7. (a) Except as otherwise provided in this section, no employer shall employ any of his employees who is engaged in commerce or in the production of goods for commerce for a workweek longer than 40 hours, unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed.

"'(b) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed—

"'(1) in pursuance of an agreement, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that no employee shall be employed more than 1,040 hours during any period of 26 consecutive weeks; or

"'(2) in pursuance of an agreement, made as result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that during a specified period of 52 consecutive weeks the employee shall be employed not more than 2,240 hours and shall be guaranteed not less than 1,840 hours (or not less than 46 weeks at the normal number of hours worked per week, but not less than 30 hours per week) and not more than 2,080 hours of employment for which he shall receive compensation for all hours guaranteed or worked at rates not less than those applicable under the agreement to the work performed and for all hours in excess of the guaranty which are also in excess of 40 hours in the workweek or 2,080 in such period at rates not less than one and one-half times the regular rate at which he is employed; or

"'(3) for a period or periods of not more than 14 workweeks in the aggregate in the calendar year in any industry found by the Administrator to be of a seasonal nature,

and if such employee receives compensation for employment in excess of 12 hours in any workday, or for employment in excess of 56 hours in any workweek, as the case may be, at a rate not less than one and one-half times the regular rate at which he is employed.

"'(c) In the case of an employer engaged in the first processing of milk, buttermilk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing cotton, or in the processing of cottonseed, or in the processing of sugar beets, sugarbeet molasses, sugarcane, or maple sap, into sugar (but not refined sugar) or into sirup, the provisions of subsection (a) shall not apply to his employees in any place of employment where he is so engaged; and in the case of an employer engaged in the first processing of, or in canning or packing, perishable or seasonal fresh fruits or vegetables, or in the first processing, within the area of production (as defined by the Secretary of Agriculture), of any agricultural or horticultural commodity during seasonal operations, or in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a), during a period or periods of not more than 14 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged.

"'(d) As used in this section the "regular rate" at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf of, the employee, but shall not be deemed to include—

"'(1) sums paid as gifts; payments in the nature of gifts made at Christmas time or on other special occasions, as a reward for service, the amounts of which are not measured by or dependent on hours worked, production, or efficiency;

"'(2) payments made for occasional periods when no work is performed due to vacation, holiday, illness, failure of the employer to provide sufficient work, or other similar cause; reasonable payments for traveling expenses, or other expenses, incurred by an employee in the furtherance of his employer's interests and properly reimbursable by the employer; and other similar payments to an employee which are not made as compensation for his hours of employment;

"'(3) sums paid in recognition of services performed during a given period if either, (a) both the fact that payment is to be made and the amount of the payment are determined at the sole discretion of the employer at or near the end of the period and not pursuant to any prior contract, agreement, or promise causing the employee to expect such payments regularly; or (b) the payments are made pursuant to a bona fide profit-sharing plan or trust, to the extent to which the amounts paid to the employee are determined without regard to hours of work, production, or efficiency; or (c) the payments are talent fees paid to performers, including announcers, on radio and television programs;

"'(4) contributions irrevocably made by an employer to a trustee or third person pursuant to a bona fide plan for providing old-age, retirement, life, accident, or health insurance or similar benefits for employees;

"'(5) extra compensation provided by a premium rate paid for certain hours worked by the employee in any day or workweek because such hours are hours worked in excess of 8 in a day or 40 in a workweek or in excess of the employee's normal working hours or regular working hours, as the case may be;

"'(6) extra compensation provided by a premium rate paid for work by the employee on Saturdays, Sundays, holidays, or regular days of rest, or on the sixth or seventh day of the workweek, where such premium rate is not less than one and one-half times the rate established in good faith for like work performed in nonovertime hours on other days; or

"'(7) extra compensation provided by a premium rate paid to the employee, in pursuance of an applicable employment contract or collective-bargaining agreement, for work outside of the hours established in good faith by the contract or agreement as the basic, normal, or regular workday (not exceeding 8 hours) or workweek (not exceeding 40 hours), where such premium rate is not less than one and one-half times the rate established in good faith by the contract or agreement for like work performed during such workday or workweek.

"'(e) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of 40 hours if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the duties of such employee necessitate irregular hours of work, and the contract or agreement (1) specifies a regular rate of pay of not less than the minimum hourly rate provided in section 6 (a) and compensation at not less than one and one-half times such rate for all hours worked in excess of 40 in any workweek and (2) provides a weekly guaranty of pay for not more than 60 hours based on the rates so specified.

"'(f) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of 40 hours if, pursuant to an agreement or understanding arrived at between the employer and the employee before performance of the work, the amount paid to the employee for such employment in excess of 40 hours—

"'(1) in the case of an employee employed at piece rates, is computed at piece rates not less than one and one-half times the bona fide piece rates applicable to the same work when performed during nonovertime hours; or

"'(2) in the case of an employee performing two or more kinds of work for which different hourly or piece rates have been established, is computed at rates not less than one and one-half times such bona fide rates applicable to the same work when performed during nonovertime hours;

and if (i) the employee's average hourly earnings for the workweek exclusive of payments described in paragraphs (1) through (7) of subsection (d) are not less than the minimum hourly rate required by applicable law, and (ii) extra overtime compensation is properly computed and paid on other forms of additional pay required to be included in computing the regular rate.

"'(g) Extra compensation paid as described in paragraphs (5), (6), and (7) of subsection (d) shall be creditable toward overtime compensation payable pursuant to this section.

"'WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

"'SEC. 8. (a) The policy of this act with respect to industries in Puerto Rico and the Virgin Islands engaged in commerce or in the production of goods for commerce is to reach as rapidly as is economically feasible without substantially curtailing employment the objective of a minimum wage as prescribed pursuant to paragraph (2) of section 6 (a) in each such industry. The Administrator shall from time to time convene an industry committee or committees, appointed pursuant to section 5, and any such industry committee shall from time to time recommend the minimum rate or rates of wages to be paid under section 6 by employers in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, engaged in commerce or in the production of goods for commerce in any such industry or classifications therein.

"'(b) Upon the convening of any such industry committee, the Administrator shall refer to it the question of the minimum-wage rate or rates to be fixed for such industry. The industry committee shall investigate conditions in the industry and the committee, or any authorized subcommittee thereof, may hear such witnesses and receive such evidence as may be necessary or appropriate to enable the committee to perform its duties and functions under this act. The committee shall recommend to the Administrator the highest minimum-wage rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry, and will not give any industry in Puerto Rico or in the Virgin Islands a competitive advantage over any industry in the United States outside of Puerto Rico and the Virgin Islands.

"'(c) The industry committee shall recommend such reasonable classifications within any industry as it determines to be necessary for the purpose of fixing for each classification within such industry the highest minimum-wage rate (not in excess of that prescribed pursuant to paragraph (2) of section 6 (a)) which (1) will not substantially curtail employment in such classification and (2) will not give a competitive advantage to any group in the industry, and shall recommend for each classification in the industry the highest minimum-wage rate which the committee determines will not substantially curtail employment in such classification. In determining whether such classifications should be made in any industry, in making such classifications, and in determining the minimum-wage rates for such classifications, no classifications shall be made, and no minimum-wage rate shall be fixed, solely on a regional basis, but the industry committee and the Administrator shall consider among other relevant factors the following:

"'(1) Competitive condition as affected by transportation, living, and production costs.

"'(2) The wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing.

"'(3) The wages paid for work of like or comparable character by employers who voluntarily maintain minimum-wage standards in the industry.

No classification shall be made under this section on the basis of age or sex.

"'(d) The industry committee shall file with the Administrator a report containing its recommendations with respect to the matters referred to it. Upon the filing of such report, the Administrator, after due notice to interested persons, and giving them an opportunity to be heard, shall by order approve and carry into effect the recommendations contained in such report, if he finds that the recommendations are made in accordance with law, are supported by the evidence adduced at the hearing, and, taking into consideration the same factors as are required to be considered by the industry committee, will carry out the purposes of this section; otherwise he shall disapprove such recommendations. If the Administrator disapproves such recommendations, he shall again refer the matter to such committee, or to another industry committee for such industry (which he may appoint for such purpose), for further consideration and recommendations.

"'(e) Orders issued under this section shall define the industries and classifications therein to which they are to apply, and shall contain such terms and conditions as the Administrator finds necessary to carry out the purposes of such orders, to prevent the circumvention or evasion thereof, and to safeguard the minimum-wage rates established therein. No such order shall take effect until after due notice is given of the issuance thereof by publication in the Federal Register and by such other means as the Administrator deems reasonably calculated to give to interested persons general notice of such issuance.

"'(f) Due notice of any hearing provided for in this section shall be given by publication in the Federal Register and by such other means as the Administrator deems reasonably calculated to give general notice to interested persons.

"'ATTENDANCE OF WITNESSES

"'SEC. 9. For the purpose of any hearing or investigation provided for in this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., 1946 edition, title 15, secs. 49 and 50), are hereby made applicable to the jurisdiction, powers, and duties of the Administrator and the industry committees.

"'COURT REVIEW

"'SEC. 10. (a) Any person aggrieved by an order of the Administrator issued under section 8 may obtain a review of such order in the United States court of appeals for any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia circuit, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Administrator be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon the Administrator, and thereupon the Administrator shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part, so far as it is applicable to the petitioner. The review by the court shall be limited to questions of law, and findings of fact by the Administrator when supported by a preponderance of the evidence shall be conclusive. No objection to the order of the Administrator shall be considered by the court unless such objection shall have been urged before the Administrator or unless there were reasonable grounds for failure so to do. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence may materially affect the result of the proceeding and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Administrator, the court may order such additional evidence to be taken before the Administrator and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Administrator may modify his findings by reason of the additional evidence so taken, and shall file with the court such modified or new findings which if supported by a preponderance of the evidence shall be conclusive, and shall also file his recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

"'(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Administrator's order. The court shall not grant any stay of the order unless the person complaining of such order shall file in court an undertaking with a surety or sureties satisfactory to the court for the payment to the employees affected by the order, in the event such order is affirmed, of the amount by which the compensation such employees are entitled to receive under the order exceeds the compensation they actually receive while such stay is in effect.

"'INVESTIGATIONS, INSPECTIONS, AND RECORDS

"'SEC. 11. (a) The Administrator or his designated representatives may investigate and gather data regarding the wages, hours, employment of minors and other conditions, and practices of employment in any industry subject to this act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of this act. The Administrator shall utilize the bureaus and divisions of the Department of Labor for all the investigations and inspections necessary under this section. The Administrator shall bring all actions under section 17 to restrain violations of this act.

"'(b) With the consent and cooperation of State agencies charged with the administration of State labor laws, the Administrator may, for the purpose of carrying out his functions and duties under this act, utilize the services of State and local agencies and their employees and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered for such purposes.

"'(c) Every employer subject to any provision of this act or of any order issued under this act shall make, keep, and preserve such records of the persons employed by him and of the wages, hours, and other conditions and practices of employment maintained by him, and shall preserve such records for such periods of time, and shall make such reports therefrom to the Administrator as he shall prescribe by regulation or order as necessary

or appropriate for the enforcement of the provisions of this act or the regulations or orders thereunder.

"'CHILD-LABOR PROVISIONS

"'SEC. 12. (a) No producer, manufacturer, or dealer shall ship or deliver for shipment in commerce any goods produced in an establishment situated in the United States in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed: *Provided*, That any such shipment or delivery for shipment of such goods by a purchaser who acquired them after such oppressive child labor has been employed shall not be deemed prohibited by this subsection if such purchaser proves that he was without knowledge of the employment of such oppressive child labor, and acted in good faith in reliance on written assurance from the producer, manufacturer, or dealer that the goods were produced in compliance with the child-labor provisions of the act: *And provided further*, That a prosecution and conviction of a defendant for the shipment or delivery for shipment of any goods under the conditions herein prohibited shall be a bar to any further prosecution against the same defendant for shipments or deliveries for shipment of any such goods before the beginning of said prosecution.

"'(b) No employer shall employ any oppressive child labor in commerce or in the production of goods for commerce.

"'EXEMPTIONS

"'SEC. 13. (a) The provisions of sections 6 and 7 shall not apply with respect to (1) any employee employed in a bona fide executive, administrative, profession, or local retailing capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Administrator); or (2) any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment" shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or (3) any employee employed by any establishment engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 percent of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located, provided that 75 percent of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, or communications business; or (4) any employee employed by an establishment which qualifies as a retail establishment under paragraph (2) of this subsection and is recognized as a retail establishment in the particular industry notwithstanding that such establishment makes or processes the goods that it sells; or (5) any employee employed as a seaman; or (6) any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, including the going to and returning from work and including employment in the loading, unloading, or packing of such products for shipment or in propagating, processing, marketing, freezing, canning, curing, storing, or distributing the above products or byproducts thereof; or (7) any employee employed in agriculture; or (8) any employee to the extent that such employee is exempted by regulations or orders of the Administrator issued under section 14; or (9) any employee employed in connection with the publication of any weekly or semiweekly newspaper with a circulation of less than 5,000, the major part of which circulation is within the county where printed and published or counties contiguous thereto; or (10) any employee of a street, suburban, or interurban electric railway, or local trolley or motorbus carrier, not included in other exemptions contained in this section; or (11) any individual employed within the area of production (as defined by the Secretary of Agriculture), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products; or (12) any switchboard operator employed in a public-telephone exchange which has less than 750 stations; or (13) any employee of an employer engaged in the business of operating taxicabs; or (14) any employee or proprietor in a retail or service establishment as defined in paragraph (2) of this subsection, with respect to whom the provisions of sections 6 and 7 would not otherwise apply, engaged in handling telegraphic messages for the public under an agency or contract arrangement with a telegraph company where the telegraph message revenue of such agency does not exceed $500 a month; or (15) any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing, processing, or transporting logs or other forestry products, prior to the completion of the processing thereof in and about a sawmill, if the number of employees employed by his employer in forestry or lumbering operations does not exceed 12; or (16) any employee employed in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, and which are used exclusively for supply and storing of water for agricultural purposes.

"'(b) The provisions of section 7 shall not apply with respect to (1) any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935; or (2) any employee of an employer subject to the provisions of part I of the Interstate Commerce Act; or (3) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act.

"'(c) The provisions of section 12 relating to child labor shall not apply with respect to any employee employed in agriculture while not legally required to attend school or to any child employed as an actor or performer in motion pictures or theatrical productions or in radio or television productions.

"'LEARNERS, APPRENTICES, AND HANDICAPPED WORKERS

"'SEC. 14. The Administrator, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulations or by orders provide for (1) the employment of learners, of apprentices, and of messengers employed exclusively in delivering letters and messages, under special certificates issued pursuant to regulations of the Administrator, at such wages lower than the minimum wage applicable under section 6 and subject to such limitations as to time, number, proportion, and length of service as the Administrator shall prescribe; and (2) the employment of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, under special certificates issued by the Administrator, at such wages lower than the minimum wage applicable under section 6 and for such period as shall be fixed in such certificates.

