By Mr. CRAWFORD:

H. R. 6111. A bill to amend the Federal Alcohol Administration Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMER:

H. R. 6112. A bill to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma; to the Committee on Public Lands.

By Mr. HERLONG:

H. R. 6113. A bill to increase the compensation and pension of certain veterans of the war with Spain; to the Committee on Veterans' Affairs.

By Mr. MORRIS:

H. R. 6114. A bill to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma and for other purposes; to the Committee on Public Lands.

By Mr. RAINS:

H. R. 6115. A bill to permit civil officers and employees of the United States to be members of certain State and Territorial boards and commissions having duties relating to State or Territorial merit systems; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H. R. 6116. A bill to amend the Federal Alcohol Administration Act with respect to labeling and advertising certain domestic whisky as aged; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H. R. 6117. A bill to make unlawful certain lobbying with respect to river and harbor improvement and flood-control legislation; to the Committee on the Judiciary.

H. R. 6118. A bill for the purpose of erecting in the borough of Bethel, Allegheny County, Pa., a post-office building; to the Committee on Public Works.

By Mr. HORAN:

H. R. 6119. A bill authorizing certain works for the improvement of navigation, the control of floods, and the conservation and utilization of the waters of the Columbia River and its tributaries, and for other purposes; to the Committee on Public Works.

By Mr. McGRATH:

H. R. 6120. 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. MILES:

H. R. 6121. A bill to terminate certain war excise tax rates, and for other purposes; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 6122. A bill to authorize a preliminary survey to determine the feasibility of constructing and maintaining a small-boat channel at the Choctawhatchee Bay Bridge; to the Committee on Public Works.

H. R. 6123. A bill to authorize a preliminary survey to determine the feasibility of constructing and maintaining a channel at Bayou Texar, Pensacola Bay, Fla.; to the Committee on Public Works.

By Mr. ELLIOTT:

H. R. 6124. A bill to prohibit any carrier subject to part I of the Interstate Commerce Act, in transporting property between two points, from making a difference in its charges depending on the point of origin or destination; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDEN:

H. Con. Res. 130. Concurrent resolution relating to the holding in 1950 of the Dr. Thomas Walker Bi-Centennial Historical Pageant; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. MARTIN of Massachusetts

H. R. 6125. A bill for the relief of Margaret Lemaire; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 6126. A bill for the relief of Sverre K. Nedberg; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 6127. A bill for the relief of Sultan Mohamed; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 6128. A bill for the relief of Antonio Firetto; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 6129. A bill for the relief of Vincenza Rallo Pulizzi; to the Committee on the Judiciary.

PETITIONS, ETC.

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

1454. By the SPEAKER: Petition of United Office and Professional Workers of America, New York City, N. Y., requesting an emergency appropriation of $300,000,000 to set up an emergency plan for an all out pooling of scientific and medical talents and resources necessary to combat infantile paralysis; to the Committee on Interstate and Foreign Commerce.

By the SPEAKER:

1455. Also, petition of Mrs. E. A. Maurer and others, Bowling Green, Haskins, and Rudolph, Ohio, petitioning the Congress to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1456. Also, petition of the General Society Sons of the Revolution, relative to changing the contemplated route of the Pennsylvania Turnpike; to the Committee on Public Works.

SENATE

THURSDAY, AUGUST 25, 1949

(Legislative day of Thursday, June 2, 1949)

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

Rev. William E. Firth, minister, St. Paul Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy holy spirit, that we may be more pleasing unto Thee and serve Thee better.

Give us a sense of Thy presence that our words and deeds may be in harmony with Thy will, for we know that which is pleasing unto Thee is best for Thy children.

Breathe on me, breath of God,
Fill me with life anew,
That I may love what Thou dost love,
And do what Thou wouldst do.

In Christ's name we pray. Amen.

THE JOURNAL

On request of Mr. HAYDEN, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 24, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 24, 1949, the President had approved and signed the following acts and joint resolution:

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands;

S. 555. An act for the relief of Eiko Nakamura;

S. 622. An act for the relief of Isaiah Johnson;

S. 787. An act for the relief of William (Vasilios) Kotsakis;

S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land; and

S. J. Res. 3. 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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 627) for the relief of Leon Moore, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2186. An act providing for a location survey for a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska;

H. R. 5354. An act for the relief of Itzchak Shafer;

H. R. 6006. An act for the relief of Anthony Charles Bartley; and

H. R. 6007. An act for the relief of Herminia Ricart.

CALL OF THE ROLL

Mr. HAYDEN. 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:

Anderson	Chapman	Downey
Bricker	Chavez	Ecton
Bridges	Connally	Ellender
Byrd	Cordon	Ferguson
Cain	Donnell	Flanders
Capehart	Douglas	Frear

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Fulbright	Langer	Reed
George	Leahy	Robertson
Gillette	Long	Russell
Graham	Lucas	Saltonstall
Green	McCarthy	Schoeppel
Gurney	McClellan	Smith, Maine
Hayden	McFarland	Smith, N. J.
Hendrickson	McKellar	Sparkman
Hickenlooper	McMahon	Stennis
Hill	Magnuson	Taft
Hoey	Malone	Taylor
Holland	Maybank	Thomas, Okla.
Humphrey	Miller	Thomas, Utah
Ives	Millikin	Tobey
Jenner	Morse	Tydings
Johnson, Colo.	Mundt	Vandenberg
Johnson, Tex.	Murray	Watkins
Kefauver	Myers	Wherry
Kem	Neely	Wiley
Kerr	O'Conor	Williams
Kilgore	O'Mahoney	Young
Knowland	Pepper	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from New York [Mr. DULLES], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

LEAVES OF ABSENCE

Mr. RUSSELL. Mr. President, I ask leave of the Senate to be absent the remainder of today, tomorrow, and a few days next week.

The VICE PRESIDENT. Without objection, consent is granted.

Mr. TOBEY. Mr. President, I ask leave of the Senate that the Senator from New Hampshire may be absent from the close of business today until after Labor Day.

The VICE PRESIDENT. Very reluctantly, the Chair accords the request of the Senator from New Hampshire.

Mr. TOBEY. The Senator from New Hampshire appreciates that. It is for both official and unofficial business.

The VICE PRESIDENT. The Chair appreciates that, too.

Mr. FERGUSON asked and obtained consent to be absent from the sessions of the Senate between the conclusion of tonight's session and the 16th or 18th of September, to enable him to attend as a delegate the meeting in Stockholm of the Interparliamentary Union.

On request of Mr. LUCAS, and by unanimous consent, Mr. GRAHAM was excused from attendance on the sessions of the Senate on Friday and Saturday of this week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Armed Services and the Foreign Relations Committee, sitting jointly, was authorized to meet during the session of the Senate today.

CIVIL FUNCTIONS APPROPRIATIONS FOR 1950—ITEMS IN DISAGREEMENT

Mr. MCKELLAR. Mr. President, the Civil Functions Appropriation bill has been in controversy before the conference committees of the two Houses since the 1st of June. I have a statement of the differences between the Senate and House conferees, and I ask unanimous consent to have it printed in the RECORD as a part of my remarks.

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

Civil functions appropriation bill, 1950

RIVERS AND HARBORS

Project	Estimated Federal cost	Senate figure	Suggested compromise
Georgia: Buford Dam	$25,250,000	$2,261,000	$1,000,000
Alabama: Tennessee-Tombigbee	169,117,000	200,000	[1] 200,000
Texas: Intracoastal Waterway (Galveston district)	756,000	50,000	[1] 50,000
Total, rivers and harbors	195,123,000	2,511,000	1,250,000

FLOOD CONTROL, GENERAL

Arizona: Tucson	$2,390,000	$1,250,000	$500,000
California: San Antonio Reservoir	7,000,000	500,000	[4]
Kansas: Toronto Reservoir	14,315,000	1,000,000	[2] 1,000,000
Montana: Havre	1,105,700	400,000	[3] 400,000
Nebraska: Gavins Point Reservoir	22,300,000	2,000,000	1,000,000
New Mexico:			
Bluewater floodway	200,000	200,000	200,000
Chamita Reservoir	28,703,000	750,000	[1] 75,000
Conchas Reservoir	----------	35,000	[4] 35,000
Jemez Canyon	7,201,000	750,000	750,000
Rio Grande floodway	3,000,000	771,500	[1] 50,000
Oklahoma:			
Oologah Dam and Reservoir	31,050,000	550,000	550,000
Optima Reservoir	18,150,000	500,000	[1] 100,000
Vermont: Rutland	3,700,000	500,000	[5] 500,000
Subtotal	140,114,700	10,206,500	5,160,000
Planning funds:			
Georgia: Hartwell Reservoir, Ga. and S. C.	68,000,000	75,000	[6] 75,000
Ohio: Martins Ferry	6,210,000	50,000	50,000
Virginia: Salem Church	33,000,000	40,000	40,000
Total, flood control, general	247,324,700	10,371,500	5,325,000
Grand totals, rivers and harbors and flood control, general	442,447,700	12,882,500	6,575,000

[1] Planning funds.
[2] Or nominal amount.
[3] Or split.
[4] Tentatively agreed on.
[5] Or $250,000.
[6] Or treat as other nonbudgeted planning items.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF ECONOMIC COOPERATION ADMINISTRATION — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 308)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

I am transmitting herewith the fourth report of the Economic Cooperation Administration created by the Foreign Assistance Act of 1948, Public Law 472 of the Eightieth Congress, approved April 3, 1948.

The report covers activities under the Economic Cooperation Act of 1948 (title I of Public Law 472) and the China Aid Act of 1948 (title IV of Public Law 472), as well as the program of economic aid to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Cong.) There is also included in the appendix a summary of the status of the United States Foreign Relief Program (Public Law 84, 80th Cong.) and the United States Foreign Aid Program (Public Law 389, 80th Cong.)

This report covers the period January 1 through April 2, 1949, the close of the first year of operations under the Foreign Assistance Act of 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 25, 1949.*

EXECUTIVE COMMUNICATIONS, ETC.

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

SUPPLEMENTAL ESTIMATE, DISTRICT OF COLUMBIA (S. DOC. NO. 110)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $11,248.03, for the District of Columbia, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

COINAGE OF SUBSIDIARY SILVER COINS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins (with an accompanying paper); to the Committee on Banking and Currency.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General of the United States, relating to the deportation case of Mrs. Maria Anna Elizabeth Falco, transmitted to the Senate on April 15, 1949 (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF FEDERAL TRADE COMMISSION ENTITLED "THE CONCENTRATION OF PRODUCTIVE FACILITIES"

A letter from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, a report by that Commission entitled "The Concentration of Productive Facilities," for the year 1947 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

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 officers and staff of the New York chapter of the Military Order of the World Wars, New York, N. Y., favoring the enactment of legislation to prohibit the picketing of courts; to the Committee on the Judiciary.

A letter in the nature of a petition from the United Office and Professional Workers of America, New York, N. Y., signed by James H. Durkin, president, favoring an appropriation of $300,000,000 to combat infantile paralysis; to the Committee on Labor and Public Welfare.

A resolution adopted by the Woman's Club of Jeffersontown, Ky., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the General Society, Sons of the Revolution, Newport, R. I., relating to a change in the contemplated route of the Pennsylvania Turnpike so that it will not lie adjacent to the Valley Forge Park, Pa.; to the Committee on Public Works.

By Mr. SALTONSTALL:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Expenditures in the Executive Departments:

"Resolutions memorializing Congress to give favorable consideration to the recommendations of the so-called Hoover Commission

"Whereas the growth of our Nation has been paralleled with an ever-increasing number of Government activities to the point where a condition of duplication and overlapping of function and general administrative turmoil exists with attendant waste, inefficiency, and confusion; and whereas the increased costs of Government have become a critical matter of the utmost concern to our citizens; and whereas, pursuant to Public Law 162, enacted by the Eightieth Congress, there was created a Commission on Organization of the Executive Branch of the Government, which public law was, on July 7, 1947, approved by the President of the United States, Harry S. Truman; and

"Whereas pursuant to Public Law 162, there was appointed a bipartisan body of representatives and distinguished citizens of our country carrying with them experience in Government affairs, which body did make an exhaustive and unbiased inquiry into the administration of certain of the agencies of the Federal Government; and

"Whereas the said Commission has filed with the Congress a detailed report of its findings together with pertinent recommendations; and

"Whereas it appears to your memorialists that the said findings and recommendations constitute a cohesive and efficient program which, if adopted, will be of great benefit to the people of these United States: Now, therefore, be it

"*Resolved*, That the General Court of the Commonwealth of Massachusetts hereby petitions and urges the Congress of the United States to give due and favorable consideration to the recommendations of the so-called Hoover Commission to the end that the said recommendations may be adopted by the Congress of these United States and the President of the United States may be directed thereby to effectuate the provisions of its recommendations; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, August 16, 1949.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, August 18, 1949.

"IRVING N. HAYDEN,
"Clerk."

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Expenditures in the Executive Departments.

LOCAL PUBLIC HEALTH UNITS ACT OF 1949—LETTER FROM NATIONAL CONGRESS OF PARENTS AND TEACHERS

Mr. WILEY. Mr. President, there was recently reported to the Senate from the Committee on Labor and Public Welfare, Senate bill 522, the so-called Local Public Health Units Act of 1949.

In this connection, my colleagues and I have received a letter from the National Congress of Parents and Teachers, a great organization which is familiar to each of us for its work in our respective States, and on a national basis. The letter from the president of the National Congress endorsed this legislation as being in the interest of the Nation's youngsters. I ask unanimous consent that the text of the letter be appropriately referred and printed at this point in the RECORD.

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

NATIONAL CONGRESS OF
PARENTS AND TEACHERS,
Chicago, Ill., August 18, 1949.

MY DEAR SENATOR: On behalf of the 5,774,358 parents and teachers who belong to the National Congress of Parents and Teachers, I urge you to vote favorably on S. 522, the Local Public Health Units Act of 1949. By doing so you will be carrying out the expressed wishes of a vast segment of informed and alert citizens whose dominant interest is the education, protection, and welfare of children.

Ever since it was founded in 1897, the National Congress of Parents and Teachers has worked unceasingly for the mental and physical well-being of children and youth. In fact, so strong has been its concern in this area of child welfare it has incorporated the following statement in its declaration of policies:

"We recommend increased public support for equalized health, and health opportunities for all children and youth."

S. 522 conforms to this established policy, and that is why we have consistently supported it. The passage of this bill will return to our country dividends of wealth in terms of strong citizens whose sound minds and bodies will be the surest bulwark against enemies boring from within or attacking from without. Indeed, we are confident that the bill will help America preserve its greatest resource—the health of all of her people.

We shall watch with keen interest the progress of this measure as it advances toward final enactment.

Sincerely yours,

ANNA H. HAYES,
Mrs. John E. Hayes,
President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950; without amendment (Rept. No. 956).

By Mr. CAPEHART, from the Committee on Interstate and Foreign Commerce:

S. 2436. A bill to amend the Act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; without amendment (Rept. No. 955).

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

S. 2105. A bill to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes; with an amendment (Rept. No. 957).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 25, 1949, he presented to the President of the United States the enrolled bill (S. 1565) for the relief of Dr. Ludovit Ruhmann.

BILLS INTRODUCED

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

By Mr. McMAHON:

S. 2481. A bill for the relief of the Borough of Naugatuck, Conn.; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2482. A bill to repeal mandatory price support provisions for Irish potatoes and eggs; and

S. 2483. A bill to prevent waste of food commodities acquired through price support operations; to the Committee on Agriculture and Forestry.

By Mr. JOHNSON of Colorado (by request):

S. 2484. A bill to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance; to the Committee on Interstate and Foreign Commerce.

By Mr. LANGER:

S. 2485. A bill for the relief of Kodris Ullah, Solim Ullah, Arfath Ullah, and Sogon Ali; to the Committee on the Judiciary.

(Mr. LANGER also introduced Senate bill 2486, to amend the Displaced Persons Act of 1948, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. McMAHON:

S. 2487. A bill for the relief of Dominic Arcella; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2488. A bill for the relief of Jan Josef Wieckowski and his wife and daughter; to the Committee on the Judiciary.

By Mr. PEPPER (for himself and Mr. HOLLAND):

S. 2489. A bill to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges; to the Committee on Interior and Insular Affairs.

S. 2490. A bill providing for a study by the Bureau of Standards of the relative merits of natural and synthetic sponges; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN (for himself and Mr. LEAHY):

S. 2491. A bill providing for the conveying of land and buildings at Fort Philip Kearney Military Reservation to the State of Rhode Island; to the Committee on Banking and Currency.

By Mr. LANGER:

S. 2492. A bill for the relief of Maria, Magdalena, Margit, and Martha Battha; and

S. 2493. A bill for the relief of Kara Ellahi, Lal Miah, Abdul Karim, and Lal Khan; to the Committee on the Judiciary.

(Mr. MAYBANK (by request) introduced Senate bill 2494, to amend section 9 of the Federal Reserve Act, as amended, and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

AMENDMENT OF FEDERAL RESERVE ACT

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to amend section 9 of the Federal Reserve Act, as amended, and for other purposes.

The bill is being introduced by request. It concerns the Federal Reserve, and I have talked with the Governors of the Federal Reserve Board about it. In view of the lateness of the session, and the desire of the majority leader that we not hold hearings so that Senators may be present on the floor of the Senate, I shall not be able to hold any hearings on the bill until after the first of the year.

The bill (S. 2494) to amend section 9 of the Federal Reserve Act, as amended, and for other purposes, introduced by Mr. MAYBANK (by request), was read twice by its title, and referred to the Committee on Banking and Currency.

DR. THOMAS WALKER BICENTENNIAL HISTORICAL PAGEANT

Mr. CHAPMAN submitted the following concurrent resolution (S. Con. Res. 63), which was referred to the Committee on the Judiciary:

Resolved by the Senate (the House of Representatives concurring) That the Congress joins with the Legislatures of the States of Kentucky, Virginia, Tennessee, and West Virginia in declaring the wish—

(1) that a bicentennial historical pageant be held in 1950 in such States in celebration of the two hundredth anniversary of the journey of exploration made by Dr. Thomas Walker and his five associates, Ambrose Powell, William Tomlinson, John Hughes, Colby Chew, and Henry Lawless, who left Doctor Walker's home, Castle Hill, near Charlottesville, Va., March 6, 1750, and passed through the region now comprising the Virginia counties of Albemarle, Nelson, Amherst, Bedford, Botetourt, Roanoke, Montgomery, Pulaski, Wise, and Smyth, and on through Sullivan, Hawkins, Hancock, and Claiborne Counties in Tennessee, back into Lee County, Va., through Cumberland Gap and on through the present Kentucky counties of Bell, Knox, Whitley, Laurel, Rockcastle, Jackson, Estill, Powell, Wolfe, Morgan, Johnson, and Martin, and then on through the West Virginia counties of Mingo, Raleigh, Summers, and Greenbrier, and on through Bath and Augusta Counties in Virginia and back to Castle Hill, and of the construction during such journey of the first house west of the Allegheny Mountains near the north bank of the Cumberland River in Knox County, Ky.;

(2) that such pageant be aided by people from all parts of the United States and be participated in by the people individually and through their State and local governments, their schools, churches, clubs, lodges, and other organizations; and

(3) that pageants and exhibits be held at appropriate places along the route taken by Doctor Walker and his associates which will depict the efforts of the early pioneers to carve a nation out of the wilderness, thus affording the people of the United States an opportunity to increase their knowledge and appreciation of their pioneer forefathers and their successful accomplishment of a difficult and dangerous task.

THIRD DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. O'CONOR submitted an amendment intended to be proposed by him to the bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes; which was ordered to lie on the table and to be printed.

AMENDMENT OF CONTRACT SETTLEMENT ACT OF 1944—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to 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 certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes, which was referred to the Committee on the Judiciary and ordered to be printed.

INCREASED COMPENSATION FOR HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS—AMENDMENTS

Mr. WILLIAMS (for himself and Mr. CAIN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 498) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS (for himself and Mr. CAIN) also submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was ordered to lie on the table and to be printed.

SCHEDULE OF RATES OF BASIC COMPENSATION FOR CERTAIN FEDERAL EMPLOYEES—AMENDMENTS

Mr. WILLIAMS (for himself and Mr. CAIN) submitted amendments intended to be proposed by them, jointly, to the bill (S. 2379) 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, which were ordered to lie on the table and to be printed.