"'PROHIBITED ACTS

"'SEC. 15. (a) It shall be unlawful for any person—

"'(1) to transport, offer for transportation, ship, deliver, or sell in commerce, or to ship, deliver, or sell with knowledge that shipment or delivery or sale thereof in commerce is intended, any goods in the production of which any employee was employed in violation of section 6 or section 7, or in violation of any regulation or order of the Administrator issued under section 14; except that any such transportation, offer, shipment, delivery, or sale of such goods by a purchaser who acquired them after such violation occurred shall not be deemed unlawful if such purchaser proves that he was without knowledge of such violation, and acted in good faith in reliance on written assurance from the producer that the goods were produced in compliance with the requirements of the act, and no provision of this act shall impose any liability upon any common carrier for the transportation in commerce in the regular course of its business of any goods not produced by such common carrier, and no provision of this act shall excuse any common carrier from its obligation to accept any goods for transportation;

"'(2) to violate any of the provisions of section 6 or section 7, or any of the provisions of any regulation or order of the Administrator issued under section 14;

"'(3) to discharge or in any other manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on an industry committee;

"'(4) to violate any of the provisions of section 12;

"'(5) to violate any of the provisions of section 11 (c), or to make any statement, report, or record filed or kept pursuant to the provisions of such section or of any regulation or order thereunder, knowing such statement, report, or record to be false in a material respect.

"'(b) For the purposes of subsection (a) (1) proof that any employee was employed in any place of employment where goods shipped or sold in commerce were produced, within 90 days prior to the removal of the goods from such place of employment, shall be prima facie evidence that such employee was engaged in the production of such goods.

"'PENALTIES

"'SEC. 16. (a) Any person who willfully violates any of the provisions of section 15 shall upon conviction thereof be subject to a fine of not more than $10,000, or to imprisonment for not more than 6 months, or both. No person shall be imprisoned under this subsection except for an offense committed after the conviction of such person for a prior offense under this subsection.

"'(b) Any employer who violates the provisions of section 6 or section 7 of this act shall be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages. Action to recover such liability may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

"'(c) The Administrator is authorized to supervise the payment of the unpaid minimum wages or the unpaid overtime compensation owing to any employee or employees under section 6 or section 7 of this act, and the agreement of any employee to accept such payment shall upon payment in

full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages.

" 'INJUNCTION PROCEEDINGS

" 'SEC. 17. The district courts of the United States and the United States courts of the Territories and possessions shall have jurisdiction, for cause shown, to restrain violations of section 15.

" 'RELATION TO OTHER LAWS

" 'SEC. 18. No provision of this act or of any order thereunder shall excuse noncompliance with any Federal or State law or municipal ordinance establishing a minimum wage higher than the minimum wage established under this act or a maximum workweek lower than the maximum workweek established under this act, and no provision of this act relating to the employment of child labor shall justify noncompliance with any Federal or State law or municipal ordinance establishing a higher standard than the standard established under this act. No provision of this act shall justify any employer in reducing a wage paid by him which is in excess of the applicable minimum wage under this act, or justify any employer in increasing hours of employment maintained by him which are shorter than the maximum hours applicable under this act.

" 'SEPARABILITY OF PROVISIONS

" 'SEC. 19. If any provision of this act or the application of such provision to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.'

"EFFECTIVE DATE OF CERTAIN CHANGES AND SAVINGS CLAUSE

"SEC. 3. (a) This act shall take effect upon the expiration of 60 days from the date of its enactment, except that the provisions of section 7 of the Fair Labor Standards Act of 1949 (relating to overtime compensation) shall be in full force and effect from and after the date of enactment of this act.

"(b) Any order, regulation, or interpretation of the Administrator of the Wage and Hour Division or of the Secretary of Labor, and any agreement entered into by the Administrator or the Secretary of Labor, in effect under the provisions of the Fair Labor Standards Act of 1938 on the date of enactment of this act, shall remain in effect as an order, regulation, interpretation, or agreement of the Administrator of the Wage and Hour Division or the Secretary of Agriculture, as the case may be, pursuant to this act, except to the extent that any such order, regulation, interpretation, or agreement may be inconsistent with the provisions of this act, or may from time to time be amended, modified, or rescinded by the Administrator of the Wage and Hour Division or the Secretary of Agriculture, as the case may be, in accordance with the provisions of this act.

"(c) No amendment made by this act shall affect any penalty or liability with respect to any act or omission occurring prior to the applicable effective date of this act; but, after the expiration of 2 years from such applicable effective date, no action shall be instituted under section 16 (b) of the Fair Labor Standards Act of 1938 with respect to any liability accruing thereunder for any act or omission occurring prior to the applicable effective date of this act.

"(d) No amendment made by this act shall be construed as amending, modifying, or repealing any provision of the Portal-to-Portal Act of 1947.

"(e) No employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended (in any action or proceeding commenced prior to or on or after the date of the enactment of this act), on account of the failure of said employer to pay an employee compensation for any period of overtime work performed prior to the date of enactment of this act, if the compensation paid prior to such date for such work was at least equal to the compensation which would have been payable for such work had section 7 (d) (6) and (7) and section 7 (g) of the Fair Labor Standards Act of 1949 been in effect at the time of such payment."

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LUCAS. Mr. Chairman, we have come to a crucial time. We have come to the time when the Members of this House are to decide whether they will accept an entirely new philosophy in minimum-wage legislation, or whether they will attempt to follow the present law, with the necessary clarifications, to continue under an act which was enacted by the Congress in 1938. That is the test and the only test before us. It is not simply the test of whether we shall enact a bill carrying 75 cents as a minimum wage or 65 cents as a minimum wage or a dollar as a minimum wage or 50 cents as a minimum wage. The test is whether we are going to embark into an entirely new field, whether we are going to convey such powers to the Administrator as have never been conveyed by the Congress before in the history of the United States, in peacetime. That is the question. Some of the proponents of the Lesinski bill are going to say to you, "We have taken the old act and added a few things to it."

I took the Lesinski bill and I marked every line of it which is different from the present act. I want to show it to you. More than two-thirds of it is entirely new legislation, conveying more power, as I have said, than any Administrator has ever possessed in the history of this country in peacetime. I stand on that statement.

You have heard others say here that the rule-making power is necessary. It is unfortunate that the gentleman from Texas [Mr. COMBS], who did not have the privilege of attending the hearings on this minimum wage legislation, did not hear how the Administrator has extended his powers, without the rule-making power. Shall we give the Secretary the rule-making power so that in every case where there is a fringe decision to make, he can simply write a rule carrying that industry under his jurisdiction? That is the question.

The rule-making power will not only give to the Secretary of Labor such power as to define all words in the Act—and those words are written into the bill—but they give him such power as to carry the extension of this act into every field where there has ever been a question of whether or not he should have jurisdiction.

So I say to you that the decision here is not simply 75 cents or 65 cents. The question is whether you are going to abdicate your powers as legislators and give that power to an administrator downtown. That is the question you have before you.

In the Lesinski bill such power is granted and I want to point out to you where that power lies. Not only does he have the power to make rules but the Secretary also may bring suit which will include suits for back wages, and the power to bring suit is very broad. The proponents of the section will say that that power already resides in certain of the State officers who bring suit for back wages. Such powers do exist, but they have always been limited. First, it may be limited as to the amount. In Wisconsin that limit is $100; in California and in other States the claimant must be indigent; but in this bill neither is there a limit on the amount in question or on the financial status of the claimant; and, further, Mr. Chairman—and I stand on this, too, despite some statements of certain proponents of the Lesinski bill—there is no limitation on the Secretary as to how far back he can go to bring suit. We all know that there is no statute of limitation binding any sovereign unless he himself limits that power. The Senate committee in reporting a similar bill put a statute of limitations in clear and definite terms in this provision to grant power to bring suits, but there is no statute of limitations in the Lesinski bill and that power goes clear back to October 24, 1938. The Secretary of Labor can bring suits for back pay following that power clear back to that date. That is not all. The labor unions are going to put unconscionable pressure upon the Secretary of Labor to bring such suits as that because their members, as claimants, are limited by the Portal Act to only 2 years, so they are going to strongly insist upon the Secretary of Labor bringing those suits.

But, Mr. Chairman, that is not all. Here recently a court or two has said that the Administrator in seeking injunctions may recover back wages under its equitable jurisdiction. So the gentleman from Michigan [Mr. LESINSKI] placed in his bill a proviso which is inserted for the very purpose of confirming that power so that the Secretary of Labor in bringing injunction suits can recover back wages in injunction suits at no cost to the employee.

This power to bring suits would necessitate a corps of lawyers in the Department of Labor reaching to 10,000 in number; it would take that many to administer that feature of the bill. Let me tell you that the Administrator, in testifying before our committee, said that 51 percent of the businesses which he had inspected last year were in violation; therefore, 51 percent of the businesses would have to be sued if they did not wish voluntarily to comply; I will come back to that again in a minute. Here they are wanting to create a great corps of lawyers at a time when we are trying to cut down on the expenses of government; here we are authorizing the Secretary of Labor to hire lawyers to instigate litigation and bring suit. And what can a little-business man do? What can he do if a wage-hour inspector comes into his office and asks if he is

complying, takes a look at his books, and finds some slight error. He will say: "You have not complied; you owe so much." He will reply: "I do not owe that; I do not owe that much money." Suppose an issue is brought against the little-business man by the Wage-Hour Administrator and the Secretary of Labor. Under this bill they can carry the case clear to the Supreme Court, at the taxpayers' expense, yet the little-business man will have to send his own money to hire a firm of constitutional lawyers to carry it clear to the Supreme Court.

Mr. Chairman, this is the most serious piece of legislation which we are going to have before us this year. You can talk about the Taft-Hartley bill and foreign-aid bill, you can talk about any of the other bills you wish, but we are not going to have anything before us as serious as this bill, or one that will more intimately affect the daily lives of every American citizen as much as this bill. It goes into the very heart and soul of business, the number of hours worked and wages paid; that constitutes the heart and soul of business. In this bill the gentleman from Michigan carries those provisions into every little business. Oh, he says, retail establishments are exempt, but notice the qualifications he throws around retail establishments. This bill states that retail establishments are exempt if they sell to private citizens for personal or household or family use, I believe are the words; in other words it must go into the household, it must be for personal or family consumption and not business use. Therefore the little typewriter shop that serves the typewriters of the business houses in town will be covered, and the gentleman from Michigan [Mr. LESINSKI] will not deny that.

Mr. LESINSKI. Will the gentleman yield?

Mr. LUCAS. Does the gentleman deny that statement?

Mr. LESINSKI. I will deny it. The gentleman is wrong.

Mr. LUCAS. Let us read the gentleman's bill and see if it is covered.

Mr. LESINSKI. I will absolutely deny it.

Mr. LUCAS. Let me call attention to this language:

> As used in this subsection, "retail selling or servicing" means selling or servicing to private individuals for personal or family consumption.

Is fixing a typewriter in that category?

Mr. LESINSKI. That has nothing to do with that section.

Mr. LUCAS. That is the gentleman's definition in this bill and he cannot deny it.

Mr. LESINSKI. That has nothing to do with that section.

Mr. LUCAS. Mr. Chairman, that is not all. This definition carries the power of the Administrator and of the Secretary of Labor into every business in the land. I heard the gentleman from Ohio [Mr. BURKE] state that it did not cover hotels. How he makes such an interpretation of the words in the bill is beyond me.

While we have gotten the gentleman from Michigan [Mr. LESINSKI] willing to answer some questions, let me ask him: Did he intend to exclude from the coverage of this act Sears, Roebuck and Montgomery Ward that do purely an interstate business? Answer that question.

Mr. LESINSKI. Anyone who is engaged in interstate commerce is in the bill.

Mr. LUCAS. That is simply not true. There has been excluded the interstate-commerce feature of this exemption in the old law; therefore, that retail business which ships in interstate commerce is not covered under this bill. The gentleman cannot deny that. He has covered the typewriter shop that services Montgomery Ward and then excluded Montgomery Ward.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the debate on the bill to repeal the Taft-Hartley Act, the gentleman from Illinois [Mr. ARENDS] asked me if I intended to vote for an increase in the minimum wage. I told him I would cross that bridge when I got to it. I have now gotten to that bridge. I want to say that during all this time I have been trying to strengthen that bridge so that I could pass over it without falling into the political morass that might be beneath it.

With that in view, I was glad when a group of southern Congressmen who believe in the Democratic Party—who are Democrats and who want to go along with the administration when we can do so conscientiously—were asked by members of the Committee on Education and Labor to get together with them to formulate some bill with which we folks in the South could go along. May I say that in working with the Committee on Education and Labor, I supposed the subcommittee had been appointed in the regular way, and I still suppose that. They worked with us in the finest sort of spirit. They made certain concessions. We explained the situation that we folks in the South were laboring under; that there were certain border-line industries that could not stand the 75-cent minimum wage. We explained that we could not possibly vote for H. R. 3190; we explained also that we could not vote for the second Lesinski bill that was thrown into the hopper, which would have continued the coverage just as it is at the present time, but would have increased the minimum wage to 75 cents.

I want to say in that connection that I know nothing about the differences that may have arisen between the members of the Committee on Education and Labor, as I am not a member of that committee, and I am not taking sides today. I just want to say this: That I supposed that the bill we had agreed upon had been submitted to the Committee on Education and Labor and had been reported out in the regular way. I have no criticism of the chairman or any member of the committee if it was not done. There were, no doubt, reasons. But I supposed until the debate began on this bill yesterday that it had been done, and that the bill had been reported out in the regular way.

At any rate, I want to state that the members of the committee were most cooperative, and we believe that we have reported a bill—it is not perfect, that is true—but we do believe that it is a bill that the members of the Democratic Party can go along with; that is, those of us who fear that our industries might be upset in the South by a flat increase to 75 cents. I cannot go into the details of the bill in the 5 minutes allotted to me.

Just let me say this: I said I was a Democrat and believed in the Democratic Party. I think we have forgotten our party responsibility, especially we folks on the Democratic side. I know there are higher loyalties than loyalty to the party. First of all there is loyalty to God and the loyalty to our own integrity. There is next the loyalty that we owe our country, and the loyalty that we owe our section and our State and then comes loyalty to our party. Now, it is not always possible for us to go along with our party, because of these higher loyalties; but I think party responsibility in America is very necessary at this time. Our very Government is founded on the idea of party responsibility and the two-party system, and I appeal to you today to go along with your party and your committee, not necessarily with all of the terms of this bill. But why adopt the substitute that is written—I do not say written by my friend from Texas, as I do not know who wrote it, but it is offered by him. I have the highest respect for my good friend from Texas; he and I are fraternity brothers as a matter of fact, and I love him, but nevertheless he has joined with the Republicans, as is so often done in this Congress, and it is this lack of party responsibility that has prevented this Congress from accomplishing its purposes more speedily than it has.