ADDITIONAL BENEFITS FOR CERTAIN POSTMASTERS, ETC.—AMENDMENT

Mr. WILLIAMS (for himself and Mr. CAIN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1772) to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, compensatory time, and promotion, and for other purposes, which was ordered to lie on the table and to be printed.

COMPENSATION OF CERTAIN GOVERNMENT EMPLOYEES—AMENDMENT RELATING TO NATIONAL GUARD PERSONNEL

Mr. KILGORE. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to 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. These amendments merely extend the act to cover the National Guard personnel. I ask unanimous consent that they be printed in the RECORD.

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

Amend H. R. 3191, section 108, subparagraph (b), page 19, line 20, by striking the period and parentheses and inserting the following: "officers, warrant officers, and enlisted men of the NGUS, both ground and air and the federally recognized NG of the several States, Territories, and the District of Columbia."

Further amend H. R. 3191, page 39, by inserting after section 402 a new section, designated section 403, as follows:

"Effective as of August 14, 1945, all officers, warrant officers, and enlisted men of the NG of the United States, both ground and air, the federally recognized NG of the several States, Territories, and District of Columbia

"(1) if engaged for periods in excess of 30 days in any type of training under sections 92, 94, 97, or 99 of the NDA, as amended, suffer disability or death in line of duty from disease while so engaged;

"(2) if engaged for any period in any type of training under such sections of the NDA, as amended, suffer disability or death in line of duty from injury while so employed;

with or without pay, or when engaged in authorized travel to or from such duty, they or their beneficiaries shall in all respects be entitled to all the benefits prescribed by law for civil employees of the United States who are physically injured in line of duty or die as a result thereof, the Federal Security Administration shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of civil employees of the United States so injured: *Provided*, That the benefits of the employees' compensation accruing under this section shall not be paid concurrently with drill or active duty pay or pension based upon military service, and in the event a person becomes eligible for the benefits provided hereunder and is also eligible for or is in receipt of a pension or compensation based upon military service, he or his beneficiaries shall elect which benefits to receive, but any benefits paid hereunder shall be deducted from the monetary benefits that may accrue under Public Law 108, Eighty-first Congress: *Provided further*, That for the purpose of determining the benefits to which entitled under the provisions of this section, such personnel when engaged in authorized training without pay will be held and considered as receiving the pay and allowances they would have received if in a pay status: *Provided further*, No back pay, compensation, or death gratuity shall be held to have accrued as a result of this act for any period of time prior to the effective date of this act."

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 2186. An act providing for a location survey for a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska; to the Committee on Foreign Relations.

H. R. 5354. An act for the relief of Itzchak Shafer;

H. R. 6006. An act for the relief of Anthony Charles Bartley; and

H. R. 6007. An act for the relief of Herminia Ricart; to the Committee on the Judiciary.

H. R. 6070. An act to amend the National Housing Act, as amended, and for other purposes; ordered to be placed on the calendar.

BRIDGES TURNS TO POLITICS—EDITORIAL FROM THE OMAHA MORNING WORLD-HERALD

[Mr. WHERRY, on behalf of Mr. BUTLER, asked and obtained leave to have printed in the RECORD an editorial entitled "Bridges Turns to Politics," published in the Omaha Morning World-Herald for August 23, 1949, which appears in the Appendix.]

MISUSING WELFARE—ARTICLE BY SENATOR HUMPHREY AND EDITORIAL FROM THE WHEELING INTELLIGENCER

[Mr. NEELY asked and obtained leave to have printed in the RECORD an article by Senator HUMPHREY and an editorial appearing in the Wheeling Intelligencer for August 22, 1949, which appear in the Appendix.]

TRUTH VERSUS COMMUNISM—EDITORIAL FROM THE CHARLESTON GAZETTE

[Mr. NEELY asked and obtained leave to have printed in the RECORD an editorial entitled "Truth Versus Communism," published in the Charleston Gazette of August 20, 1949, which appears in the Appendix.]

RELIEF FOR GERMANY—ADDRESS BY B. H. HOFMANN

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address delivered by B. H. Hofmann, national secretary, American Relief for Germany, Inc., at the German relief day festival at Paterson, N. J., on August 14, 1949, which appears in the Appendix.]

COMMUNIST ATTACKS ON RELIGION

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an article by George Dugan, entitled "Communism Rated Creed of Slavery," published in the New York Times of August 21, 1949, which appears in the Appendix.]

A STAMP FOR POE—EDITORIAL FROM THE WASHINGTON STAR

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "A Stamp for Poe," published in the Evening Star of August 12, 1949, which appears in the Appendix.]

CHANGES IN TRANSMISSION STANDARDS LOOKING TOWARD COLOR TELEVISION

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a letter dated August 25, 1949, from C. B. Jolliffe, executive vice president in charge of RCA laboratories division, Radio Corporation of America, to the Secretary of the Federal Communications Commission, which appears in the Appendix.]

TRUE AMERICANISM—LETTER BY SEARCY RIDGE

[Mr. KEM asked and obtained leave to have printed in the RECORD a letter by Searcy Ridge, published in the Kansas City Star of August 22, 1949, which appears in the Appendix.]

THE ARROGANCE OF POWER—ARTICLE BY MARQUIS CHILDS

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "The Arrogance of Power," by Marquis Childs, from the Washington Post of August 20, 1949, which appears in the Appendix.]

FINAL SUMMARY OF COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared as a final summary of the views and comments of the various departments and agencies of the executive branch of the Government, received in response to the committee's request for information concerning the effect the recommendations of the Hoover Commission would have on such establishments.

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

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

Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, submitted to the Senate today a final summary of the views and comments of the various departments and agencies of the executive branch of the Government received in response to the committee's request for information concerning the effect recommendations of the Hoover Commission would have on such establishments.

The chairman announced that a comprehensive report was being prepared by the staff of the committee for submission to the Senate digesting briefly the Hoover Commission recommendations, and summarizing agency comments relative to their application to individual agencies affected. The report will also indicate legislative actions taken (and administrative, when available) toward implementation of recommendations, including the status of pending bills and an outline of acts affecting reorganization of the executive branch approved during the present session. The chairman stated that such a report should prove of considerable value to the Congress and the public in appraising the Commission reports, pointing up differences which will require special studies by jurisdictional committees, and in furthering a comprehensive legislative program for the next session of Congress with a view to enactment of further legislation designed to conform to the Commission's recommendations.

The committee addressed letters to all agencies of the executive branch of the Government on May 23, 1949, requesting (1) a detailed report relative to the application of the various recommendations and textual discussions in the Commission reports which affected each establishment either directly or indirectly, to be supported by relevant factual information that might be helpful in the consideration of the various recommendations; (2) comments relative to prospective implementation of recommendations contained in the reports, including a summary of administrative actions taken to conform thereto; (3) an analysis of pending legislation which provides for the effectuation of specific recommendations affecting such agency; and (4) prospective reductions in personnel and operating costs resulting from reorganizations or administrative changes.

Reports were submitted by 49 agencies and comments were released by the committee and inserted in the CONGRESSIONAL RECORD, comprising 39 separate releases, beginning on July 7, 1949, the last appearing in the RECORD on August 22, as follows:

REPORTING AGENCY, CONGRESSIONAL RECORD DATE AND PAGES

Bureau of the Budget, July 7, 1949, pages 9005–9007.

Federal Deposit Insurance Corporation, July 8, 1949, pages 9085–9088.

Civil Aeronautics Board, July 8, 1949, pages 9088–9089.

United States Maritime Commission, July 11, 1949, pages 9184–9185.

Securities and Exchange Commission, July 11, 1949, pages 9185–9186.

Department of Agriculture, July 12, 1949, pages 9249–9250.

National Security Council, National Security Resources Board, July 13, 1949, pages 9343–4345.

Federal Trade Commission, July 14, 1949, pages 9423–9426.

National Advisory Committee for Aeronautics, July 15, 1949, pages 9531–9533.

National Labor Relations Board, Federal Mediation and Conciliation Service, National Mediation Board, July 18, 1949, pages 9611–9613.

Veterans' Administration, July 18, 1949, pages 9613–9616.

Federal Security Agency, July 18, 1949, pages 9616–9621.

Housing and Home Finance Agency, July 20, 1949, pages 9758–9766.

Department of State, July 20, 1949, pages 9756–9758.

Federal Power Commission, July 22, 1949, pages 9974–9976.

Selective Service System, July 22, 1949, pages 9976–9979.

National Military Establishment, July 22, 1949, pages 9979–9980.

Administration of Overseas Affairs: Comments by Bureau of the Budget, State Department, ECA, Philippine Alien Property Administration, Philippine War Damage Commission, American Battle Monuments, July 25, 1949, pages 10054–10055.

Department of Labor, July 25, 1949, pages 10055–10057.

Civil Service Commission, July 26, 1949, pages 10145–10149.

Atomic Energy Commission, July 27, 1949, pages 10261–20262.

Department of Commerce, July 28, 1949, pages 10324–10327.

Economic Cooperation Administration, July 29, 1949, pages 10400–10401.

Federal Communications Commission, July 29, 1949, pages 10399–10400.

Reconstruction Finance Corporation, August 1, 1949, pages 10445–10447.

Department of Justice, August 2, 1949, pages 10531–10532.

The Panama Canal, August 3, 1949, pages 10653–10654.

Interstate Commerce Commission, August 4, 1949, page 10739.

United States Tariff Commission, August 5, 1949, pages 10811–10812.

Export-Import Bank of Washington, August 8, 1949, pages 10947–10948.

Post Office Department, August 8, 1949, pages 10945–10947.

Department of the Treasury, August 10, 1949, pages 11150–11151.

Tennessee Valley Authority, August 11, 1949, pages 11241–11242.

Central Intelligence Agency, August 12, 1949, pages 11324–11325.

National Capital Housing Authority, August 15, 1949, pages 11413–11414.

National Capital Park and Planning Commission, August 15, 1949, pages 11412–11413.

Indian Claims Commission, August 17, 1949, pages 11596–11597.

Department of the Interior, August 19, 1949, pages 11817–11820.

Office of the Housing Expediter, Railroad Retirement Board, Federal Reserve System, Smithsonian Institution, Displaced Persons Commission, Tax Court of the United States, August 22, 1949, pages 11887–11888.

Bureau of the Budget (supplemental), August 22, 1949, pages 11888–11889.

Extensive and comprehensive reports were prepared by some of the departments and agencies on all the Commission's recommendations affecting them, while others

failed to comment on specific recommendations applying directly to such establishments. The Departments of State, Commerce, Post Office, and Justice were most cooperative in responding to the committee's request, as were the Federal Deposit Insurance Corporation, Civil Aeronautics Board, United States Maritime Commission, Securities and Exchange Commission, National Security Council, and National Security Resources Board, Federal Trade Commission, National Advisory Committee for Aeronautics, Veterans' Administration, Federal Security Agency, Housing and Home Finance Agency, Federal Power Commission, Civil Service Commission, Reconstruction Finance Corporation, and others.

On the other hand, some agencies failed to supply details relative to the various Hoover Commission recommendations affecting them, as requested by the committee. The National Military Establishment confined its comments to pending legislation, and made no specific reference to primary recommendations which were not included in legislative proposals affecting the military. The Department of the Treasury in its original response gave the committee no information which would indicate its views, but, in response to a second requested by the chairman, submitted additional information.

The Department of the Interior, the last responding agency, contented itself with general observations, and neglected to comment directly on specific recommendations of the Commission which have broad implications and would materially affect the Department. Neither the National Military Establishment nor the Department of the Interior commented categorically on the recommendations of the Commission relative to the proposed transfer of the civil functions of the Corps of Engineers from the Department of the Army to Interior, the most controversial issue raised by the Hoover Commission in its reports.

A number of reporting agencies also failed to make any reference to recommendations in the Commission's across-the-board reports on general management and budgeting and accounting, although all are directly affected by many of these proposals. On the recommendation relative to the creation of an accountant general in the Department of the Treasury (No. 10, budgeting and accounting), the Departments of Commerce, Interior, Justice, Treasury, and a number of agencies, including the Bureau of the Budget, provided adequate responses, while the others ignored this recommendation and restricted comments to general observations on other phases of the report. The Bureau of the Budget, and the Departments of the Treasury and Commerce were in disagreement with recommendation No. 10, while Interior and Justice favored it, on the ground that the accounting policies should be controlled by the executive branch, and the functions of the General Accounting Office should be restricted to auditing. Practically all departments and agencies approved the performance budget in principal, and endorsed a survey of the appropriation structure.

DISPLACED PERSONS LEGISLATION

Mr. WILEY. Mr. President, I send to the desk a statement released from my office today on the subject of displaced persons legislation. I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD at this point.

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

WILEY ANNOUNCES HE WILL VOTE TO DISCHARGE DISPLACED PERSONS BILL FROM JUDICIARY COMMITTEE

Senator ALEXANDER WILEY, Republican, of Wisconsin, ranking Republican of the Senate Judiciary Committee, today announced his support of the unusual step to discharge his own committee from further consideration of displaced persons legislation. The Wisconsin Senator indicated that a study of the issues involved in this rare bipartisan move for discharge shows that it is imperatively necessary to bring this humanitarian issue immediately to the Senate floor. "Ordinarily," he stated, "any other Senator or I would be extremely reluctant to join in this drastic move of discharging my own or any other committee. However, this is an extraordinary situation requiring an extraordinary step. We have no alternative if we are to prevent the bill from dying this year."

WILEY's full statement reads as follows:

"We have had 8 months to revise the present law. The House of Representatives on June 2 enacted a bill (H. R. 4567) which, while it is not perfect, embodies most of the changes recommended almost unanimously by America's leading church and civic organizations.

"FAILURE TO ACT NOW WILL BE DISASTROUS

"I believe that the failure to discharge the Judiciary Committee from further consideration of the DP bill would:

"(a) Serve the interests of Communist propaganda abroad. Red propaganda is already being circulated in DP camps and throughout Europe to the effect that America is a cold-blooded, callous nation which cares very little, if anything, for the human rights of its liberty-loving friends.

"(b) Failure to discharge the committee would be to break the promise of the Eightieth Congress. Last year, we promised that the DP law would be only a temporary, stopgap measure, and that once we had the opportunity to evaluate it in action, we would make whatever revisions appeared necessary. Now the time is overdue for such changes.

"HOUSE BILL LESS LIBERAL THAN WILEY AMENDMENTS

"The House bill (which I believe should receive primary Senate attention) embodies most of the objectives which I personally had proposed in February 1949, when I introduced amendments to S. 311 in the form of S. 1315, S. 1316, S.1317. Actually, the House bill is far less liberal than the amendments which I personally proposed. Thus:

"1. The House bill makes eligible 339,000 visas during 3 years, whereas (a) the present law makes available only 205,000 for 2 years and (b) I recommended that there be made available upwards of 400,000 visas in 4 years. It should be noted that the total maximum immigration provided under the bill would be a little less than one-fourth of 1 percent of our population in a period of 3 years—a comparatively insignificant increase.

"2. The House bill changes the eligibility date of prospective immigrants from December 22, 1945, to January 1, 1949, as I recommended in February. Moving the date up means that refugees from communism will be afforded haven and that all religious faiths will be treated fairly.

"3. It eliminates the rigid statutory preferences of 40 percent and 30 percent respectively, for displaced persons whose place of origin or country of nationality has been annexed by a foreign power or who are farmers. According to word of the Displaced Persons Commission, these rigid percentage preferences are proving a tremendous administrative obstacle in the rapid processing of DP's.

"4. H. R. 4567 increases, as I recommended, by 2,000 the number of displaced orphans to be admitted as nonquota immigrants.

"5. It extends for two more years, until June 1, 1952, the program of admission of expelled persons of German Ethnic origin. I personally feel that an additional number of expellees than is presently provided for should be admitted. Very few expellees have come in thus far.

"These expellees like the DP's themselves would be subject to very careful screening by the United States Army, the FBI, and other sources in order to keep out Communists and other unworthy immigrants as provided under the present law.

"MORTGAGING OF FUTURE QUOTAS SHOULD BE ELIMINATED

"6. H. R. 4567 mortgages future quotas. This is one of the unfortunate provisions of the House bill which I personally recommended be deleted from the present law and from the House bill. I feel this mortgaging of future quotas is inconsistent with the over-all humanitarian aims of the act, and that it operates very unfairly, particularly on those lands which have small quotas.

"7. It authorizes the Reconstruction Finance Corporation to make advances to the Displaced Persons Commission of a sum not to exceed $5,000,000 for loans to American voluntary civic agencies cooperating with the Displaced Persons Commission in the program of resettlement of displaced persons.

"PARTISAN POLITICS SHOULD BE KEPT OUT

"The DP issue has unfortunately been made a political football in the past. I personally do not believe it should be embroiled in partisan politics in the present or the future. Men of good will everywhere and both major party platforms recommended the discharge of America's humanitarian obligations to the DP's.

"ROSTER OF DISTINGUISHED ORGANIZATIONS SUPPORTING CHANGES IN LAW

"Among the organizations which testified or supplied statements on behalf of changes in the DP law were:

"(a) The Citizens Committee on Displaced Persons.

"(b) The National Catholic Resettlement Council.

"(c) The National Lutheran Council.

"(d) The Polish-American Congress.

"(e) The American-Jewish Congress.

"(f) The General Federation of Women's Clubs, Quaker organizations, the A. F. of L., the CIO, the Grange, the League of Women Voters, German-American groups, and many other distinguished societies too numerous to mention.

"There is a heartwarming almost complete unanimity among these groups, and I feel that their able joint recommendations should definitely not be disregarded. It would be most unfortunate if the Congress were in effect to turn its back on all of these organizations and say they must wait until next year before any changes could be made in the law.

"DP BILL DOES NOT AFFECT IMMIGRATION STATUTE

"It is important to note that the present bill would in no way alter the fundamental immigration statutes of the United States, which problem is to be taken up next year in toto by the Senate Judiciary Committee."

ANNOUNCEMENT OF CALENDAR CALL

Mr. LUCAS. Mr. President, I desire to make a brief announcement for the benefit of Senators. On Saturday, starting at 11 o'clock, or upon the convening of the Senate at 11, we shall call the calendar of bills to which there is no objection, including Calendar 735, Senate bill 1284; Calendar 832, Senate bill 1385; Calendar 833, House bill 2432; Calendar 849, Senate bill 2226; bills which it has been agreed heretofore shall be included in the call of bills to which there is no objection. The call of the calendar will start where we left off, August 9, and will begin with Calendar 853, House bill 1758. In addition, I shall request to have included in the call Calendar 671, H. R. 5310, and Calendar 496, H. R. 1694.

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

Mr. LUCAS. I yield.

Mr. KNOWLAND. I wonder whether the Senator could give some indication to Members of the Senate as to when it may be proposed to have a call of the calendar, beginning at the beginning of the calendar? I have had a number of inquiries in regard to the matter, and the time is running.

Mr. LUCAS. I am unable to say to my friend from California at this time. It seems to me that might be done probably the next time we call the calendar.

Mr. KNOWLAND. There are a number of bills to which there was but one objection, which objection has been gotten out of the way now.

Mr. LUCAS. The Senator is correct.

CONFIRMATION OF NOMINATIONS IN ARMY, NAVY, AND AIR FORCE

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent that certain routine nominations in the Army, Navy, and Air Force, be confirmed and the President notified, with the exception of three temporary brigadier generals, Renfrow, Standlee, and Shambora, whose nominations I ask be placed on the calendar.

The VICE PRESIDENT. Without objection, the nominations are confirmed, and the President will be immediately notified.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. LUCAS. Mr. President, there are some nine amendments, as I understand, which are more or less controversial. They were passed over yesterday. It is the hope of the majority leader, and I know it is the hope of the minority leader, that we may complete action on this bill with all convenient speed.

I hope the Senator from Arizona, who is in charge of the bill, will request unanimous consent, in respect to each and every one of the remaining amendments as they are considered, to limit the time of each Senator to 10, 15, or 20 minutes on each amendment, so as to see whether we can make some progress in that way. I think all Senators know how they will vote on these amendments and are familiar with the entire problems involved. These matters have been debated pro and con. I hope we may be able to speed up our action on the bill to the point where we may be able to finish it today. We have been on it 6 days, I believe; and it seems to me we should complete action on it quickly now.

Mr. HAYDEN. Mr. President, I shall be glad to submit a unanimous-consent request in that regard, as we come to each amendment.