The thing I want to say is this: I ask that we take this bill that the committee has reported out; that if there are amendments that ought to be written into it, that we do it, and that we perfect this bill instead of taking the bill that has been drafted by the gentleman from Texas [Mr. LUCAS].

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. RANKIN. Mr. Chairman, reserving the right to object, the gentleman from Georgia accused the gentleman from Texas with lining up with the Republicans, just because some Republicans are voting with the gentleman from Texas.

Mr. LANHAM. I am just stating my conclusions, from the fact that the Republicans almost to a man are supporting the Lucas substitute.

Mr. RANKIN. That is wrong.

Mr. LUCAS. I reserve the right to object further, Mr. Chairman.

Mr. LANHAM. I will yield to the gentleman, although he would not yield to me on yesterday.

Mr. LUCAS. I regret that and noted it in the RECORD this morning. Would the gentleman criticize me because other Members of the House choose to vote for my bill, whether they be Democrats or Republicans?

Mr. LANHAM. I do not criticize any one. I am pleading for party loyalty, harmony, and responsibility.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Chairman, as I say, I have no criticism of any of my colleagues who see fit to vote for the Lucas substitute. But, whichever is adopted is going to be amended. I do not think there is any question but that if the Lucas substitute is adopted there will be an amendment offered, to raise the minimum wage to 75 cents. As a matter of fact, the gentleman from Ohio [Mr. BREHM] said this morning he was going to offer an amendment to raise the minimum wage to 75 cents. I do not think there is any question if it is not adopted, and the Lesinski bill is voted upon, that there will be an amendment offered to that bill to make the wage 65 cents. So after all, whichever bill we adopt will be amended. The House will determine whether the minimum wage is to be 65 cents or 75 cents.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman indicated it might be advisable to vote down the Lucas bill and then endeavor to perfect the Lesinski bill in accordance with the will of the House. The gentleman indicated there might be an amendment on which we would pass, making the amount 65 cents.

Mr. LANHAM. I do not think there is any question about it.

Mr. HARRIS. Is the gentleman in a position to state that he believes the 65 cents would be more in keeping with our economy?

Mr. LANHAM. I think so. I frankly told the committee with which I was working that I thought the southern Members would vote for a 65-cent minimum. I shall probably vote for a 75-cent minimum, to keep faith with the committee with which I have been working; but I know most of my colleagues from the South believe that the minimum should be 65 cents and they may well be right.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Pennsylvania, for a question.

Mr. McCONNELL. May I clear up one thing? I think there has been a general impression spread abroad that there was a meeting of the committee on H. R. 5856, and that the majority members of the committee approved the bill after the minority members had seen it. I had never seen the bill until it was put into the hopper, and we have had no discussion at any time about it.

Mr. LANHAM. I do not yield further for a speech by the gentleman because he made that statement yesterday. I said in the beginning of my speech that I did not know what the truth of the matter was about that and was not interested, but I do plead with you to go along with the administration and take the Lesinski bill, which we have worked on very earnestly and carefully, and perfect it instead of the Lucas bill. I may say to you that some of us were not too familiar with wage-hour legislation. We asked that men from the Department administering the law be called in so that we could have explained to us the reasons for certain rulings of the Administrator. We went into the consideration of this bill with the same idea that the gentleman from Texas [Mr. LUCAS] has, that we ought to do something about the definition of the words "production of goods for interstate commerce." We found that if we attempted to change that law we would open the doors for endless litigation and would undo what has been done in the past 11 years this bill has been in operation. Moreover, it would require at least another 10 years before the new definitions could be formulated by the courts. We found further that it would mean that about 1,000,000 people who are already covered under the Act would be taken out from under the protection of the act.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Michigan.

Mr. LESINSKI. May I say that before the bill H. R. 5856 was put in the hopper we had a print of it made and the members of the committee on the Democratic side, 13, plus about a dozen men on the outside, had the print and worked on it before they decided that it was the actual print they wanted on the bill H. R. 5856.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from North Carolina.

Mr. BARDEN. There has been so much mystery here about the mysterious 13 that I request the chairman to name the mysterious 13 Democrats that met and approved the bill.

Mr. LUCAS. Do not include my name among them.

Mr. LANHAM. I yielded for a question.

Mr. BARDEN. I will ask the gentleman, then.

Mr. LANHAM. I do not know. I know nothing about the mystic 13 and am not interested in them. I think the gentleman from North Carolina is right in one contention of his, and I would vote for such an amendment. I refer to an amendment that would strike the provision in the bill making it a criminal offense to violate any rule or regulation made by the Administrator of the Wage-Hour Act.

I believe it is absolutely necessary that the Administrator have the right to make rulings so as to clarify for people who apply to him the meaning of certain portions of the bill and the application of the bill to certain situations that might arise. But I do not believe that he should have the power to, in effect, formulate a criminal statute. He should have limited rule-making power. But a violation of any such rule should not be made a criminal offense.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent that I may proceed for another 5 minutes.

The CHAIRMAN. Objection is heard.

Mr. McCONNELL. Mr. Chairman, a parliamentary inquiry. Did any Member particularly object?

The CHAIRMAN. The Chair will again put the question.

Is there objection to the request of the gentleman from Georgia that he proceed for five additional minutes?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I am going to object because my guess is that debate will be limited on this bill and many of us will be frozen out. That is the only reason for objecting.

The CHAIRMAN. Objection is heard.

Mr. JACOBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first I want to subscribe wholeheartedly to what was said by my colleague the gentleman from Georgia [Mr. LANHAM]. What has been said here in reference to the drafting of this bill is in great measure true, but it has been stated in a slanted manner. What happened was that the Committee on Education and Labor finally voted out a bill. We found there were certain Members of this body who felt it would work injury upon some of their constituents. We did hold further meetings and we did make certain changes in this measure in order to meet certain conditions which we thought appealed to good conscience. That is all there is to it.

Of course, you can state it so that it sounds as if it is something wicked, but the fact remains that this committee worked with a great number of our southern brethren who are Democrats, who came up to help us work out a good measure. So far as I am concerned, this is one country and the State of Georgia means something to me, notwithstanding the fact that I live in the State of Indiana, and if someone is being injured in the State of Georgia and I can help work out a measure which will not injure him, I am glad to do it.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield.

Mr. MORTON. The fact also remains that the present Lesinski bill as it is now before us was never voted out or discussed at a full committee meeting of the House Committee on Education and Labor.

Mr. JACOBS. That is only true in a technical sense. The greatest portion of the provisions, of course, were discussed and voted out. Those changes which I am talking about were not, that is true, I will grant you.

Mr. MORTON. The fact further remains, if the gentleman will yield further, that it is very doubtful that it would

ever have been reported out of that committee.

Mr. JACOBS. I do not subscribe to that view at all.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman for a question.

Mr. KEEFE. Would the gentleman indicate what the specific concessions were, and to whom they were made, as a result of this conference which resulted in the final bringing out of the second Lesinski bill?

Mr. JACOBS. Not in 5 minutes; I cannot. Of course, the gentleman knows that I cannot.

Mr. KEEFE. Would the gentleman specify them?

Mr. JACOBS. As I said, the gentleman knows that I cannot do it in 5 minutes.

I presume, when we read the bill, that we will discuss the specific provisions. I will discuss one, if the gentleman will let me proceed. There has been so much talk here about this matter of rule making. Let us examine it and see exactly what it is. Under a law of this kind we get into some very complicated situations. For example, in the bill H. R. 858, we had to define the regular rate.

When we defined "regular rate," we found sometimes we collided with bonus and other good faith plans, and employer and employee do not know whether they are under the provisions of the law. So the Secretary is given rule-making powers. Those people who are talking about these rule-making powers would have you believe that what the Secretary says is final, that he makes the law, and that you will go to jail if you do not comply with it.

What is it actually? He makes a ruling. If the employer complies with that ruling the employer cannot be held liable, notwithstanding the fact that later a court may decide that the Secretary's ruling was erroneous, and under the intent of the law the employer would have been otherwise liable.

In the interests of clarity, this rule-making power is given to the Secretary so that as the courts construe and interpret this law over the years, the employers will not be subject to liability which they, in good faith, thought they were not subject to at the time the transactions took place.

Nothing could be fairer, when you are dealing with a situation as complicated as that in the wage-hour law. I simply point that out. That is one of the things that has been held up as a horrible bugaboo with reference to this bill, which was worked out by these fine gentlemen from all sections of the country.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. JACOBS] has expired.

Mr. ANDERSON of California. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Chairman, the headlines in Monday's Washington Post, with reference to the Ecuadoran earthquake, read: "Four thousand six hundred dead, United States flies quake aid." The Monday Evening Star carried the following headlines: "United States plans air lift for quake area." All of us remember how the citizens of the United States supported the air lift to Berlin, and many others will recall the immediate response to the call for help from the victims of the great Japanese earthquake in 1923.

Mr. Chairman, all of these tremendous efforts are demonstrations of the great humanitarian heart of America. They indicate how speedily and efficiently this country can respond to pleas for help from any quarter of the globe. They demonstrate our ability to do the seemingly impossible when it must be done in order to insure assistance to the needy and distressed citizens of almost any country in the world.

But, Mr. Chairman, what is being done to assist over a half million American citizens who are today suffering untold hardships as the direct result of a Communist inspired and Soviet directed blockade of the Hawaiian Islands? What is being done to terminate a paralyzing blockade of the port of Honolulu, conceived and directed by one Harry Bridges, who is now under indictment by the Government of the United States for perjury in connection with his application for citizenship?

Every American citizen applauds the efforts of our Army and Navy air arms to supply the citizens of the disaster areas in Ecuador with immediate and effective aid. Every citizen takes pride in the fact that the air lift broke the back of the Russian blockade of Berlin. By the same token, I am sure that almost every American citizen hangs his head in shame because our Government cannot or will not take such steps as are necessary to bring an end to the Hawaiian shipping tie-up.

The people of Hawaii are Americans—they are a part of the United States. They may some day be citizens of the forty-ninth State. Their Delegate in Congress has made eloquent pleas for their assistance, their cost of living has risen to fantastic heights, and yet what has been done to help them out of their dilemma? Nothing. The President and the Department of Labor apparently ignore the issue. I say apparently, because nothing is done.

Why not recognize the Hawaiian strike for what it is—the first step in Communist domination of the shipping industry of the United States? Why not move to break the blockade now before it reaches the Pacific coast, the Gulf coast, the Atlantic coast? Why not institute an air lift to Hawaii and demonstrate to the world that we can fly over the blockade in Honolulu as readily as we flew over the blockade of Berlin?

Why do we not give some consideration to our own American citizens while we are saving the rest of the world?

THIS IS A COMPROMISE

Mr. KLEIN. Mr. Chairman, the bill under debate here today is obviously a compromise between progress and reaction; and it suffers from the defects and the virtues of all compromises.

Broadly speaking, I deplore all the concessions in the bill made to the dead hands of Adam Smith, and I applaud all the provisions which represent progressive thinking in industrial economics.

I support the bill as presented by the industrious members of the majority of the Committee on Labor and Education, and I shall resist with all my strength every effort to slice away its strong points, or to substitute another measure for it; and I shall support any amendments which seem to me to strengthen the coverage and enforcement of the Fair Labor Standards Act.

ONE DOLLAR AN HOUR BASIC NEED

I had hoped sincerely that the committee would see fit to establish a wage floor of $1 an hour, which is a basic need at this time.

This would have been good economics.

Believe it or not, the days when Adam Smith was the prophet of a new order are gone. In his day and for his times he was a prophet of high honor, not only in his own country but in every other country; and I am not belittling the service he did for the kind of business enterprise which spread the industrial revolution through the world.

What some, perhaps many, of us cannot realize is that nothing stands still, and we have passed through another industrial revolution into a period when small individual enterprises in free competition, untrammeled by Government regulations, face extinction unless protected by Government against the drive toward bigness, while the workers must have the protection of Government to maintain the consumption on which business itself depends.

BIG BUSINESS DOES NOT PHILOSOPHIZE

As every man knows who has been caught up in any great corporate enterprise, no matter in what capacity, there is a self-devouring compulsion which forces constant expansion, absorption of rivals, extension into new fields, expansion into new territories.

Big business does not philosophize. It merely grows bigger, and expansion becomes an end in itself. There is a somewhat terrifying analogy here with the militant nationalism which brought Hitler into brief power.

The obverse is that this tremendous energy of expansion, guided by public interest, can be channeled into public good.

The Fair Labor Standards Act is an excellent example of how public regulation in the public good can maintain a dynamic free economy in a political democracy, and avoid the deadfalls of authoritarianism, all within the framework of our tradition of democratic processes and a truly free enterprise system.

This is one of the New Deal measures which, however, much maligned by big business, is actually a firm bulwark of defense for free enterprise as we mean the term in this country.

SOMETHING IS BETTER THAN NOTHING

That, Mr. Chairman, is why I had hoped that this bill, as finally reported,

would be bold and brave in its extension of coverage, would not retreat, and would establish a dollar an hour as a minimum legal wage.

That it falls short of my hopes will not restrain me from voting for its passage, for I believe that any progress at all is better than no progress. To a starving man, crumbs are better than continued hunger, and the committee has given us much more than crumbs.

A 75-cent minimum, in the context of present-day living costs, is the irreducible minimum, and I believe that Members would be ashamed to propose less in public.

The absolute prohibition against child labor in interstate commerce in this bill is a vast gain—had it not been weakened by several blanket exemptions, I should have called that prohibition the greatest victory for progress in this Congress.

There are other blanket or partial exemptions which can be regarded only as concessions to backward thinking.

The provisions of this bill cannot and must not be regarded as sops to labor to match the businessman's paradise of ECA; they must be regarded as bulwarks of a stable economy, one of the means by which we guard against economic retrogression and depression.

This is the kind of economic planning for a strong and prosperous democracy for which the Truman Fair Deal stands, to which it is committed, and for which every American who believes that the way to defeat communism is to extend and strengthen democracy will work and vote.

I believe implicity that this bill will pass without serious weakening, and I am even hopeful that its weak spots may be strengthened when it is read for amendment.

Above all, I am certain that after having heard the debate on the bill only a small and intransigent minority can continue to support the inept proposals for a flexible escalator type of wage provision—that is no floor; that is a trapdoor to depression.

Mr. LESINSKI. 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. COOLEY, 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. 5856) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

ARMY AND AIR FORCE VITALIZATION AND RETIREMENT EQUALIZATION ACT OF 1948—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES STATES (H. DOC. NO. 296)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 5508, "An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948."

The effect of this proposed legislation would be to amend sections 302 and 303 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (Public Law 810, 80th Cong.), so as to make effective July 1, 1949, rather than June 29, 1948, those provisions of title III requiring Reserve personnel to earn credits for retirement. The bill also would amend section 306 to include within the definition of Federal service, for the purposes of title III, service in "the National Guard or Organized Militia prior to June 3, 1916."

The first three sections of this bill are without objection. The Congress and the members of all Reserve components may be assured that I would approve a bill limited to the purposes of these sections which seek affirmatively to correct an effect of the 1948 Retirement Act that was not intended.

When the act was passed, it was believed that adequate authority had been granted to the Secretaries of the Army, the Navy, and the Air Force to defer the effective date for earning retirement credits for a sufficient length of time to permit institution of programs under which active Reserve personnel could qualify for retirement credits. However, a ruling issued by the Comptroller General in November of 1948 made the effective date of the act June 29, 1948, some 6 months earlier than adequate programs for Reserve training were generally available. As a result many Reserves were denied the opportunity to complete a year of satisfactory Federal service as defined in the law.

Section 4 of H. R. 5508 was not contained in this legislation when it was under consideration by the House Armed Services Committee. This section was added as an amendment, offered on the floor of the House of Representatives, in the belief that it would affect only six officers of the National Guard. Further study, however, indicates that this section would increase the number of persons immediately eligible for retired pay by a known number of 250, and would, by crediting additional years of non-Federal service to certain personnel now on the retired list, increase the pay of 650 others. These costs would total $412,300 per year. I am advised that as many as 500 additional persons might also be made immediately eligible for retirement and that this annual cost might amount to $656,000. Thus, the unexpected cost of this section might reach a maximum annual figure of $1,068,300 for persons already of retirement age. Data are not available at this time from which an estimate can be made as to the number of other persons not yet of retirement age who, through the granting of additional years of service credit, would become eligible for retirement or an increased amount of retired pay on reaching the age of 60 years. Hence, the costs of prospective payments to this group cannot be estimated. Cost factors, however, are not the primary reasons why I am withholding my approval from the bill.

Extension of the service creditable toward reserve retirement to include non-Federal service would establish an undesirable precedent. In defining the term "Federal service," the Congress excluded all service performed without Federal recognition. It seems to me that this intent is clearly indicated by categorical restriction of the types of creditable service in the National Guard or other State militia to those performed in:

(1) The National Guard of the United States;

(2) The National Guard while in the service of the United States;

(3) The federally recognized National Guard prior to 1933;

(4) A federally recognized status in the National Guard prior to 1933.

Further, section 306 (e) of the act specifically excludes from Federal servive, service in the inactive National Guard or Air National Guard, or in a nonfederally recognized status in the National Guard or Air National Guard.

If such service should be considered creditable for Federal retirement, it would be difficult to restrict a further broadening of the base of the 1948 Retirement Act. Presumably, there would then be added other costs far in excess of those contemplated at the time of its enactment.

The basic purposes of title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 were (1) to provide an incentive to Reserve personnel to maintain a degree of military proficiency which would assure a strong and healthy Reserve force in time of future emergency and (2) to recognize past service which had been performed by members of the Reserve in behalf of the Federal Government without expectation of future benefit. If I were to approve H. R. 5508, I believe my action would defeat both these basic purposes.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 9, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the message and the bill will be referred to the Committee on Armed Services and ordered to be printed.

There was no objection.

BUREAU OF THE CENSUS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED (H. DOC. NO. 295)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 142, amending section 18 of the act entitled "An act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress."

The bill provides that no charge shall be made by the Bureau of the Census for supplying population data to members of the armed services or persons honorably discharged therefrom, or to persons requesting information as proof of age for the purpose of eligibility for old-age and survivorship insurance benefits.

The present fee of $1 for handling an application for population data has been in effect since July 1942 when it was instituted at the behest of the House Appropriations Committee. At that time the Appropriations Committee was following a policy of placing governmental services of this character on a self-sustaining basis insofar as possible. The original decision was sound, and in consonance with an equally sound policy of bringing about economy in Government operations wherever possible.

In my 1948 budget message I stated, "While it is not sound public policy to charge for all services of the Federal Government on a full cost basis, and many services should be provided free, the Government should receive adequate compensation for certain services primarily of direct benefit to limited groups." I continue to hold this belief, and in this instance there seems to be no justification for abandoning present practice. Approval might well establish a precedent jeopardizing the established principle of charging fees for special services.

The fee charged in this case is nominal. The Government already bears the cost of maintaining the necessary records and the applicant pays only for the direct cost of searching the records and transmitting the information.

It is difficult to estimate the cost to the Government of supplying this information free of charge to the groups designated in the bill. The number of requests might be expected to rise significantly with the elimination of the fee so that the future work load for this operation could be uncertain. However, the Census Bureau estimates that the additional cost would approximate $136,000 annually. Although this is not a large amount, it is an unnecessary expenditure of public funds.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 9, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the bill and message be referred to the Committee on Post Office and Civil Service and ordered to be printed.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Illinois [Mr. GORDON], who has been called home to Chicago on account of the death of his brother, be permitted to extend his remarks in the RECORD and include an article by Mr. Irving Pflaum, of the Chicago Sun-Times.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in two instances and include certain excerpts.

Mr. ALBERT asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JONES of Missouri asked and was given permission to extend his remarks in the RECORD and include an address by Hon. CLIFFORD DAVIS.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances and include two newspaper articles and editorials.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a statement by General Fellers.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a copy of the resolution adopted by the Connecticut Council of the Women's Republican Club.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include an act passed by the Legislature of the Territory of Hawaii.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in three instances and to include extraneous matter.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in two instances.

OUR RUBBER PROBLEM

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. Mr. Speaker, although no rubber legislation will be considered at this session of the Congress, I should like to review the existing situation with respect to this commodity which so vitally affects not only our national economy, but also the everyday life of most of our citizens and to call to your attention several phases of our present program which I feel constitute a cause for serious concern.

The Eightieth Congress, following exhaustive hearings conducted by a subcommittee of the Armed Services Committee of the House of Representatives, of which I had the honor to serve as chairman, enacted Public Law No. 24—referred to as the Crawford bill—which removed all Government controls over the import and sale of natural rubber. This action was taken despite the opposition of many members of the rubber manufacturing industry who voiced dire predictions that the price of natural rubber would double, triple; and complete chaos would result therefrom. The wisdom of this legislation has been more than amply proven and at not time since its enactment has the price of natural rubber reached the level at which it was being sold by the Government on the date the law was passed, namely, 25¾ cents per pound. As a matter of fact, following our action, the price almost immediately declined and reached a low of 14½ cents in July 1947. The price today and for the past several months has been around 16½ cents per pound which is substantially lower than the prewar price of this commodity. Public Law No. 24 represented the first step taken, after almost 6 years of complete Government control, to restore the system of free enterprise in the rubber business, and has resulted in the savings of thousands of dollars to our taxpayers.

Subsequently, on March 31, 1948, the Eightieth Congress enacted Public Law No. 469, referred to as the Rubber Act of 1948. The following statement, contained in the declaration of policy, is significant:

> It is further declared to be the policy of the Congress that the security interests of the United States can and will best be served by the development within the United States of a free, competitive synthetic-rubber industry. In order to strengthen national security through a sound industry, it is essential that Government ownership of production facilities, Government production of synthetic rubber, regulations requiring mandatory use of synthetic rubber, and patent pooling be ended and terminated whenever consistent with national security, as provided in this act.

Generally speaking, the Rubber Act of 1948 contains three major provisions:

First. The maintenance at all times within the United States of rubber-producing facilities having a rated production capacity of not less than 600,000 long tons per annum of general-purpose synthetic rubber, and not less than 65,000 long tons per annum of special-purpose synthetic rubber;

Second. The facilities in operation by the Government or private persons shall produce annually not less than one-third of the rated production capacity of 665,000 long tons; and

Third. The President is authorized to issue such regulations as are required to insure the consumption of the tonnage referred to above, with the proviso that any mandatory consumption in excess of 222,000 long tons of synthetic rubber per annum shall not be more than is deemed necessary in the interests of national security and the common defense.

The act further stresses the importance of and necessity for a stock pile of natural rubber.

In enacting both Public Law 24 and Public Law 469, it was clearly the intention of the Congress that all Government activities in rubber should be terminated at the earliest possible moment, not inconsistent with the requirements of national security, and the Rubber Act of 1948 was designed only as interim legislation pending the attainment of this objective.

The authority conferred upon the President by the Rubber Act of 1948 was delegated by him to the Department of

Commerce, and, pursuant thereto, the rubber-manufacturing industry was required to consume 276,000 tons of synthetic rubber during the year 1948, an excess of 54,000 tons over and above the minimum amount prescribed by law. In addition thereto, the rubber-manufacturing industry consumed 167,000 tons of synthetic rubber on a purely voluntary basis, making a total for the year of 443,000 tons, or approximately 100 percent more than the minimum amount which it was deemed necessary to produce and consume in the interests of national security.

Statistics prepared by the Department of Commerce in June 1949 estimated that the consumption of all types of rubber in the United States during the year 1949 would total 980,000 long tons, of which 570,000 tons would be represented by natural rubber and 410,000 tons by synthetic rubber. For the year 1950 it was estimated that the United States would consume 614,000 tons of natural and 332,000 tons of synthetic rubber, an over-all total of 946,000 tons.

Despite the substantial estimated consumption of synthetic rubber in the United States, which should materialize unless there is a complete collapse of the rubber-manufacturing industry, the Department of Commerce is presently forcing the consumption of 268,000 long tons of synthetic rubber through mandatory use regulations, and in arriving at this figure apparently no consideration has been given to the substantial voluntary use of this material.

Based upon the statistical data outlined above, and actual experience to date, it does not appear that the mandatory use of synthetic rubber, as presently required, can be justified since it seems obvious that the consumption in both 1949 and 1950 will be substantially in excess of the minimum amount required by the Rubber Act of 1948. As a matter of fact, consumption of synthetic rubber during the first 6 months of the current year was in the neighborhood of 200,000 tons. Recently this question was fully discussed at a conference between Government officials and representatives of the rubber industry and as a result thereof the representative of industry unanimously recommended that the amount of the presently required mandatory use be substantially reduced. A minority opinion was also expressed to the effect that the mandatory use should be completely suspended. It is my understanding that the minority opinion has the full support of the Department of State. Quite frankly, I am somewhat at a loss to understand the reasoning of the Government agencies responsible for the existing regulations and fear that considerations other than national security have been responsible therefor. Let no one misunderstand my position, the national security of the United States is my first and primary concern, but I do feel very strongly that the present mandatory regulations are more severe than the situation warrants and that the continuation thereof contributes materially to the unrest in producing countries and extends further into the future the date of the return of the rubber business to free enterprise.

During all of the deliberations in which I have participated relative to the rubber situation, one moot question has remained unanswered: How much synthetic rubber will be consumed annually in the United States on a purely voluntary basis, with no Government controls or restrictions? In considering rubber legislation next year, the answer to this question will prove of material value. Today we have an opportunity to secure this information at no sacrifice to national security. I have carefully reexamined the Rubber Act of 1948, which I helped to write, and am definitely of the opinion that the wording thereof, insofar as relates to the issuance of regulations to carry out the purposes of the act, is permissive rather than mandatory, which, however, was the definite intent of the Congress. In other words, if conditions warrant and the requirements of national security are not impaired, regulations which have been issued may be terminated or suspended without violating the law in any way. In my judgment, it will be entirely in order to immediately suspend all mandatory requirements and only retain a stand-by order which can be invoked in the event that synthetic consumption falls below the security level. This procedure should present no administrative problem, nor will it require any legislative action, since the law under which we are presently operating will not expire until June 30, 1950. Through this process the Congress will secure information based upon actual experience and an opportunity will be afforded to study the synthetic-rubber program during a period of free enterprise, all of which will be most helpful in formulating a future rubber policy.

In 1941, as a wartime measure, the Government entered into a patent pooling agreement with industry to provide for the exchange of technical information relating to the production and development of synthetic rubber. Recognizing the desirability of giving full reign to private industry and also the fact that private research was materially retarded by the existence of this agreement, the Congress specified in the Rubber Act of 1948 that it should be terminated as early as possible, not inconsistent with national security requirements. Although this action was taken more than 15 months ago, I am amazed to learn that the agreement still exists. Seriously but regretfully, there exists in my mind definite reservation with respect to the administration of the act from the standpoint of returning the rubber business to private industry as speedily as possible and it occurs to me that the position taken by some of the agencies of the Government may be construed as being in contravention to the wishes of the Congress.

There is complete accord both on the part of Government and private industry with the principle that a technologically advanced and rapidly expandible synthetic-rubber industry should and will always be maintained in this country and likewise that such industry should be privately owned and operated. The progress which has been made in the development of synthetic rubber is truly remarkable and I find the following statements by leaders of the rubber manufacturing industry most gratifying:

Low temperature GR-S is approximately 5 percent better than natural rubber for tread wear in passenger car tires. The properties of newly developed furnace blacks complement those of "cold rubber" and make possible further improvements in tread wear ranging from 20 to 30 percent. (H. S. Firestone, Jr., chairman, the Firestone Tire & Rubber Co., sixth meeting, International Rubber Study Group.)

There are certain properties common to all synthetic rubbers which, at the moment, are superior to natural rubber and which help to influence the choice of material to be used. * * * The extreme cleanliness enjoyed by all synthetics is an obvious advantage in the production of many specialty goods. * * * The uniformity in plasticity and in rate of cure is a most important attribute of these rubbers. * * * Another important consideration to the manufacturer is the existence of many different types of polymers which permit choice of a material tailor-made to suit individual and product specifications. (George M. Tisdale, vice president, United States Rubber Co., sixth meeting, International Rubber Study Group.)

Butyl's superior ability to retain air and to withstand for long periods the deteriorating effects of sunlight, weather aging, acids, alkalis, oxygen, ozone, and fatty acids, compared with other rubbers, make it a very desirable material. * * * Air retention of butyl tubes is many times better than that of tubes made of any other known material. This property is creating a growing preference for butyl tubes among motorcar owners and commercial operators. (William O'Neil, president, General Tire & Rubber Co., sixth meeting, International Rubber Study Group.)

For the first time crude rubber faces a competitor in American-made rubber which has earned a position on the basis of cost, availability, and proven utility. The exclusive position which crude rubber enjoyed until near the end of World War II is now a thing of the past. (John L. Collyer, president, B. F. Goodrich Co., New York Journal of Commerce, June 24, 1949.)

We now have a low-temperature rubber which is over 30 percent better in the large consumption products, such as tire treads, than natural rubber. * * * For the first time in its 150 years of effort, the finest grades of plantation rubber or fine para has had its most serious threat. (A. L. Freedlander, president, Dayton Rubber Manufacturing Co., Lockwood's Monthly Rubber Report, November 15, 1948.)

The foregoing are only a few of the expert opinions which have been expressed with respect to the quality and desirability of synthetic rubber. Not being a technical man, I accept these statements at full value. It must be most satisfying to every American citizen to learn of the tremendous advancement which has been made in the development of this product which is available within our own borders. Likewise the Members of the Congress, who must next year consider additional rubber legislation, should be most happy to receive the reactions of the leaders of the rubber manufacturing industry from which it appears reasonable to assume that the

disposal of the Government-owned synthetic-rubber plants will no longer present the problem with which we have heretofore been confronted. Equally encouraging is the fact that during the year 1948 as well as at the present time, the rubber manufacturing industry is purchasing substantial quantities of synthetic from the Government on a voluntary basis, despite the fact that natural rubber is available at a substantially lower price. All in all, a very encouraging situation.