The VICE PRESIDENT. The first amendment passed over is on page 42, relative to the Boise, Idaho, project. The amendment will be stated.

The LEGISLATIVE CLERK. On page 42, line 20, after the word "Dam", it is proposed to strike out "$1,642,200" and insert "$1,300,014."

Mr. HAYDEN. Mr. President, I ask unanimous consent that no Senator may speak longer than 20 minutes on the amendment now pending or on any amendments thereto.

The VICE PRESIDENT. Is there objection?

Mr. LANGER. Mr. President, reserving the right to object, let me make sure exactly what the request is.

The VICE PRESIDENT. The request is that on the first of the series of amendments now before us no Senator shall speak more than once or longer than 20 minutes.

Mr. WHERRY. Mr. President, reserving the right to object, is not this the amendment in which the Senators from California are interested?

Mr. HAYDEN. No; this is the amendment relating to the Anderson Ranch Dam, in the project at Boise, Idaho.

Mr. WHERRY. As I understand the request, it applies only to the amendment on page 42, in lines 20 and 21, which is the Anderson Ranch Dam project, at Boise, Idaho.

Mr. HAYDEN. Yes.

Mr. LANGER. I have no objection.

Mr. WHERRY. I further understand that the distinguished Senator from Arizona will make these requests as we proceed with the remaining amendments; and that if more time is wished, it can be had.

Mr. HAYDEN. It can be arranged, certainly.

Mr. TOBEY. Mr. President, I think it should be recorded in asterisks that this is one thing to which the Senator from North Dakota did not object.

Mr. LUCAS. I congratulate him.

The VICE PRESIDENT. The Chair understands that 20 minutes will be the complete length of time available to any Senator in this connection; that while this amendment is pending, no Senator may speak longer than 20 minutes, if the unanimous-consent agreement is entered.

Is there objection? The Chair hears none and, without objection, the order is entered.

HOPE DEFERRED MAKETH THE HEART SICK

Mr. TOBEY. Mr. President, I wish to speak for 5 minutes. I am going to do a rather unusual thing in the Chamber this morning; I am going to preach a sermon. It will be of only 5 minutes' duration, and it will be preached in the best of spirit, with no acrimony behind the remarks.

Mr. President, I desire this morning to preach a short sermon to the membership of the Senate. I take my text from the Book of Proverbs, the thirteenth chapter, twelfth verse, which reads:

> Hope deferred maketh the heart sick.

Mr. President, we have been here, in this session of Congress, since January 3, with a record of almost no accomplishment of legislation which is of importance to the people of the Nation. As one takes an inventory and survey of the situation in which the Senate finds itself today, there is cause for wonderment, apprehension, and grave concern because of the clogging of the viaducts of legislation.

As evidence thereof, I hold in my hand the calendar of business for the legislative day Thursday, June 2, calendar day Tuesday, August 23. There will be found listed on the back of the calendar House bill 3734, entitled "Civil Functions, 1950." That bill was passed by the House of Representatives on March 29, almost 5 months ago; it was received in the Senate on March 30 and was referred to the committee, was reported to the Senate from the committee on May 10, was passed by the Senate on May 20, was sent to conference on June 1—and there it lies. Almost 3 months have gone by, and this important bill on Civil Functions appropriations reposes in conference; and no one knows when it will emerge.

The next bill we find listed on the back of the calendar is House bill 3838, the Interior Department Appropriation bill for 1950. It passed the House of Representatives on March 30, was received in the Senate and referred to the committee on March 31, was reported to the Senate from committee on July 13, more than 5 weeks ago, and is still before the Senate—very still. [Laughter.]

We come now to House bill 4146, the national military appropriations bill for 1950, which passed the House of Representatives on April 13, was received in the Senate and referred to the committee on April 14; and on July 22, over a month ago, was reported to the Senate from the committee. It never yet has come up in the Senate.

We come now to House bill 4177, the independent offices appropriations bill for 1950, which passed the House of Representatives on April 14, was received in the Senate and referred to the committee on April 18, was reported to the Senate from the committee on July 8, was passed by the Senate on August 2, was sent to conference on August 3, and that bill was finally disposed of by both Houses only a day or two ago.

Mr. President, this is not a picture of progress or of competent legislation, and the end is not yet. So I could go on, ad nauseam.

Now, my brethren, let me stir up your minds by way of remembrance, and recall that all through the last national campaign the people of this country had held up to them in derision the Eightieth Congress. It was stigmatized and criticized, and exorcised, from one end of the country to the other, as the do-nothing Congress. Yet that stigmatized, and exorcised, and criticized Eightieth Congress, passed all the appropriation bills, and adjourned on June 20 last year, 2 months earlier than today's session of the Eighty-first Congress, which is still in the throes of a legislative stalemate of vast proportions, and the end is clear out of sight. Ponder that, my brethren.

So, Mr. President, I am moved to submit this rather graphic record of inefficiency to my colleagues and to the country. An infinite number of words have been spilled in this Chamber, and in our regular Chamber, before we departed

from its sacred precincts. Long hours have been put in, as Members have sat and listened to the droning of voices and words, words, words. Progress has been conspicuous by its absence, and a long-suffering electorate is tempted to cry out in the words of Holy Writ, "How long, O Lord, how long?" Therefore, Mr. President, when I consider the months which have intervened since our gathering here in January, as we have listened to so much, too much, speaking, and time has fugited, and the summer wanes and the harvest comes and the chilly blasts of winter are just around the corner, as I sit here daily and listen to the nearly continuous outpouring of words, I turn to the Book of Job, and ask, as Job did, in chapter 38, verse 2, "Who is this that darkeneth counsel by words without knowledge?"

So, Mr. President, I say, let every Senator examine himself and render an accounting as to his position, whether it be that of impedimenta, or of progress in work for the people of the country; let us examine ourselves as to whether we are motivated by purely partisan political motives, or whether we have before us in our hearts and minds the great objective of the good of the country as a whole, of men and women, the home life of America, whose servants we are.

A patient, but increasingly impatient, Nation, awaits an answer.

What shall that answer be, Senate of the United States?

There lies my and your responsibility.

Mr. O'MAHONEY. Mr. President, the Senator from New Hampshire, who has just taken his seat, referred to the independent offices bill. It was my responsibility to handle that bill upon the floor of the Senate. I am glad it is the one bill of which the Senator from New Hampshire was able to say it has been completed. There were some difficulties, however, before its completion could be made effective. For 5 days the Senate debated the bill. Motion after motion was made to reduce this appropriation and to reduce that appropriation. On most of the motions a quorum call of the Senate was first required, and then a yea-and-nay vote was required. There were, as I recall, 16 separate roll calls upon the bill, and when all the roll calls were had, and when all the votes had been taken and the bill had been completed, it carried more money than when it was reported to the floor by the Appropriations Committee.

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

Mr. O'MAHONEY. I yield.

Mr. TOBEY. I am very glad the Senator spoke as he did, because in the back of my mind is the fact—and will he confirm it—that after all our labors, the mountain labored and brought forth a mouse. We saved about $5,000,000, but added something like $32,000,000. Is that not correct, in the net result?

Mr. O'MAHONEY. There was something more than that, I may say, which was added to the bill. However, I wanted to add another word. The bill then went to conference. The conference committee met, the report of the conference committee was submitted on the House side, and it was immediately approved. It was submitted to the Senate. Objection was made with respect to two items in the conference report. For 2 days we debated. One item was closed by a change of words that made very little difference, and on the other item, by unanimous consent, the fight was abandoned when it was explained that the appropriation provided for an effective administration of the function involved. Then, after the Senate, at the end of the second day, had approved the conference report, it went to the House. It was approved there with less than three columns of debate in the CONGRESSIONAL RECORD on the part of the House of Representatives.

I point out to the Senator and to those who may read his sermon this morning that the delay with respect to the independent offices bill was occasioned by the picking of little flaws with respect to the appropriations. On the other hand, it could be said—and I want to be quite fair—that throughout the country there is a great demand being whipped up in the newspapers and elsewhere for economy. Representations are being spread abroad that the Government is overspending, that it is wasting funds. Yet the fact remains that most of the increased expenditures which have been submitted to the Congress in the budget estimates and which have been discussed upon the floor of the Senate are by reason of extraordinary obligations which the Government of the United States must perform.

Mr. TOBEY rose.

Mr. O'MAHONEY. One of the bills which is still in conference is the ECA appropriation bill. That bill provides the funds with which to carry on an international program which the Congress of the United States, with the support of the people of the United States, have seemed to deem necessary in the effort to win world peace. I do not criticize Members of the Senate who want to scrutinize those items of appropriation. I am well aware that money can be wasted, and I feel that no Member of the Senate in the committee or on the floor who sought to examine those appropriations is to be criticized for doing it, or should be held up before the country as not serving the public interest.

The reason for the delay, Mr. President, is that the Senate of the United States and the Senate Appropriations Committee have endeavored to do their duty, and I think when the record is finally written it will be seen that they have labored, and not without substantial and beneficial effect.

Mr. TOBEY. Mr. President, will the Senator yield for a moment?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from New Hampshire?

Mr. O'MAHONEY. I yield.

Mr. TOBEY. I thank the Senator for his observations, and I understand his specific explanation as to the various bills. But back in the hinterlands of America there are a great many people who know, as some of us know, that what we need in the Senate is a definite plan of operations and work, not a hit-or-miss snap-fire game going on day after day. I am not at all speaking as a partisan now. The trouble is, back in the hinterlands there is the cry in the human heart, "A plague on both your Houses." They are tired and sick of the impotence and inefficiency and all this long-drawn-out pouring out and spilling of words.

Mr. President, I was one who, with others, was invited by the distinguished Secretary of Defense to wend our way to the great Pentagon Building yesterday morning. We were suckers to go there, but we did. He should have come here to tell us the story; but, instead, we went to the Pentagon Building, paid our taxicab fares, and hunted through that tremendous building to find the particular hole they would be in. There we were. Up comes the Secretary of Defense and speaks. "Thus saith the Lord." The oracle is speaking: "We are discharging all over this country, in navy yards, at air fields, and in Army camps, so many men. We are going to save at the present time about $200,000,000. But we are going to throw 135,000 men out of work."