Mr. Speaker, unhappily we in this country are blessed with short memories. Due to the foresight of an outstanding American, the Honorable Jesse H. Jones, of Texas, then Chairman of Reconstruction Finance Corporation, and the efficient operations of Rubber Reserve Company with the full cooperation of the rubber manufacturing industry, this Government accumulated a stock pile of natural rubber prior to Pearl Harbor of sufficient tonnage to satisfy military and civilian requirements on a wartime basis pending the development of our synthetic-rubber industry. Without this stock pile, one shudders to speculate upon what might have been the outcome of World War II. While the scars of war were still fresh the Seventy-ninth Congress, on July 23, 1946, enacted Public Law 520, referred to as the Strategic and Critical Materials Stock Piling Act, the purposes of such act being to accumulate in this country a stock pile of strategic and critical materials for the protection of the national security of the United States.

What happened to date?

Since the Congress recognized the necessity for a stock pile of strategic and critical materials, it must obviously follow that in the administration of the act the Congress intended that the stock pile should be procured at the earliest possible moment. The method of procurement which has been and is being followed at the present time is not designed to nor will it achieve this result.

On July 18, 1949, Gen. LeRoy Lutes, who directs the stock-piling programs of the Munitions Board, in testifying before a House Public Lands Subcommittee, stated that of the 69 materials being stock piled, 40 are not available in the United States, and that of these rubber is probably the most important.

There can be no question in the mind of any unbiased and informed person respecting the value of natural rubber from the standpoint of national security, and such statement reflects in no way upon the Government-owned and operated synthetic rubber industry. This industry is still in its infancy and although tremendous technological progress has been made and continues to be made, it remains to be proven that synthetic rubber can successfully compete with natural rubber in a free-enterprise system with no protective government controls. This situation alone should emphasize the urgency of procuring the stock-pile requirements of natural rubber as rapidly as possible. Do not overlook the fact that we are discussing a commodity which must be transported over 10,000 miles of water to reach our shores.

It is recognized that certain of the strategic and critical materials designed for stock-pile purchase are in short supply and difficult to procure. However, natural rubber is and has been obtainable in substantial quantities at reasonable prices since the inception of stock-pile buying, but the Government has not, to the largest extent possible, availed itself of the opportunity to secure this material. As a matter of fact, for periods of several months at a time during the past 2 years no rubber was purchased, although available and freely offered.

It is neither intended nor suggested that the Government should enter into an intensive buying program of any strategic or critical material, and by such action unduly affect the market price thereof. On the other hand, it has been amply demonstrated that an orderly day-to-day buying program does not adversely affect the market price of a commodity, but tends to serve as a stabilizer. Certain it is that up to the present time the procurement of rubber for the stock pile has cost the taxpayers thousands of dollars due to the inability of the Bureau of Federal Supply to accept offers at extremely favorable prices. This, however, is no reflection upon the Bureau of Federal Supply, since it must operate within the framework of directives issued by the Munitions Board.

Apparently, the Munitions Board, which determines, after consultation with other governmental agencies, the quantities of each of the 69 strategic and critical items which shall be purchased, and thereafter issues directives to the Bureau of Federal Supply, concentrates its efforts on the procurement of materials which are not readily available, and bypasses rubber, which, although in reasonably plentiful supply, is one of the most important commodities from the standpoint of national security. Recently a Member of the Senate stated that our stock pile of natural rubber totaled 370,000 tons, a figure far short of our ultimate goal. It might well be pointed out in this connection that included in this figure is approximately 250,000 tons of rubber which was transferred from stocks accumulated by Reconstruction Finance Corporation.

The stock-piling program seemingly is being operated on the basis of a balanced stock pile, the theory being that the stock pile loses its over-all value if, in the case of an emergency, the Government has, for illustration, a 5-year supply of rubber and only a 2-year supply of manganese. As a practical matter, this approach may be sound, however it appears penny-wise and pound-foolish, knowing that the ultimate stock-pile objective involves the procurement of a certain quantity of rubber, not to obtain this material as speedily as possible.

On June 21, 1949, E. H. Hawkins, Acting Chief of the Office of Materials Resources of the Munitions Board, speaking before the thirty-fourth annual congress of the National Association of Purchasing Agents, in Chicago, stated that the Government's stock-piling program was one-third completed, counting materials on hand and orders placed. Mr. Hawkins further stated that if the Eighty-first Congress appropriated the funds which had been requested for stock-piling purposes, the program would be one-half completed by June 30, 1950. Since the Strategic and Critical Materials Stockpiling Act was enacted 3 years ago, it does not appear, from the standpoint of the national security of the United States, that an enviable record has been made, in view of the fact, that based upon the foregoing statement, approximately 4 years will be required to complete 50 percent of the over-all program.

Even the achievement of this half-way goal now appears questionable. In June both branches of the Congress passed appropriation bills which provided funds for stock-pile buying extending through the fiscal year 1950 in the exact amounts recommended by both the Munitions Board and the Bureau of the Budget and such bills have been signed by the President. Recently, however, the Senate Appropriations Committee in its deliberations on the over-all military appropriation bill for the fiscal year 1950 attached a rider thereto reducing the amount of the previously approved stock-piling appropriation by $275,000,000. While this reduction furnishes a cause for alarm, far more serious in my opinion is the expression of policy agreed to at the same time that the purchase of materials for the stock pile should be concentrated upon commodities available within the United States. No one is more interested than I in our domestic economy. However, it is far beyond my conception to understand this reasoning. The very essence of stock pile for national defense is to procure materials not available within our own borders, the supply of which may be completely cut off in the event of a national emergency. I sincerely trust that this body will very carefully examine the situation before giving its concurrence to the Senate action.

The present operations of the stock-piling program may be attributed to either the failure of the administrative agencies of the Government, including the Bureau of the Budget, to request the Congress for sufficient appropriations to purchase all of the strategic and critical materials required for the stock pile as they become available, or it may be due to poor administration of the provisions of the act. Obviously, the Congress cannot, due to the tremendous tasks which confront it and the continuous demand upon the time of its Members, police each piece of legislation which it passes. In instances, however, involving the security of the United States, which is true of the present situation, an investigation appears to be in order.

While I am not an alarmist, I cannot overlook the fact that during the past year Russia, which represents the most serious threat to the peace of the world, purchased in excess of 125,000 tons of natural rubber in the markets of the Far East. It is both significant and disturbing that Russia is continuing its buying program, while the United States is not today purchasing one pound of rubber for our national stock pile. Further

alarming is a report appearing in the press yesterday to the effect that during the current month Russia expects to purchase 16,000 tons of rubber in the Singapore market. The foregoing facts should furnish food for serious thought, since, in my judgment, they represent a distinct gamble with the national security of the United States.

From time to time when natural rubber is discussed great emphasis is placed upon the world cartel. Admittedly, prior to World War II restriction schemes designed to control the price of natural rubber through controlled production were in existence in the Far East to the detriment of this Government and I subscribe most heartily to the premise that we should take every step possible to prevent a recurrence of this situation. Personally, however, I see no cause for concern at the present time. Our synthetic rubber industry is established and its value is recognized. Furthermore, the complexion of the world rubber situation has undergone a complete change. Whereas prior to World War II the United States consumed the major portion of the natural rubber produced in the world, during the year 1948 this figure declined to 41 percent and based upon current statistics will be further reduced to 37 percent in 1949. In other words, from the standpoint of world production we are today cast in the role of a minority rather than a majority consumption. On the other hand, it is self-evident that to the extent this country imposes unnecessarily rigid restrictions, we invite the producing countries to invoke retaliatory measures. Do not misunderstand me. I am not a commodity expert and therefore do not take the position that natural rubber should demand a higher price than the present market. I do, however, and always have associated myself wholeheartedly with the principle of free enterprise and the law of supply and demand. Under these principles every commodity will eventually arrive at its proper price level. For the edification of the Members of this body, however, it is only fair to state that to the best of my knowledge and belief, natural rubber is the only nationally used commodity which is today selling for substantially less than the prewar price. Furthermore, I do not believe that foreign producers expect a fantastic price for natural rubber. The criticism which is directed at this Government is based upon the fact that due to restrictions which we have imposed, it is not possible for natural rubber to compete with synthetic rubber in a free market.

Today natural rubber occupies a far more important position in our international relations than has ever been the case in the past. It is the major dollar crop of the British Empire and controls the economies and destinies of the Far East. Recent developments in China are a source of the gravest concern to all of us and the unrest and infiltrations of communism into the countries of southeast Asia threaten the peace of that entire continent. Sad to relate, it appears that the accomplishments of this Government in Europe through the European Recovery Program may have already been more than offset by the inroads of communism in Asia. The end is not yet in sight and the clouds are slowly gathering. No one can forecast the future. It appears certain, however, that if the present trend continues unchecked this Government will, at possibly an early date, be called upon for staggering amounts of financial aid which we can ill afford. A program in Asia similar to our European activities would place upon this country a burden which, if undertaken, could well wreck our national economy. Another development which confronts us and which is fraught with serious possibilities is the present financial position of the British Empire. Nothing can be accomplished by dodging the issue. The picture is all too clear. Let us face the facts. Please do not misunderstand my position; I am only attempting in a practical manner to find a solution to a most difficult and serious problem. The national security of the United States unfortunately cannot be confined to our own borders and the spread of communism in the Far East as well as the financial position of our neighbors across the sea contain a definite threat to our own well-being. It occurs to me that we can, at no great sacrifice, make a substantial contribution to the solution of the problem by the immediate inauguration of a stock pile buying program of natural rubber. The benefits of this action will be twofold: The United States will secure a necessary and highly strategic commodity for its stock pile and at the same time would bolster the tottering dollar position of the British Empire and create a healthier and happier condition in the rubber producing countries of the Far East. Such a policy would not entail either a grant or a loan of public funds. Contrariwise, it would represent an investment in a tangible asset—natural rubber. I feel very strongly that serious consideration should be given to this matter without further delay. This program can be inaugurated today at no cost to the Government save from the standpoint of invested funds, whereas if we delay action until the lights go out in Asia, I do not have the temerity to speculate as to the extent of the ultimate financial burden which will be placed upon our already strained resources.

During the past year we have secured a substantial amount of natural rubber for our stock pile by the use of counterpart sterling funds accumulated in England through the operations of the Economic Cooperation Administration. So far as is possible this procedure should be continued and counterpart funds should be used wherever available to the greatest extent possible in the procurement of strategic and critical materials for our stock pile.

I have endeavored to call your attention to certain phases of our rubber program which in my opinion should be corrected. My conclusions are based entirely upon what I feel to be our national security requirements. Although we have no immediate rubber problem in this country, the effect of our present policy upon our international relations and the economies of friendly countries cannot be overlooked. There never was a truer saying than "An ounce of prevention is worth a pound of cure." For some time this matter has caused me great concern and I have not only carefully analyzed the situation in my own mind but have also discussed the elements which are involved with well-informed individuals both in the rubber industry and in the Government service. While I am not attempting to suggest a panacea to cure all ills it is my considered opinion that the interests of this country can best be served by the adoption of the following program which will not only be beneficial to us but will also assist the United Kingdom and strengthen the countries of southeast Asia against the rising tide of communism:

First. Immediately resume the purchase of natural rubber for the Government stock pile and acquire rubber as rapidly as it becomes available until our stock-pile objective is attained; and

Second. Immediately suspend in entirety rubber order R-1 or substantially reduce the amount of the required mandatory consumption of synthetic rubber.

Mr. Speaker, it may already be later than we think.

EXTENSION OF REMARKS

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a report by Hon. HUGH D. SCOTT, JR., to the Republican National Committee.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. WERDEL asked and was given permission to extend his remarks in the RECORD and include copies of a series of five articles published in connection with the San Joaquin Valley water problem, notwithstanding the fact that it exceeds the limit set by the Joint Committee on Printing and is estimated to cost $266.50.

Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Mobile Register.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances, in each to include extraneous matter.

FOREIGN AID BILL

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, this appropriation implements the policy which is drawing the world into an economic and a war crisis.

Mr. McCORMACK. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is: Is there objection to the request of the gentleman from Virginia?

Mr. MARCANTONIO. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. GARY. Mr. Speaker, I withdraw the request.

VISIT OF PRESIDENT QUIRINO AND THE PACIFIC PACT

Mr. JUDD. 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 Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, for a long time it has been apparent that in Asia, just as in Europe, the free nations cannot hope to escape Communist conquest unless they make a most vigorous collective attack upon their defense problems—with our active support and assistance. The real significance of the visit of President Quirino—whose presence as our guest and counselor today is a great honor, indeed—is that such a pact in the Pacific has at last been inaugurated. While our Government theorized and dawdled, three leaders in Asia who face the reality, not the theory, of Communist enslavement—President Elpidio Quirino, of the Philippine Republic, former President Chiang Kai-shek of China, and President Syngman Rhee, of Korea—have moved ahead with decision.

Precious time and ground have already been lost by our delay. But I hope that we are at last sufficiently alerted to the mortal dangers we face in Asia; that we will support with enthusiasm and determination their efforts to develop and extend the Pacific Pact.

If we cannot lead, let us at least follow these three wise men from the east.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a resolution.

HAWAII AND ALASKA SHOULD BE ADMITTED AS STATES OF THE UNION

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the subject of admitting Hawaii and Alaska to the Union.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, two of the most important bills which should pass at this session of Congress are the admission of Hawaii and Alaska as new States of the Union.

Yesterday my colleague, the gentleman from Louisiana [Mr. LARCADE] inserted in the RECORD a poll of the Members of the House showing 3 to 1 in favor of these bills.

We are spending billions of American dollars to protect foreign countries and doing nothing to protect our first line of defense in the south Pacific by admitting Hawaii and in the north Pacific by admitting Alaska as States of the Union.

If Hawaii had been admitted as a State before the paralyzing strike which has held hundreds of thousands of people in Hawaii and the Pacific coast at the will of Harry Bridges, we would have had some jurisdiction, because the Taft-Hartley bill does not give the President any authority in Territory and possessions.

Mr. Speaker, I insist that the approval of these two bills is much more vital and important than many fully realize and that they should be approved before we adjourn this session of Congress.

PREMIUM PAYMENTS IN THE PURCHASE OF GOVERNMENT OIL

Mr. ENGLE of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table 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), disagree to the Senate amendment to the House amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ENGLE]. [After a pause.] The Chair hears none and appoints the following conferees: Mr. ENGLE of California, Mr. REGAN, and Mr. BARRETT of Wyoming.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield back my time.