Friends, I come from New Hampshire, and I have a personal interest, because the Portsmouth Navy Yard is located there. That yard is to be shrunk, so that 1,240 people are to be thrown out of work there tomorrow morning. When those men are thrown out of work it means that 1,200 homes are affected. A total of 135,000 persons throughout the Nation will be affected. There are doctors' bills to be paid, food must be bought at high prices, and consternation comes into the home. The people cry out, "What shall we do?" They do not know. We are told that this means economy and efficiency. But it is not true. We were told by naval and Army heads that that number of employees was necessary, when the appropriations were requested. Those in authority were asked, "Has there been any boondoggling?" The reply was, "Oh, no. This is all necessary." Yet, now 135,000 persons will be discharged.

Mr. President, I was in favor of the full-employment bill. It was a bill which was based on the thesis that history has a bad habit of repeating itself. The thesis was that if private enterprise could not take up the slack of employment and maintain employment in times of recession, the States, themselves, through carefully-planned public works—not raking leaves, but honest-to-God public works—would take up the slack. If they failed, then the Federal Government would make plans to take care of unemployment. In a time of recession I believe the action taken yesterday by the Secretary of Defense is a miscarriage of justice. We shall save $200,000,000, but at what a cost. Humble persons, whose trustees we are, will look to the Senate and say, "We are out of a job." In view of the foreign situation, which is terribly serious all the time—a little less serious now than it was before, however—we can surely find some way, in the navy yards and Army posts, to build up strength for the future, rather than to throw 135,000 persons out of work. The money saved is "chicken feed" compared with some of the things we are doing in this country, and opportunities in private enterprise for those who are separated from their jobs are few and far between right now. It is a matter

of $200,000,000 translated into human beings' misery. I have been in my early years, a member of a family with little income, not knowing where the money was coming from to buy the necessities. I understand the situation. Let my party and let the Democratic Party translate that understanding into legislation and prevent such things from occurring so that people may look up and say, "Thank God for America." Instead of that, they are told, "If you do not like it, you know what you can do." That is what comes from the great Pentagon Building. The die is cast, they tell us.

Mr. O'MAHONEY. Mr. President, the Senator is using my time.

Mr. TOBEY. I appreciate the Senator's statement, and I shall take my seat.

Mr. O'MAHONEY. Lest I violate the scriptural injunction which the Senator from New Hampshire cited to us this morning against too much talk, I shall take my seat, Mr. President, merely with the comment that the economy which was announced yesterday by the Secretary of Defense was in compliance with the injunction of the great Committee on Reorganization of the Executive Branch of the Government, headed by that distinguished and the only living ex-President, the Honorable Herbert Hoover, who said that the Department of Defense could be reorganized, that expenses could be cut, and that a billion dollars could be saved. Of course, the Secretary of Defense, in harmony with the injunction of the Hoover Commission, and in harmony with the bill passed by the Senate and the House carrying out the recommendation of the Hoover Commission, is merely trying to save money.

I agree with the Senator from New Hampshire that when the Government has set the example of creating unemployment by discharging employees who are performing a necessary function, it has set a very bad example to industry throughout the United States.

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

Mr. O'MAHONEY. I am through.

Mr. WHERRY. Would not the Senator from Wyoming include the statement that the action is in harmony not only with the recommendations of the great ex-President whom the Senator mentioned, but also the recommendations of the President of the United States?

Mr. O'MAHONEY. Oh, yes. The President of the United States is endeavoring to reduce the expenses of the Federal Government, and he has not received the credit which is his due.

Mr. PEPPER. Mr. President, I wish to associate myself wholeheartedly with the remarks made by the able Senator from New Hampshire. I was one of those who attended yesterday at the Pentagon Building the notification ceremonies. We were not there to be consulted with; we were there to be informed of the decision already made. We received the information and a little commiseration for our plight, but not too much.

I am one of those who associated themselves yesterday with the Senator from New Hampshire in expressing the thought that this was a regrettable precedent on the part of the Government. In the first place, we called attention to the fact that only recently representatives of the armed services were here justifying various appropriations for the armed services, and the committees of the Congress were assured that this personnel was necessary; that it was performing essential functions; that it was useful in the public interest and essential to the national defense and public security.

So far as I am aware or am informed, the Senate Committee on Appropriations, in respect to the armed services appropriation bill, reduced the amount by $500,000,000. It is true, I think, that the Secretary of Defense did say that he would make such further reductions as he might be able to make. But it seemed to me shocking that 135,000 men and women were to be discharged. I simply cannot believe that the colleagues of those men and women, when they are all working together as part of the group employed in these various establishments, would have regarded those individuals as drones upon the Public Treasury, utterly surplus to the public needs.

We are now in a period of rising unemployment. I believe it was said yesterday that $200,000,000 would be saved, although I saw an estimate yesterday of a saving of $400,000,000. I recognize that the balancing of the budget is important to the strength of the country. We are told that a strong America internally is the best assurance of our security. But what is going to happen to the individuals who have received or will receive their notices of discharge? I realize that we are not running a WPA and there should be proper economy, but in my State there was one air base cut out entirely. The air service says it is needed to perform an essential service. They did not cut it out voluntarily. They cut it because someone higher up said they had to cut it out. The Air Forces did not have the money with which to maintain it hereafter. When we ask whether they can maintain their establishments with the same efficiency hereafter, they have to tell us that it is problematical whether they can or not. They just received word that a certain number of people had to be laid off, that a certain amount of money had to be saved, and they had to cut their cloth to fit the money they have with which to maintain their establishments.

In a period of rising employment, if someone is laid off the pay roll, he may find a private job. All of us want the public business to be conducted with all possible efficiency. We do not want the Government to employ two men to do a job if one man can effectively do it. But certainly at a time when we are already concerned about whether we are approaching a period of recession or depression, when we do not want private employers to start doing what the Military Establishment is doing, because the sum total of all such policies would be a greater mass of unemployment, I rise to endorse the sentiment so ably expressed by the distinguished Senator from New Hampshire, especially when the action would impair their effectiveness by limiting the personnel of the armed services. Is it wise, when we are facing that kind of an economic prospect, for the Government to set this sort of a precedent? I dare say that what we save by laying these people off we will lose indirectly in either tax revenues or we will eventually have to pay out in some kind of public works program, by way of Federal subsidy, to strengthen the very economic forces which we are now impairing by this kind of action.

Mr. WATKINS. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Utah.

Mr. WATKINS. Would not the Senator consider that it would be much better to take the employees who are now being laid off, and who apparently are unnecessary in the Military Department, and put them to work on public-works projects, such as reclamation and other projects, which will actually yield wealth to the country? Would not that be much better than to keep them working in the Military Establishment, where they are not doing any constructive work?

Mr. PEPPER. I would not care to accept the hypothesis that they are not doing constructive work, although I realize we have the results of the surveys which have been made. It seems to me, however, those must have been only superficial surveys. How is it possible in so short a time to have made a survey of every facility conducted by the United States Government as a part of our armed services, and determine that all these 135,000 people are surplus employees? My private talks with the responsible people in the armed services would indicate that those responsible for our security deplore these cuts. I do not think their attitude is the result of selfishness; they do not get any more money for having more personnel. I feel that they think they can defend America better with a more adequate force. Take, for example, the Air Force. At the present time there are 52 groups, as I understand, in our Air Force, and the number is to be cut to 48. Part of the cuts being made are upon the hypothesis that we will have only 48 groups.

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

Mr. PEPPER. If the Senator will permit me to finish this thought, I shall yield.

I think the Air Force leaders feel that our security is greater with a 52-group Air Force than with a 48-group Air Force. It is a matter of opinion whether we should reduce the number of units or not. If the people to be discharged really are not needed, and the functions of the defense services could be maintained without them, and if we would provide jobs for the discharged employees on constructive public works, which the Senator from Utah envisages, I would agree with him. But the fact is that we are going to cut them off and not provide for them otherwise. We do not find that there is any bill or Executive order in prospect which would provide new jobs for the people who are to lose their jobs. We are

just going to drop them out, and let them sink or swim.

Mr. WATKINS. Mr. President, I call attention to the fact that in my State the proposed reduction will cut 1,006 men from the civilian pay roll of the Air Force, in the vicinity of Ogden, Utah. In the same area there is now authorized by Congress, though the bill has not yet been signed by the President, a project known as the Weaver Basin project. That project will, if the President signs the bill, put to work nearly the number who are to be laid off. That is what I had in mind when I asked whether it would not be better to put these men on constructive work, where they would be developing wealth and making the people happier. That has been taken care of so far as Utah is concerned.

Mr. PEPPER. I agree with the Senator entirely, if we can get the jobs provided for.

Mr. WATKINS. In this case they are provided for.

Mr. PEPPER. Has Congress made the money available?

Mr. WATKINS. Congress has not, but I shall certainly be here asking Congress to do it the minute the President signs the bill.

Mr. PEPPER. I know the Senator from Utah will be diligent, as he always is, about his State and the interests of the public, but I am not at all sure Congress will provide the money, and if the Senator did not succeed in getting a bill passed, those people would be running around looking for jobs.

Mr. WATKINS. Let me point out that in my judgment Congress will provide the money, because not only are Senators pledged to a comprehensive reclamation program, but both the political parties are likewise pledged, and, as far as I know, there is no opposition to that kind of a program. All over the West there are reclamation programs which are ready for authorization and ready for money. We do not need to send money to blighted sections of the world in order to make the United States stronger. We can send it to areas in the West, where the people can make new homes, have new opportunities and new employment for hundreds of thousands of our people who may be put out of work. I call that to the attention of the Senator from Florida.

Mr. PEPPER. I strongly agree with the principle of what the Senator has said, but let me remind him of what is going on now in the Congress. The Senate authorized a $4,000,000 flood control project for the State of my distinguished colleague and myself, recommended strongly by the Engineer Corps of the United States Army and authorized by Congress and the budget. Yet our distinguished sister body, through the chairman of the Committee on Appropriations, has announced, notwithstanding the fact that the project has been approved by the Congress and by the Bureau of the Budget and that the Senate has approved it, that he is going to allow only a million and a half dollars of the four million. Our people lost $100,000,000 in each of 2 years from flood damage. The announcement affected various flood-control projects, including some hydroelectric projects on some of our important rivers and river and harbor projects—for instance, the Tennessee Tombigbee. The distinguished chairman of the Senate Committee on Appropriations could tell the Senate of some of the problems he has encountered in getting things approved by Congress. So Congress does not always make the funds available, even for the most meritorious projects.

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

Mr. PEPPER. I yield to the Senator from Utah.

Mr. WATKINS. I call the attention of the Senator to the fact that not only does Congress not do what it should do, but I am informed—and it is in the RECORD of Tuesday—that the President of the United States sent back with his disapproval a bill for one of the reclamation projects for the State of New Mexico, which would have resulted in some people being put to work, and would have helped in the establishment of more homes and better homes and better living conditions for the people of New Mexico. So it is not only Congress that sometimes fails to do its work, but this time it is the President of the United States, who has vetoed a bill which should have been approved, and it may be a precedent for the disapproval of other reclamation projects, such as the one I just mentioned. If that course is followed, we will not have a backlog of public-works programs of a constructive nature which will increase the wealth and take care of the unemployment that is coming about in the United States.

Mr. PEPPER. Let me say to my distinguished friend from Utah that I do not know the facts of the particular case to which he refers, but I do know that it has been the policy of the President to give all possible aid and encouragement to reclamation projects in the West, and to the development of public power and irrigation projects, and all things of that character. There must have been some peculiarity about this particular case which was responsible for the President's veto.

Mr. CAIN and Mr. MALONE addressed the Chair.

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

Mr. PEPPER. I yield first to the Senator from Washington, who has been on his feet for some time seeking recognition.

Mr. CAIN. I appreciate the courtesy of the able Senator from Florida. I wish to dissociate myself from the premise of the observations just made by the Senator from New Hampshire [Mr. TOBEY] and the Senator from Florida [Mr. PEPPER]. I have found them very interesting, though I disagree with them, but with the Senator's permission, I should like to ask two brief questions.

Will the Senator from Florida indicate to us where he thinks the personnel came from which the Secretary of Defense has indicated will be removed from the pay roll?

Mr. PEPPER. I will say in answer to the Senator's question that the personnel is deleted from the three armed services, the Army, the Navy, and the Air Force.

Mr. CAIN. A few short years ago they were civilians; were they not?

Mr. PEPPER. I do not know how long they have been employed by the armed services. The ones we are talking about are civilians.

Mr. CAIN. Yes; and what I have in mind is that they are civilians who a very short time ago were employed presumably in private industry, trade, and commerce of one kind or another.

Mr. PEPPER. Some of them may have been. If the Senator speaks of the period before the war, when we did not have full employment, some of them might not have been employed. Some of them may have been employed in some kind of war work.

Mr. CAIN. I know we both share the hope that a good many of them will be reabsorbed into private work of one kind or another.

My second question is: Is it not true that history indicates clearly that reduction of the personnel of a Federal agency is never made in a period of rising employment, and if it is not proper today to reduce such personnel, then when, if ever, could we ever anticipate a time when it would be proper to reduce Federal pay rolls, which a good many people think are entirely too large today?

Mr. PEPPER. I will answer the able Senator by saying that the personnel on the Federal pay roll should be eliminated, first, and always, of course, when they are not needed, but that their discharge should always be against the background of the national economy; and if the necessity for discharge appears to come at a time when we have rising unemployment in the country, the Government should be more tardy in discharging than it would be at other times, and that where there is a surplus of Federal personnel, the deletion from the Federal employment rolls should generally be in times of rising employment, or at least in times of stable employment. I believe that to be in the public interest.

Mr. CAIN. I appreciate the Senator's answer.

Mr. PEPPER. Otherwise we would, by the Government's action, accelerate the very situation we are trying to avoid, which is rising unemployment.

Mr. CAIN. The Congress has not taken steps to meet the unemployment situation, and is it the Senator's opinion that we are not in a period when a reduction of Federal pay rolls is either reasonable or possible?

Mr. PEPPER. Not so long as we have rising unemployment and the prospect of some decline in the national income and the national output. That is not the time for the Government to accelerate the downward prospect by its own contribution and its own precedents. I will add that I personally have never been one of those who believe that the way to political heaven was to get someone off the public pay roll.

Mr. CAIN. I think it would be a healthy step in that direction.

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

Mr. PEPPER. I yield.

The VICE PRESIDENT. The Senator from Florida has remaining 3 minutes.

Mr. PEPPER. Is there a time limit?

The VICE PRESIDENT. Yes; there is a time limit of 20 minutes for debate on the pending amendment.

Mr. MALONE. I should like to inquire of the Senator from Florida if there can be objection to the head of the Department of Defense, which we have set up, endeavoring to find out how his Department can perform the duties it must perform, with a minimum of expense? The Department of Defense is not an employment agency. We did not set up the Department for such purposes. What I have said is by way of preface to my question, which is: How can the Department of Defense continue to keep the employees who are not needed, in order simply to allow them to stay on the pay roll?

Mr. PEPPER. Mr. President, I do not accept the hypothesis that these employees are being laid off because they are not needed and do not perform useful service for the defense of America. I think the decision in question was arrived at at the top. It was decided that a certain number of employees would be deleted, and finally it was found where that number of employees could be gotten rid of. But I believe if the Senator were to ask the Army, the Navy, and the Air Force whether these employees are needed in the interest of American security he would be told that it was necessary to retain these employees.

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

Mr. PEPPER. I yield.

Mr. MALONE. We have set up the Department of Defense. The President has appointed a Secretary of Defense, who has been confirmed by the Senate, and in whom most of us, I am sure, have full confidence. Are we now going to do as was formerly done, go to the head of each of the services separately for advice and hold him responsible, or shall we hold the head of the Department responsible?

I wish to say further to the Senator, in preface to my final question, that if we are to continue to retain all the employees in any of the departments on the theory that there will be more unemployment if we let them go, it seems to me, then, we will have gotten away entirely from the concept that the people of the United States have always held that people generally should support themselves and when employed, should only remain on the Government pay roll as long as constructive work remained to be done.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

Mr. HAYDEN rose.

The VICE PRESIDENT. The Chair recognizes the Senator from Arizona.

Mr. MALONE. Mr. President——

Mr. HAYDEN. Mr. President, I want 20 minutes.

Mr. DONNELL. Mr. President——

The VICE PRESIDENT. The Chair has recognized the Senator from Arizona.

Mr. HAYDEN. It is now an hour and a quarter since the Senate convened. I should like to get on with the bill.

The VICE PRESIDENT. The Chair will help the Senator by announcing that he will enforce the rule that the Senator who has the floor can yield only for a question.

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

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. We are now working under a limitation of time on the debate. Any Senator can have the floor if he succeeds in being recognized.

Mr. HAYDEN. That is correct.

Mr. DONNELL. Mr. President, I ask unanimous consent that I may address an inquiry to the Senator from Florida [Mr. PEPPER] and that he may answer one question which I desire to ask on my time.

The VICE PRESIDENT. The Senator from Missouri has no time now on the amendment.

Mr. DONNELL. I do not have time now on the amendment, but should I obtain time I should like to have the time I now propose to consume, taken from that time. So I ask unanimous consent that I may be permitted to address a question at this time to the Senaor from Florida.

The VICE PRESIDENT. The Chair would like to ask what effect agreement to the request would have on the 20-minute limitation, because there is no way of foreseeing how much time the Senator from Florida will consume in answering the question.

Mr. DONNELL. The time consumed by the Senator's answer will also be on my time, Mr. President.

The VICE PRESIDENT. That will be one speech by the Senator from Missouri.

Mr. DONNELL. That is correct, and that is all right with me. I ask unanimous consent that the Senator from Florida be permitted to answer the question I shall now ask.

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

Mr. DONNELL. I ask the Senator whether or not he agrees to these observations which are a portion of a statement made yesterday in the Senate by the distinguished senior Senator from Virginia [Mr. BYRD], chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. Said Mr. BYRD:

> The action of Secretary Johnson in relieving the Government service of unnecessary civilian employees in the armed services is timely and will have a wholesome effect on efforts toward more economical government.
>
> It is the first honest-to-goodness effort that has been made toward reduction in Government personnel during the 10 years I have been chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. It comes after a period when the number of Federal civilian personnel for many months was increased at the rate of 300 employees a day.
>
> * * * * *
>
> The action taken by Secretary Johnson is the result of a careful survey of all civilian employment in the armed services, and all of us can be assured that the reductions to be made will be among civilian personnel who are surplus and unnecessary to adequate national defense.
>
> * * * * *
>
> The committee still stands on this statement and, as the chairman of the committee, I want to express my gratification over the fact that the Secretary of Defense has undertaken this survey for reduction in civilian personnel. This has shown very conclusively that a surplus of employees does exist throughout the entire public service. I hope that other department heads will follow his example.

Mr. PEPPER. Mr. President, the Senator from Florida does not agree with the conclusion arrived at by the distinguished Senator from Virginia, nor does the Senator from Florida agree that the facts are that no other governmental agency has made any honest effort to reduce personnel that was not necessary. I think the facts show, on the contrary, that from time to time the executive branch of the Government in various agencies has reduced the number of personnel on the public pay roll, and that diminishing appropriations by the Congress have not only recognized but required those efforts that have been made in other branches of the Federal Government. For example we have now, I am confident, a considerably smaller number of employees than we had at one period during the war. We all know that there were many lay-offs of personnel found not to be necessary when we got into the period of peace. But when we started rearming again to meet international demand and challenge, and when we started other programs that required personnel, there were instances where the personnel had to be increased. But evidently the executive agencies satisfied the Appropriations Committees of the Senate and House of the need for such personnel, and justified their continuation on the public pay roll. When they pass the scrutiny of such zealous public servants as those who represent the Senate and the House on the Appropriations Committees, I cannot convince myself that such personnel are surplusage, that they are drones on the public pay roll, and that they are subsidized for no contribution to the public good.

I know the attitude of the distinguished Senator from Virginia about the reduction of public personnel. I have never been clear in my mind as to exactly what point the able Senator from Virginia would reduce the Federal pay roll. I believe I have heard him talking about the reduction of personnel on the public pay roll ever since I first came to the Senate. I have never seen a statement by the distinguished Senator as to what would be rock bottom in Federal employment in his opinion. I do not know whether he is now satisfied with what the Secretary of Defense has done. He will have to speak for himself.

Mr. President, that is all I have to say. I do not agree with the conclusions arrived at by the Senator from Virginia.