REPORT FROM COMMITTEE ON RULES

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DAGUE (at the request of Mr. GRAHAM), for Wednesday to Saturday, inclusive, on account of important public business.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

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. 169]

Arends	Douglas	Mason
Bentsen	Eaton	Morrison
Bland	Fallon	Norton
Bolton, Ohio	Fellows	Patman
Breen,	Flood	Patten
Bulwinkle	Garmatz	Pfeifer,
Burleson	Gilmer	Joseph, L.
Cavalcante	Gordon	Plumley
Celler	Gregory	Powell
Chatham	Hart	St. George
Chiperfield	Hinshaw	Smith, Ohio
Christopher	Johnson	Staggers
Clevenger	Jonas	Thomas, N. J.
Dague	Kearney	Vinson
Davies, N. Y.	Kennedy	Welch, Calif.
Dingell	McGregor	Wier
Dolliver,	McKinnon	Woodhouse

The SPEAKER. On this roll call 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN AID BILL

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 320, Rept. No. 1241), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with the Senate amendments thereto be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and they are hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 320 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with the Senate amendments thereto be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and they are hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is, hereby agreed to.

The SPEAKER. The question is, Will the House now consider the resolution?

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 298, noes 4.

So (two-thirds having voted in favor thereof) the House agreed to consider the resolution.

The SPEAKER. The gentleman from Texas [Mr. LYLE] is recognized.

Mr. LYLE. Mr. Speaker, months ago the House passed by an overwhelming majority a bill providing funds for the European recovery program. Recently the Senate acted upon that measure, amending the House bill. It therefore becomes necessary for one of the bodies to recede or for the bill to go to conference.

The members of the Committee on Appropriations of the House recommended

that the differences in the bill be considered in conference. That is the purpose of this resolution.

I am sure, Mr. Speaker, that there will be limited opposition. I now yield 30 minutes of my time to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, so far as I know, there is no objection on this side whatsoever to the adoption of this resolution. It merely carries out the orderly procedure.

I understand, however, there is some objection to the bill generally, and I now yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, this appropriation implements the policy which this Congress has adopted, a policy which is devastating to world peace and to the economic well-being of Americans. It seems to me the speed with which it is being imposed upon the country is inordinate and not in the best interests of the American people. That is why I have exercised by right to act, under the rules of the House, in what is obviously a vain effort to slow up the process which is having a disastrous effect on the peace of the world and a most ruinous effect on the economy of Europe and on the economy of the United States.

This Marshall plan has been in existence for over a year, and despite the promises that were made, we find that the European countries are today being squeezed dry—squeezed as a result of the monopoly economy imposed upon those countries through this so-called Marshall plan.

It is not necessary for me to repeat what is happening in England. Even our press has to report the crisis there. France has become a quasi-economic colony of Wall Street, and Italy has become definitely a colony of this type of exploitation by Wall Street imperialism. As a result Europe today is in an economic quicksand, and the impact of that economic crisis is now beginning to be felt in America; unemployment is gaining in every major city of this country.

This plan has failed. We followed this failure with the Atlantic Pact. Now, we follow with arms. Next it will be men. Thus out of this tragic policy we bypass and weaken the United Nations, the last hope for world peace.

When we try to do something here for the average American we witness delay after delay. We permitted the unemployment provisions of the GI bill of rights, known as 52–20, to expire on July 25. You still do nothing to protect the unemployed veteran. But to put over this program of empire and war we get a rule from the Committee on Rules with unprecedented speed; it is brought here, and two-thirds of the membership support the action, and undoubtedly a majority of the House will pass the resolution.

Let me point out however that though I am in a minority here, a small minority, events have proven that this kind of imperialist war policy, this policy of empire abroad means only reaction at home. You cannot have a policy of empire abroad and at the same time progress at home; a policy of empire negates progress at home. That explains why this Congress which was elected on a program of great promises has been a Congress that has failed to repeal Taft-Hartley, has been a Congress which has turned its back completely on the civil-rights program, has been a Congress which has passed a most inadequate housing bill, doling out housing with an eyedropper. That is why this Congress has passed a spurious rent-control bill which is causing 30, 40, and 50 percent rent increases in every city in this country. That is why this Congress is now considering the minimum-wage law which in return for a mere crumb surrenders millions of workers to the tender mercies of selfish interests. That is why this Congress has appropriated more than 50 percent of our budget for war. That is why this Congress is following the path of retrogression; it is the inexorable outcome of a war policy which is reactionary and dictated by the monopoly interests of this country.

As for me, I shall do everything I can to stop it. I know I will not today succeed in this effort, but I do know that the day is not far off when back in your districts despite the tons of propaganda in the press and over the radio, despite the anti-Communist hysteria by which these appropriations are passed, that despite the fear, the fear which the advocates of this policy have imposed on the American people from the early morning hours until the night through the controlled press and by the controlled radio, despite the suppression of civil liberties, despite the fact that the Democratic administration is putting over this war program on the American people under the dishonest guise of security and dishonestly selling it as a peace program, your people will refuse to supinely submit to this insane program of war and empire. The impact of the economic crisis that this program has caused in Europe is now being felt every day in the United States and it is causing economic havoc. As a result the burden of this policy of war and empire is falling heavily on your constituents and you will hear from them.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, in present conditions it takes a lot of nerve and a lot of intestinal fortitude to get up and speak against the bill when so many Members have made up their minds individually and collectively that they are for giving $6,500,000,000 to foreign countries.

I want you to know that I am for aiding and assisting people who are starving to death and people who need something to sustain life, but I am not for the program that has been conducted by the ECA in its squandering of billions of dollars that the Congress of the United States influenced by its State Department has been willing to extend to those people. I think it is one of the most extravagant pieces of work that was ever adopted by any country in the entire history of the world. No one ever thought of doing such a thing as we are doing through the State Department and the ECA. The $6,700,000,000 involved here means $45 to $50 for every man, woman, and child in America.

I want to tell you that you are going to have to give an accounting to the American people some day for the way you are squandering money and for putting our country in a very desperate situation. I am not going to be one who will wreck America. But it is going to be wrecked if you follow the program this administration has adopted. You cannot go on with it indefinitely. Any of you who think you can, just give an accounting to your people very shortly because they are going to ask you for it. As for myself, I am not going along with it.

The President came down here and asked you not only for this money but for an additional $1,500,000,000 to arm certain countries over there. And yet you talk about peace. Why, the gentleman from New York [Mr. MARCANTONIO] is right when he says you are not going to have peace by arming all of the countries of the world. I never heard of any such ridiculous idea so far as trying to get peace is concerned. If you want peace, get it by making friends. But what are you doing? You are arming all of those governments. Do you trust them after you get them armed? I believe that those arms may be used against the American people, and I am more afraid they will be used against America than against any other country in the world.

What was done about China? Look at the paper that the State Department brought out the other day. It ought to make you tremble, it ought to make you shudder. Two billion dollars have been wasted over there, and the way it has been wasted. They should have known and told you a long time ago, long before you spent the $50,000,000, the $80,000,000, the $150,000,000. No. You were like little boys coming up to the trough. You do what the administration tells you to do. You asked for a report months ago but they refused to give it to you. They sent it up here the other day. It is rotten. Yet you are still willing to give away more money.

If you want to save money, you should get down on your knees and ask God for a little direction here. You are not going to get peace by trying to arm everybody over there. You are going to squander the money of this country until we will not be able to carry on.

Mr. Speaker, I did not get up here to give a lecture. But you are putting out money so fast that in the Capitol Building you are shoveling it out of all of the windows. You could not spend it fast enough, so you have men over there taking the top off the Capitol in order to give it away faster until there will not be anything left.

Mr. Speaker, it is a shame that we are doing the things we are doing. You ought to stop, think, look, and listen before we go any further.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I have lived to see something which I had

heard about but had never hoped to actually see—the forces for which the gentleman from Pennsylvania [Mr. RICH] speaks and the forces for which the gentleman from New York [Mr. MARCANTONIO] speaks, both spouting the same line in the Halls of the Congress of the United States.

I am appalled that any patriotic American should get up here and tell us that we are being imperialistic through the ECA. I heard that line used by a candidate of the American Labor Party against me only 2½ months ago. I want to assure the Members of this House that the people of America are not falling for that line, because the candidate of the American Labor Party ran a very poor fourth. The people of America are against imperialism in any form but they believe in helping other freedom-loving peoples to remain free.

Yes, there is imperialism in the world today, but it is not American imperialism. It comes from the east. It is a most subtle type of imperialism, using all the Communist tactics of infiltration to permit a vicious minority to dominate and to thwart the will of the majority. I have learned those tactics and I have witnessed those tactics of infiltration in various organizations in this country, and it is an easy thing for me now to recognize those same tactics when they are applied either in Berlin or Czechoslovakia or China. They are the same; imperialism by infiltration. We have seen that imperialism spread across eastern Europe; we have seen the forfeiture, as the result of that imperialism, of all the freedoms of those people. Where is freedom of speech in Russia today? And, from Russia to Czechoslovakia where is there freedom of worship?

No, my friends, this ECA program is not imperialism; it is not militarism. I quote a simple fact from Pravda about 3 months ago, that the Russian budget calls for an expenditure for their army and their air force and their navy of almost 30 percent of the total Russian budget. And, remember that the Russian budget is equivalent to the total national income. It is not as our budget, limited to Government services. The Russian economy is spending almost 30 percent of their total national income on their militarism.

The small-arms aid, without going into the details of that program, that we are offering to the members of the Atlantic Pact nations, is to help them defend themselves against this very militarism in the east. Let us place the responsibility for world tension where it belongs. Let us cut aside all the beautiful red tape that they are trying to throw around these very simple and very humane programs. Let us in America realize and let us proclaim to the world, in contradiction to the gentleman from New York [Mr. MARCANTONIO], that the purpose behind the United States policy of helping those people in the world who want to help themselves to remain free from Communist imperialism, is a most friendly and unselfish purpose; the most humane that any country has ever held out to sister nations in the history of the world.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. CANNON. Mr. Speaker, I offer a motion which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H. R. 4830 be instructed to insist upon disagreement to Senate amendment No. 1.

Mr. CANNON. Mr. Speaker, this amendment is an attempt to reinstate the old watchdog committee which was abrogated in the legislative appropriation bill last month.

I offer this motion for two reasons: In the first place, because the Congress has already decisively passed upon it and emphatically rejected it, and second, because it will save $344,000 which would otherwise be wasted and will expedite the passage of this bill.

The Senate amendment is practically identical with the amendment offered by the gentleman from Ohio [Mr. VORYS] in the consideration of the legislative appropriation bill on June 9. The only difference is that the gentleman from Ohio [Mr. VORYS] on that occasion asked for $244,000 whereas the Senate now requests $344,000—$100,000 more—which makes it all the more objectionable.

When offered in the House on June 9, the amendment was rejected by a 3 to 1 vote. The Senate accepted the judgment of the House and all provision for the so-called watchdog committee was eliminated.

We had every reason to suppose the issue was definitely disposed of. It is res judicata. And the managers on the part of the House should not be required to churn over all this obsolete material again in conference or on the floor. It should be disposed of once and for all without being sent again to conference.

Suffice to say that the committee has thoroughly studied the subject and we can say authoritatively that the watchdog committee has never saved a single dime that would not have been saved had the committee never been in existence. Every dollar spent by the watchdog committee, and on the watchdog committee, has been thrown away. And in times like these, in which expenditures are running from one and a half billion to two billion dollars behind revenues, we cannot afford even this mild extravagance.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this bill involves approximately $5,000,000,000.

Amendment No. 1 adds $344,000 for the so-called "watchdog committee."

Amendment No. 3 increases the amount appropriated for the ECA by $59,910,000.

Amendment No. 4 reduces the amount that may be spent for confidential expenditures from $500,000 to $200,000.

Amendment No. 5 provides that $25,000 shall be available to carry out the provisions of section 115 (f) of the Economic Cooperation Act. I cannot tell you what that is. I will have to check it.

Amendment No. 6 wipes out the authority of the President to spend all the money by the 15th of May.

Amendment No. 7 provides for the loaning by the Export-Import Bank of $150,000,000.

Amendment No. 8 relates to the local currencies that come to our control as the result of the sending of these things over there.

Amendment No. 9 reduces the amount for Greece and Turkey from $50,000,000 to $45,000,000.

Amendment No. 10 provides $4,000,000 for the Chinese students in this country.

Amendment No. 11 reduces the amount of funds for the Army in occupied territory from $925,000,000 to $900,000,000 and reduces the administrative expenses.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Am I correct in the assumption that the matter that is now pending before the House is a motion on the part of the chairman of the Committee on Appropriations that the conferees be instructed to resist the Senate amendment which provides funds for the continuation of the "watchdog committee" that is set up to watch the expenditure of funds under ECA?

Mr. TABER. That is right. It is the only chance the Congress has to know what is going on in this operation.

Mr. KEEFE. The question we will be called upon to vote on in just a moment is whether or not we want to continue the operations of the "watchdog committee," which has been created by an amendment introduced by the other body and for which funds were provided. Is that not the situation?

Mr. TABER. Yes; that is the situation.

Mr. KEEFE. I wish the gentleman would advise the House of the necessity for continuing the "watchdog committee."

Mr. TABER. I wanted the House to have a picture of the $5,000,000,000 which needs to be watched, and the expenditure of which is so very important to be done properly and effectively.

The "watchdog committee" has done very considerable, effective work, especially in connection with the preservation of those plants in Germany which were so badly needed to restore the economy of Germany so that we could get to the point where some day we might be able to have these people self-supporting so that we could get out of Germany.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SHORT. When this bill passed the House, much as I have disagreed with certain members of the Committee on Foreign Affairs, I thought they were dead right in insisting on having this "watchdog committee," because the

amount of money necessary to conduct the work of the "watchdog committee" is an infinitesimal part of the billions of dollars that have to be expended. I hope the House will agree with the Senate conferees.

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. CANNON. Mr. Speaker, I yield two additional minutes to the gentleman.

Mr. KEEFE. Will the gentleman please advise the House as to how they should vote on this matter in the event that the Members want to vote to keep this "watchdog committee"?

Mr. TABER. Members should vote "no" if they want to have any control by the Congress over this operation, or if they want to have any reports on this operation.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARCANTONIO. The gentleman from New York [Mr. ROOSEVELT] saw fit to point out that the gentleman from Pennsylvania and I spoke against the resolution which was just adopted. However, the gentleman from New York failed to point out that he joined with the gentleman from Mississippi [Mr. RANKIN] and other enemies of civil rights in voting against my antidiscrimination amendment to the housing bill.

Mr. TABER. Mr. Speaker, I hope the House will refuse to instruct its conferees to disagree with the amendment of the Senate. It may be that they have asked for too much money, but they should vote "no" on this motion.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. SHORT. Does not the gentleman feel that we should have a "watchdog committee" which calls for the expenditure of an infinitesimal part of the total amount to be expended under this program?

Mr. WIGGLESWORTH. I will say to the gentleman, Mr. Speaker, that in my opinion there could be no better example of false economy than to wipe out this "watchdog committee" at this time.

Mr. SHORT. I thank the gentleman.

Mr. WIGGLESWORTH. Mr. Speaker, we all know that the ECA has a tremendous program, calling for the expenditure of billions of dollars. It operates in 16 separate nations and the closest possible supervision, in my judgment, is highly desirable.

I hold in my hand, Mr. Speaker, a summary of the work that the "watchdog committee" staff has done. It is 8 or 9 pages of single-space typewriting. It shows, among other things, activities leading to the recovery of several million dollars in several instances, the recovery far exceeding the $262,000 which was appropriated for the staff to function with.

I also have samples here, Mr. Speaker, of studies made by the "watchdog committee." Here is one entitled "Report on Progress of the Economic Cooperation Administration." It is 152 pages long. It is filled with statistics and tables of all kinds, invaluable to anyone wishing to keep abreast of the ECA problem.

Here is another study. It is 56 pages long, and is entitled "ECA and Strategic Materials."

Here is a 29-page study entitled "Shipping Problems in the ECA Program."

Here is another study entitled "Marine Insurance in the ECA Program."

Here is another entitled "Wool Procurement by ECA."

And another entitled, "The Food Situation in Europe in the Fall of 1948."

And another entitled "German Reparations."

Mr. Speaker, these are samples of the studies and reports which the "watchdog committee" has made since its creation.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. JENNINGS. These unbonded representatives of this country, as I understand it, are spending in 16 nations more than $5,000,000,000. How much do we propose to spend in seeing that they properly expend this money?

Mr. WIGGLESWORTH. We provided $262,000 for the past fiscal year, and the request here is for $344,000.

Mr. JENNINGS. In other words, that $344,000, or about seven one-thousandths of 1 percent of $5,000,000,000, is all we propose to spend to safeguard and to undertake to guarantee the honest and faithful expenditure of that huge sum?

Mr. WIGGLESWORTH. And committee activities have already saved several million dollars or several times the amount of money appropriated for them to operate on.

I think this motion should be defeated. I think the bill should be allowed to go to conference and let the amount to be made available for this purpose be worked out in conference.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield further?

Mr. WIGGLESWORTH. I yield.

Mr. JENNINGS. That is seven one-thousandths of 1 percent that we are going to expend to watch the expenditure of that unprecedented sum, is it not?

Mr. WIGGLESWORTH. I think the gentleman is correct.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my collegaue from Illinois.

Mr. YATES. I wish the gentleman from Massachusetts would tell the House just what the witnesses for the watchdog committee told the ECA Appropriations Committee when they appeared as witnesses before the committee. Was the gentleman impressed particularly with the testimony given to us?

Mr. WIGGLESWORTH. I have been impressed by the studies they have made, which I have tried to call attention to in the course of the brief time at my disposal.

Mr. YATES. Will not the gentleman agree that there was no testimony of any value whatsoever offered by these witnesses to the committee?

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. PHILLIPS of California. I rise to express the hope that sometime before we are through with this bill an adequate opportunity may be provided to find out what is in it and to discuss it. We have discussed this afternoon whether the gentleman from New York agrees with the gentleman from Pennsylvania, but only two people have discussed what is in this bill.

Mr. WIGGLESWORTH. The conference report will, of course, be considered subsequently. I hope the House will vote "no" on the pending motion.

The SPEAKER pro tempore (Mr. PRIEST). The time of the gentleman from Massachusetts has expired.

Mr. FULTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Missouri yield for a parliamentary inquiry?

Mr. CANNON. I yield.

Mr. FULTON. I have asked in regard to time on this particular motion and find that there is only time for those for the motion. No one has time against it. Both the gentleman from California [Mr. PHILLIPS] and I would like to know who has the time against it.

The SPEAKER pro tempore. The Chair will answer the gentleman's parliamentary inquiry.

The gentleman from Missouri [Mr. CANNON] is entitled to 1 hour on his motion, and he may yield time as he so desires.

Mr. FULTON. Who is in charge of the time against the motion?

Mr. CANNON. No one has been heard so far except those opposed to the amendment.

Mr. FULTON. I was told by the gentleman there was no time.

The SPEAKER. The gentleman from Ohio, [Mr. VORYS] is recognized.

Mr. VORYS. Mr. Speaker, the "watchdog committee" is a committee established not by House resolution but by law. When that law was reviewed and extended there was not even an attempt to change the "watchdog committee." What is being attempted here is to repeal a law by denying funds to a committee which must have funds to do its work, work which is enjoined upon it by law. I urge the House to vote "no" on this proposal. I happen to be a member of this much-abused "watchdog committee." It attempts to do its work without publicity and fanfare. Perhaps that is a mistake. It makes its criticism to the ECA officials in a quiet way in the hope of establishing better procedure; it furnishes reports to four committees, the Foreign Affairs Committee of the House, the Foreign Relations Committee of the Senate, and the two Appropriations Committees of the Congress.

The gentleman stated that the submittee felt that the reports were of no value. Let me remind the House that the full Committee on Appropriations of this House did not choose to follow its subcommittee but made cuts in the ECA appropriations far below those which

were recommended by the administration and the subcommittee.

We have this curious situation, where this bipartisan committee set up with a bipartisan vote in an effort that was a bipartisan effort and is being continued that way, yet the attempt to destroy it is coming purely as a partisan effort. We have the Democratic leadership here on the Committee on Appropriations opposing it. Over in another body the Democratic floor leader led the fight to attempt to emasculate and destroy this committee so there would be no independent body looking in upon this vast expenditure of funds; and that partisan attempt was mowed down in the other body by bipartisan votes. I hope this is not the end of the bipartisan approach to our vast and increasing foreign problem; I hope this is not the start of the things that we are to see from now on. I hope that this committee will not have its usefulness destroyed and be unable to do anything because of Democratic votes. You have the votes to do this. It would be a bad thing to go out to this country at a time when some of us are striving so hard to attempt to reach some sort of united, bipartisan agreement on some of the dreadful problems that face us, that this committee spending an infinitesimal amount of money, the only independent agency to report to the Congress, was destroyed by a partisan attempt here this afternoon.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. PHILLIPS of California. I am trying to get information about two points in the bill. Can the gentleman tell me whether item No. A in the bill has any relationship to the Revaluation Conference to be held in Washington in September which I think will have a very far-reaching effect upon the money of the United States?

Mr. TABER. If the gentleman will yield to me I can answer that it does not.

Mr. VORYS. The only thing before us right now is this one question of destroying by partisan effort this bipartisan creation to investigate and report to the Congress on the Marshall plan. I beg you to vote "no."

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. SHORT. I want to thank the gentleman for the statement he has made.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, this is like all other efforts to obtain economy. Here we have a committee appointed by the last Congress which spent $262,000 last year. Of course, that is small money compared with a great many appropriations we make. But they come back this year asking for $344,000. For what? As a "watchdog committee" to watch one of the most efficient administrations in the entire Government.

Something has been said about a nonpartisan approach to this matter. Let me remind you that the head of the ECA is a Republican, but I still think he is one of the most able Administrators in this Nation. I certainly do not think he needs any "watchdog committee" to tell him what he should do; therefore, I do not think that the Congress of the United States should spend $344,000 to provide such a committee.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Missouri.

Mr. SHORT. Does the gentleman feel that this small, infinitesimal amount to guard the expenditure of some $5,500,000,000 is unreasonable?

Mr. GARY. Does the gentleman think we ought to have a "watchdog committee" to watch over the expenditures of the armed services which spend $18,000,000,000 annually?

Mr. SHORT. Absolutely.

Mr. GARY. Does the gentleman feel we should have a "watchdog committee" for each department of the Government spending billions of dollars?

Mr. SHORT. Absolutely.

Mr. GARY. I may say to the gentleman I do not agree with him.

Mr. SHORT. Well, I have expressed my opinion.

Mr. GARY. If we do not have capable and honest Administrators, then we ought to get rid of them rather than watch them.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If we follow the reasoning of the gentleman from Missouri, we might just as well abolish the executive branch of the Government.

Mr. GARY. Exactly, and turn the administration of the Government over to the Congress of the United States.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact the Congress long ago when it set up an agency responsible to the Congress under the Budget and Accounting Act set up a watchdog administration to watch all departments of Government and provided that the Comptroller General should be there for but a single term of 15 years as the representative of the Congress of the United States; so that all agencies of Government are under the supervision and surveillance of the Comptroller General of the United States.

Mr. GARY. So is the ECA. Therefore, why have another watchdog committee for it?

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that under the Congressional Reorganization Act every legislative committee is responsible to watch the agencies for which it authorizes the expenditure of money?

Mr. GARY. That is correct.

Mr. Speaker, in the ECA we have one of the most efficient administrations in the Government. They have some of the best technically trained men, and I say to you that we asked the representatives of the "watchdog committee" to appear before us when we considered these appropriations and we got no information worth while from the "watchdog committee." Whereas, the staff of the ECA furnished all of the information that we wanted. They had it at hand at all times and showed far greater familiarity with the foreign situation than did the watchdog committee. I ask you, why appropriate $344,000 to check on men who are better prepared to do this job than the men who are doing the checking?

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, as a member of the Committee on Foreign Affairs, may I respectfully disagree with my good friend and colleague the gentleman from Ohio [Mr. VORYS] that this is a partisan matter. It is not a partisan matter. And I, too, have been a member of the "watchdog committee," so-called.

I am against the continuation of this extra committee because I think that it is an unnecessary expense. In the first place, under the Reorganization Act, full and complete powers are given to the legislative committees.

I would like to ask my good friend the gentleman from New York [Mr. TABER] what is wrong with the Committee on Appropriations? Are they not "watchdogging" the Treasury? It will be a sudden and a bad shock to me if I find that my good friend John is not watching. I have thought the Appropriations Committee were doing a fine close job of checking expenditures.

Mr. TABER. You cannot watch an operation like that with the force that the Committee on Appropriations has.

Mr. FULTON. Then, instead of bypassing the Appropriations Committee, I would very much like to implement the Committee on Appropriations of the House to make it effective, because yours is a statement that your Committee on Appropriations is being hamstrung by a lack of sufficient personnel.

One of the basic troubles of the so-called "watchdog committee" is this: It is a committee adrift. It is not under the Committee on Foreign Affairs; it is not under the Committee on Foreign Relations of the Senate. It is not under the Committee on Appropriations of the House nor under the Committee on Appropriations of the Senate.

How many Members of Congress here have read any one of those reports which have been mentioned? I keep up with most of the reports coming to our committee. I have not read all of the reports, but in one of those reports of the "watchdog committee" which I read, I found that there was a list of committees handling our foreign relations headed by the so-called "watchdog committee," then there was the Committee on Foreign Relations of the Senate listed second in order, then the Committee on Foreign Affairs of the House was listed

third, and I do not know where the "watchdog committee" put the Committee on Appropriations of either House. They evidently are so far down the line that such important committees evidently do not count much in the set-up.

Why, without anything more, should we increase the appropriation of this committee 50 percent? There has been no justification submitted for added staff. Some time ago I saw that we were not able to keep the staff from going into places that they should not go. For example, they had once been in touch with the ECA staff, saying to them, "Don't you do that" and "Don't you do this." Now, that is directly interfering with the ECA Administration staff. I do not think that that is part of the duty of a "watchdog committee."

If the reorganization statute has set up an efficient committee organization, what is there so valuable with this committee as was pointed out here, that you need this for ECA but you do not need it for the armed services? I believe that unless you amply staff your Committee on Appropriations of this House you will have to put up separate little committees that will undercut part of their jurisdiction every time we pass a major bill. I hope that the Committee on Appropriations members will stand up here and say it is one of the best committees in the House and assure this House that we can depend on them.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. JAVITS. Will the gentleman tell us whether he believes that this committee is necessary to preserve that bipartisanship in foreign policy so eloquently advocated here this afternoon as against the opponents of ECA on the extreme left and the extreme right.

Mr. FULTON. The bipartisan foreign policy can certainly exist. The Committee on Foreign Affairs and the Committee on Foreign Relations are the legislative committees on foreign affairs, having the duty to implement the bipartisan foreign policy. The Committees on Appropriations have Democrats and Republicans upon them to check these various appropriations, under this bipartisan foreign policy. May I say to you that the Committee on Appropriations, with its great history, should not be the first one to come in here through its senior members and advocate we cut out part of its jurisdiction and put this jurisdiction in an orphan committee that is not even set up under the Reorganization Act.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. The gentleman has referred to the desirability of a staff for the Committee on Appropriations. I just want to refresh the gentleman's recollection of the fact that we did set up a very efficient staff for the committee in the last 2 years, and that it was completely abolished in the present session of the Congress.

Mr. FULTON. Well, the problem, then, is this: To keep in our established House committees the powers and the duties and the responsibilities. If we do not, there will be bypassing of our legislative committee here one after the other. It is shocking to hear that the efficient nonpartisan staff of the Appropriations Committee has been abolished by the Eighty-first Congress, and I thank the gentleman from Massachusetts for his comment.

There is no reason for a supercommittee that is a so-called "watchdog committee," when, as has been adequately pointed by the gentleman from Wisconsin, Congress has its own agency set up, the Comptroller General of the United States, who is to "watchdog" this and all other things. If Congress goes ahead indefinitely and adds a hodgepodge of committees, a so-called "watchdog" for this and a "watchdog" for that, with no responsibility to anyone, we are arriving at intellectual and legislative chaos in House procedure.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. NORRELL].

Mr. NORRELL. Mr. Speaker, early this year the Legislative Appropriations Committee conducted hearings on this matter for quite a long time. I was chairman of that committee. We reported the bill out without providing appropriations for the "watchdog committee." I thought we were correct then. We submitted our bill to the full Committee on Appropriations and, after extensive consideration, the full committee approved the bill. We came to the House, where an amendment was offered to restore the money for the "watchdog committee" and, after extensive argument, the amendment was defeated by a vote of 117 to 43. Our bill went to the other body and provision for the "watchdog committee" was not included in the legislative appropriation bill over there. That is where it ought to be if we are going to continue the committee.

The work of the joint committee has been finished. It was set up to see that the Economic Cooperation Administration was properly organized, efficient administrative procedures were adopted, and the announced policies of Congress reflected in the administrative policies and plans of the Administration.

We have the program in the charge of good men and they are doing an able job. No one now raises any question as to the management of the Economic Cooperation Administration. The work of this committee has been done. To continue it would be an utter waste. If you want to save a little money, this is one place where it can be done.

Mr. Speaker, I believe this House means what it said when it rejected by an overwhelming vote the amendment to the legislative appropriation bill. The Senate meant it when it did not amend the bill to include it. We do not need the "watchdog committee" further, because the bipartisan foreign policy certainly is operating, and we have the Appropriations Committees of the House and Senate, and we have the Foreign Policies Committees of the House and Senate, also, to "watchdog" what happens. It might be that we would need another "watchdog committee" to watch the "watchdog committee," and then after a while we would need another "watchdog committee" to watch the "watchdog committee" to watch the "watchdog committee," and on you go.

I think we ought to instruct our conferees, Mr. Speaker, to stand where we have stood all this year, to end it and let the Administrator of the Economic Cooperation Administration, Mr. Hoffman, who is a good Republican—and I am glad he is in charge of it—operate as he ought to in the manner of which he is capable. He should not be subjected to the constant interference which must characterize the operations of a joint committee conceived and established for a purpose which no longer exists. I think we ought to instruct our conferees to insist on disagreement to this amendment.

Mr. CANNON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 145, noes 127.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 210, nays 164, answered "present" 2, not voting 56, as follows:

[Roll No. 170]

YEAS—210

Abbitt	Dawson	Jones, Ala.
Abernethy	Deane	Jones, Mo.
Addonizio	DeGraffenried	Jones, N. C.
Albert	Delaney	Karst
Andrews	Denton	Karsten
Aspinall	Dollinger	Kearns
Bailey	Donohue	Kelley
Barden	Doughton	Keogh
Baring	Douglas	Kerr
Barrett, Pa.	Doyle	Kilday
Bates, Ky.	Eberharter	King
Battle	Elliott	Kirwan
Beckworth	Engle, Calif.	Klein
Bennett, Fla.	Evins	Kruse
Bentsen	Feighan	Lane
Biemiller	Fernandez	Lanham
Blatnik	Flood	Larcade
Boggs, La.	Fogarty	Lind
Bolling	Forand	Linehan
Bonner	Frazier	Lucas
Bosone	Fulton	Lyle
Boykin	Furcolo	Lynch
Brooks	Gary	McCarthy
Brown, Ga.	Gore	McCormack
Bryson	Gorski, Ill.	McGrath
Buchanan	Gorski, N. Y.	McGuire
Buckley, Ill.	Granahan	McMillan, S. C.
Buckley, N. Y.	Granger	McSweeney
Burke	Grant	Mack, Ill.
Burnside	Green	Madden
Burton	Hardy	Magee
Byrne, N. Y.	Hare	Mahon
Camp	Harris	Mansfield
Cannon	Harrison	Marsalis
Carlyle	Havenner	Marshall
Carnahan	Hays, Ark.	Miles
Carroll	Hays, Ohio	Miller, Calif.
Celler	Hébert	Mills
Chelf	Hedrick	Mitchell
Chesney	Heffernan	Monroney
Chudoff	Heller	Morgan
Clemente	Herlong	Morris
Combs	Hobbs	Moulder
Cooley	Holifield	Multer
Cooper	Howell	Murdock
Crook	Huber	Murphy
Crosser	Irving	Noland
Davenport	Jackson, Wash	Norrell
Davis, Tenn.	Jacobs	O'Brien, Ill.

O'Brien, Mich.
O'Hara, Ill.
O'Neill
O'Sullivan
O'Toole
Passman
Perkins
Peterson
Philbin
Pickett
Poage
Polk
Preston
Price
Priest
Quinn
Rabaut
Rains
Ramsay
Redden
Rhodes
Ribicoff
Rodino
Rogers, Fla.
Rooney
Roosevelt
Sasscer
Sikes
Sims
Smathers
Spence
Stanley
Steed
Stigler
Sullivan
Sutton
Tackett
Tauriello
Teague
Thomas, Tex.
Thompson
Thornberry
Trimble
Underwood
Wagner
Walsh
Walter
Welch, Mo.
Wheeler
Whitaker
Whitten
Whittington
Wickersham
Wier
Willis
Wilson, Okla.
Wilson, Tex.
Winstead
Wood
Worley
Yates
Young
Zablocki

NAYS—164

Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.
Angell
Auchincloss
Barrett, Wyo.
Bates, Mass.
Beall
Bennett, Mich.
Bishop
Blackney
Boggs, Del.
Bramblett
Brehm
Brown, Ohio
Burdick
Byrnes, Wis.
Canfield
Case, N. J.
Case, S. Dak.
Chiperfield
Church
Cole, Kans.
Cole, N. Y.
Colmer
Corbett
Cotton
Coudert
Cox
Crawford
Cunningham
Curtis
Davis, Ga.
Davis, Wis.
D'Ewart
Dondero
Durham
Ellsworth
Elston
Engel, Mich.
Fenton
Fisher
Ford
Gamble
Gathings
Gavin
Gillette
Golden
Goodwin
Gossett
Graham
Gross
Gwinn
Hagen
Hale
Hall, Edwin Arthur
Halleck
Harden
Harvey
Herter
Heselton
Hill
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Hope
Horan
Hull
Jackson, Calif.
James
Javits
Jenison
Jenkins
Jennings
Jensen
Johnson
Judd
Kean
Kearney
Keating
Kee
Keefe
Kilburn
Kunkel
Latham
LeCompte
LeFevre
Lichtenwalter
Lodge
Lovre
McConnell
McCulloch
McDonough
McMillen, Ill.
Mack, Wash.
Macy
Marcantonio
Martin, Iowa
Martin, Mass.
Merrow
Meyer
Michener
Miller, Md.
Miller, Nebr.
Morton
Murray, Tenn.
Murray, Wis.
Nelson
Nicholson
Nixon
O'Hara, Minn.
O'Konski
Patterson
Pfeiffer, William L.
Phillips, Calif.
Phillips, Tenn.
Potter
Poulson
Rankin
Reed, Ill.
Reed, N. Y.
Rees
Richards
Riehlman
Rivers
Rogers, Mass.
Sadlak
Sadowski
Sanborn
Scott, Hardie
Scott, Hugh D., Jr.
Scrivner
Scudder
Secrest
Shafer
Short
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Wis.
Stefan
Stockman
Taber
Talle
Taylor
Towe
Van Zandt
Velde
Vorys
Vursell
Wadsworth
Weichel
Werdel
White, Idaho
Wigglesworth
Williams
Wilson, Ind.
Withrow
Wolcott
Wolverton
Woodruff

ANSWERED "PRESENT"—2

Allen, La.
Hand

NOT VOTING—56

Arends
Bland
Bolton, Md.
Bolton, Ohio
Breen
Bulwinkle
Burleson
Cavalcante
Chatham
Christopher
Clevenger
Dague
Davies, N. Y.
Dingell
Dolliver
Eaton
Fallon
Fellows
Fugate
Garmatz
Gilmer
Gordon
Gregory
Hall, Leonard W.
Hart
Hinshaw
Jonas
Kennedy
Lemke
Lesinski
McGregor
McKinnon
Mason
Morrison
Norblad
Norton
Pace
Patman
Patten
Pfeifer, Joseph L.
Plumley
Powell
Regan
Rich
Sabath
St. George
Sheppard
Smith, Ohio
Smith, Va.
Staggers
Thomas, N. J.
Tollefson
Vinson
Welch, Calif.
White, Calif.
Woodhouse

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mrs. Norton for, with Mr. White of California against.
Mr. Gilmer for, with Mr. Plumley against.
Mr. Joseph L. Pfeifer for, with Mr. Dolliver against.
Mr. Gordon for, with Mr. Jonas against.
Mr. Burleson for, with Mr. Mason against.
Mr. Patman for, with Mr. Hinshaw against.
Mr. Garmatz for, with Mr. Arends against.
Mr. Gregory for, with Mr. Leonard W. Hall against.
Mr. Patten for, with Mr. Dague against.
Mr. Morrison for, with Mr. Fellows against.
Mr. Hart for, with Mr. Eaton against.

Until further notice:

Mrs. Woodhouse with Mrs. Bolton of Ohio.
Mr. Breen with Mr. McGregor.
Mr. Cavalcante with Mr. Lemke.
Mr. Staggers with Mr. Rich.
Mr. Pace with Mrs. St. George.
Mr. Vinson with Mr. Tollefson.
Mr. McKinnon with Mr. Smith of Ohio.
Mr. Kennedy with Mr. Welch of California.
Mr. Fallon with Mr. Norblad.

The result of the vote was announced as above recorded.

The SPEAKER. The Chair appoints the following conferees: Messrs. GARY, MCGRATH, YATES, CANNON, TABER, and WIGGLESWORTH.

EXTENSION OF REMARKS

Mr. LANE and Mr. MURRAY of Wisconsin asked and were given permission to extend their remarks in the RECORD.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include his own questionnaire.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD in two instances and include certain extracts.

Mr. STOCKMAN asked and was given permission to extend his remarks in the RECORD and include an article from the Klamath Falls News-Herald.

SPECIAL ORDER GRANTED

Mr. WILLIAMS asked and was given permission to address the House for 20 minutes on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3751. An act to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 10, 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:

842. A letter from the Archivist of the United States, transmitting a report showing records proposed for disposal, and lists or schedules, or parts of lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

843. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

844. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a preliminary examination and survey of Port Bay, N. Y., authorized by the River and Harbor Act approved March 2, 1945 (H. Doc. No. 293); to the Committee on Public Works and ordered to be printed, with an illustration.

845. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on the Chicago River, Ill., with a view to improving the channel in the north branch between Addison Street and the lock at Wilmette, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 28, 1945 (H. Doc. No. 294); to the Committee on Public Works and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. MILES: Committee on Public Lands. H. R. 4942. A bill to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes; without amendment (Rept. No. 1238). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5670. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; without amendment (Rept. No. 1239). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 320. Resolution providing for the taking from the Speaker's table of the bill, H. R. 4830, to the end that the Senate amendments be and are hereby disagreed to and that the conference requested by the Senate is hereby agreed to; without amendment (Rept. No. 1241). 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. WALTER: Committee on the Judiciary. S. 331. An act for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old); with an amendment (Rept. No. 1216). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 555. An act for the relief of Eiko Nakamura; without amendment (Rept. No. 1217). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 787. An act for the relief of William (Vasilios) Kotsakis; without amendment (Rept. No. 1218). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski; without amendment (Rept. No. 1219). Referred to Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 715. A bill for the relief of Manuel Uribe; with an amendment (Rept. No. 1220). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5149. A bill for the relief of Fernando Aboitiz; with an amendment (Rept. No. 1221). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5375. A bill for the relief of Mrs. Hilda De Silva; without amendment (Rept. No. 1222). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5539. A bill for the relief of Mrs. Claudia Weitlanner; without amendment (Rept. No. 1223). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5851. A bill for the relief of Mrs. Toshiko Keyser; without amendment (Rept. No. 1224). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 587. A bill for the relief of Dick Walook and Alfred L. Woods; with an amendment (Rept. No. 1225). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1024. A bill for the relief of Jacob Brown; with an amendment (Rept. No. 1226). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1106. A bill for the relief of King V. Clark; with an amendment (Rept. No. 1227). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2075. A bill for the relief of Frank G. Moore; without amendment (Rept. No. 1228). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2266. A bill for the relief of Morris Tutnauer; with an amendment (Rept. No. 1229). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3769. A bill for the relief of Doris M. Faulkner; with an amendment (Rept. No. 1230). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3810. A bill for the relief of Cecil E. Gordon; without amendment (Rept. No. 1231). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4556. A bill for the relief of the estate of Elmo Sodergren; without amendment (Rept. No. 1232). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 5353. A bill for the relief of Max Schlederer; without amendment (Rept. No. 1233). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4165. A bill for the relief of Katherine H. Clagett; without amendment (Rept. No. 1234). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 3804. A bill for the relief of Fred B. Niswonger; without amendment (Rept. No. 1235). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3405. A bill for the relief of Vivian Newell Price; with an amendment (Rept. No. 1236). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2758. A bill for the relief of the Fisher Brewing Co.; without amendment (Rept. No. 1237). Referred to the Committee of the Whole House.

Mr. BRYSON: Committee on the Judiciary. H. R. 5319. A bill granting a renewal of patent No. 40,029, relating to the badge of The Holy Name Society; with an amendment (Rept. No. 1240). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CLEMENTE:

H. R. 5929. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; to the Committee on Armed Services.

By Mr. KARSTEN:

H. R. 5930. 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. MURRAY of Tennessee:

H. R. 5931. 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.

By Mr. RANKIN:

H. R. 5932. A bill to extend pension benefits under the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended, to certain persons who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children; to the Committee on Veterans' Affairs.

By Mr. REED of Illinois:

H. R. 5933. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 5934. A bill to amend the "Second Supplemental National Defense Appropriation Act, 1943," approved October 26, 1942 (56 Stat. 990, 999), and for other purposes; to the Committee on Public Works.

By Mr. BAILEY:

H. R. 5935. A bill to authorize the Administrator of Veterans' Affairs to sell or lease oil and gas rights in the subsurface of the land on which is situated the Veterans' Administration facility at Clarksburg, W. Va.; to the Committee on Veterans' Affairs.

By Mr. MILES:

H. R. 5936. A bill authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians; to the Committee on Public Lands.

By Mr. RANKIN:

H. R. 5937. A bill to provide for the construction of a Veterans' Administration Hospital at Tupelo, Miss.; to the Committee on Veterans' Affairs.

H. R. 5938. A bill to provide for the construction of a Veterans Administration Hospital at Mound Bayou, Miss.; to the Committee on Veterans' Affairs.

By Mr. BURKE:

H. R. 5939. A bill to authorize the appropriation of funds to assist the States and Territories in financing more equitable schedules of salaries for teachers in the public elementary and secondary schools, and to promote the general welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. BIEMILLER:

H. R. 5940. A bill to amend the Public Health Service Act and the Vocational Education Act of 1946 to provide an emergency 5-year program of grants and scholarships for education in the fields of medicine, osteopathy, dentistry, dental hygiene, public health, and nursing professions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of New York:

H. R. 5941. A bill to incorporate The Military Chaplains Association of the United States of America; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 5942. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURDOCK:

H. R. 5943. A bill to provide for the erection of a monument at the grave of Constantino Brumidi; to the Committee on House Administration.

By Mr. CROSSER:

H. Res. 321. Resolution for the consideration of the bill H. R. 4846; 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. CASE of South Dakota:

H. R. 5944. A bill authorizing the issuance of a patent in fee to Thomas Francis Two Heart; to the Committee on Public Lands.

By Mr. JENNINGS:

H. R. 5945. A bill for the relief of the city of Harriman school district; to the Committee on the Judiciary.

By Mr. REDDEN:

H. R. 5946. A bill for the relief of Edgar B. Grier; to the Committee on the Judiciary.

By Mr. SABATH:

H. R. 5947. A bill for the relief of Alfio Batelli; to the Committee on the Judiciary.

PETITIONS, ETC.

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

1396. By Mr. TAYLOR: Petition of Earle H. Bogardus, traffic counselor, Menands, N. Y., urging action before the present session of Congress adjourns, on repeal of excise taxes, especially the transportation tax on freight; to the Committee on Ways and Means.

1397. By the SPEAKER: Petition of Catholic State League of Texas, San Antonio, Tex., relative to amending Public Law 774, Eightieth Congress; to the Committee on the Judiciary.