Mr. DONNELL. Mr. President, I thank both Senators for their courtesy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House

had passed, without amendment, the following bills of the Senate:

S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio; and

S. 2298. An act to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1565) for the relief of Dr. Ludovit Ruhmann, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 42, line 20, which was passed over yesterday, to strike out "$1,642,200" and insert "$1,300,014."

Mr. HAYDEN. Mr. President, the item pending before the Senate appears on page 42, line 20, under "Boise project, Idaho, Anderson Ranch Dam." The Anderson Ranch Dam is being constructed as a power development. The peculiarity about the Anderson Ranch project under the Boise project is that it is all hydropower. There is no steam stand-by necessary in that section because of the volume of water which flows in the Snake River. It may be that in time to come there will be a steam stand-by, but it is now all hydro power.

I have talked with the Senators from that State. In view of the votes taken in the Senate with respect to transmission lines, I suggest to them that the Senate disagree to the Senate committee amendment, with the understanding that the Bureau of Reclamation will do as we have instructed it to do both with respect to Southwestern Power and Montana Power, that is, seek to enter into negotiations with the Idaho Power Co. with respect to the transmission of this power. The testimony before the committee indicated that the company was willing to do so at a very low rate. Mr. Gale stated that his company offered the same price for power at the plant as if we built the 17 miles of transmission lines. That is, whether the company built the transmission line or the Reclamation Service built it, the price would be the same, which implies that the power company would be willing to build a line and handle it in that way.

Mr. President, I have received a telegram from the president of the Idaho Power Co., which is as follows:

BOISE, IDAHO, *August 23, 1949.*

Senator CARL HAYDEN,

Chairman, Subcommittee Department of Interior Appropriations, Washington, D. C.:

Referring statement on page 11 of report of Senate Committee on Appropriations on Interior Department appropriations bill, we wish to affirm our willingness to negotiate a contract with the Secretary of the Interior covering power supply from Anderson Ranch Dam in accordance with the basic principles found in the contract between Southwestern Power Administration and Texas Power & Light Co.

IDAHO POWER CO.,
T. E. ROACH, *President.*

The Senate has decided that when the Reclamation Service enters into negotiations on a contract of that kind it should be armed with the power to build the line if it cannot get a satisfactory agreement with the company. The Senate has twice voted to do that. Therefore my suggestion is that in the light of those votes, and in the light of this offer, and with the understanding that there will be an honest attempt to reach an agreement, the committee amendment be disagreed to.

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

Mr. HAYDEN. I yield.

Mr. CORDON. Did I correctly understand the Senator to say that the Anderson Ranch Dam provided firm power?

Mr. HAYDEN. It is all hydro. That is all I know about it. I understand that there is no steam power to firm up in that area. Am I correct in that statement?

Mr. CORDON. I am referring to the dam itself. I have before me a table prepared by the Department of the Interior, indicating the power potentials in all the dams which that Department is charged with handling. According to the table, the Anderson Ranch Dam will have an ultimate total capacity of only 40,500 kilowatts of energy, but none of it will be firm. It will all be interruptible, and as a result, its use will be absolutely dependent upon someone furnishing the base or the firm power so that this power may be used for peaking purposes. This is the only case I know of in which there is not even a kilowatt of power that will come from the dam which could be sold to anyone as dependable power. I thought the Senate should have that information.

Mr. HAYDEN. Let me ask the Senator a question. How does he deem it possible to firm that power? Will it be firmed by other hydro plants in the area? As I understand, there is no steam generation in existence so far as the Idaho project is concerned.

Mr. CORDON. It would be immaterial what type of firm power were used, so long as it was available. During those hours of the day when the heaviest load is called for, this power may be used. By being turned off when there is no peaking necessity, it can then be accumulated—that is, the power potential of the waterhead can be accumulated—and is can be used in those few hours when the heaviest load comes on the firm power. In that way the base of the firm power is spread, and greater use can be made of the firm power. That is the most important value of the power which would come from this dam.

Mr. HAYDEN. I take it from the statement of the Senator that under those circumstances it would be advantageous to the Government to make some kind of arrangement with the Idaho Power Co. to firm up that power. It would be mutually beneficial to the private power industry and to the Government. Am I correct?

Mr. CORDON. The Senator from Oregon feels that that could well be done if the kind of contract which all of us feel must be executed can be entered into, so that the full value of the equivalent of the power can be made available, first to preferred customers. The testimony indicates that there are none in that area at the present time, but there will be. The Senator from Oregon submits that either that kind of contract should be made, or that a contract be made for someone to create the base power, so as to make this power usable at all. One or the other must be done.

Mr. HAYDEN. This seems to me to be another instance in which, by proper cooperation between private industry and the Government, both can be benefited.

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

Mr. HAYDEN. I yield.

Mr. HILL. What the Senator is suggesting is that we reject the committee amendment and make the appropriation for the building of the facilities and transmission lines and that the Bureau of Reclamation negotiate with the Idaho Power Co. for a contract under the terms, provisions, and conditions of section 5 of the Flood Control Act of 1944.

Mr. HAYDEN. Yes. I am confirmed in that by the telegram which I have read from the company, stating that it is willing to negotiate.

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

Mr. HAYDEN. I yield.

Mr. CORDON. I shall not oppose that suggestion, although it seems to me that we are going around Robin Hood's barn in furnishing the money and charging it against the Treasury account under the circumstances. However, by the time next year's appropriations come before us, we shall have the experience. We shall then know whether or not this kind of contract can be made. In such event, a rescission might be made. It is of too little consequence to take up the time of the Senate.

Mr. HAYDEN. Mr. President, I ask for a vote on the amendment.

Mr. TAYLOR. Mr. President, I had intended to deliver a speech, but in order to expedite the business of the Senate I ask unanimous consent that it be printed at this point in the RECORD.

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

Mr. President, many of the proposed committee amendments would have the effect of reversing our present Federal power policy. These amendments would prohibit the Federal Government from building transmission lines from our great power-generating dams, turning all of this hydroelectric power over to private utilities at the bus bar. The effect of this action would be to isolate each power-generating structure, leaving the Government and its preferred customers at the mercy of the private power companies. Gone would be our plans for a northwest power grid to deliver the maximum firm power to all our area at a price low enough to develop resources of the region, bringing in outside industry and new jobs and wealth. Gone also would be the present statutory guaranties of preference to REA's and municipali-

ties in securing power from these multipurpose dams, since these provisions would be meaningless if all power transmission were turned over to private interests.

In order to show clearly the effect such action would have, I'll take as an example the committee amendment affecting a project in my own State of Idaho—Anderson Ranch Dam, near Mountain Home, Idaho.

This multipurpose dam is now nearing completion, and the Bureau of Reclamation budget called for an appropriation of $631,986 for construction of necessary switch yards and a 17-mile transmission line from the dam to Mountain Home. The Senate committee amendment on page 42, lines 20 and 21, of H. R. 3838, would eliminate this entire amount from the bill. In its report the committee directs the Commissioner of Reclamation to enter into a contract with the Idaho Power Co. similar to the one now existing between the Southwestern Power Administration and the Texas Power & Light Co. The committee had received testimony indicating that this particular contract had worked satisfactorily to date and assumed that its terms could be applied to other regions. This assumption is incorrect. The situation at Denison Dam, covered by this contract, is entirely different from those covered in this bill. Denison Dam cannot produce a great deal of firm power, and its marketing agency, Southwestern Power Administration, has no other generating capacity that can be used to firm up the Denison power. It just happens that Texas Power & Light needed additional power for its peak periods, so this agreement was reached under which the power company receives Denison Dam power to meet its peak requirements, and, in turn, it delivers power to the customers of Southwestern. No such problem is involved at our Anderson Ranch Dam, since it can deliver a large quantity of firm power if it is given transmission lines to carry the power.

In order to overcome the regional power shortage in the Northwest Bonneville Power Administration and the Bureau of Reclamation have planned a grid of transmission lines that will connect with all power-generating dams, both existing and proposed, so that the maximum possible firm power can be obtained and be made available to the entire area at a uniformly low rate. We must have this power grid in order to furnish low-cost power that is needed to develop our resources and bring industry into the region. This industrialization in turn will supply the needed power revenues necessary to repay a large percentage of the construction costs of these multipurpose dams, thereby making it possible to allocate a smaller percentage of the cost to irrigation, which will in turn enable our farmers to secure irrigation storage at a reasonable cost. If we turn over all power to private companies at the bus bar, there can be no Federal power grid, and all our hopes of developing Idaho through low-cost power are gone.

In taking their action the committee evidently accepted arguments of power companies that proposed transmission lines would be an unnecessary duplication and that private companies could be counted upon to make satisfactory contracts guaranteeing delivery of power to cooperatives and municipalities. Let's examine these two assumptions briefly:

In the Pacific Northwest not a single Government transmission line has ever proven unnecessary. To the contrary, all facilities of both private companies and public agencies are operated at capacity or near capacity and in many cases are overloaded. There is no reserve transmission capacity available and additional lines are badly needed. Taking the example of Anderson Ranch Dam, it now has only a very light line used to bring in construction power. This line could not handle 10 percent of the power to be brought out, so the transmission line to be built there cannot possibly be called a duplication of existing facilities.

A study of the Idaho Power Co.'s statement to the committee, together with past actions of the company, makes it plain that cooperatives and municipalities will lose their present statutory preferred status under any contract for wheeling power over private transmission lines. This company has previously refused to enter into any reasonable contract and has made it plain it is interested only in purchasing power at the bus bar. Even their offer to buy Anderson Ranch power is qualified by a proviso providing it can be used at the time produced. Under such an agreemcent, power revenues could not be correctly estimated, and any power not needed by the company would be wasted, since the Government would have no lines over which to transmit it to other customers.

There is another significant proviso in this offer to buy Anderson Ranch power. I quote directly from the Idaho Power offer as placed in the record at the hearings:

"This offer is based upon conditions existing when the entire flow of the south fork of the Boise River is used for supplemental irrigation water on the present Boise irrigation project and not on water conditions as they may exist when water is diverted from the south fork of the Boise River for use on the Mountain Home project."

The Mountain Home project mentioned has already been recommended by the Bureau of Reclamation and they have requested its authorization and early construction. Thus, the Idaho Power terms will not apply if another project is built nearby, and the Mountain Home project is so badly needed that we cannot allow the Idaho Power to block or delay it.

The refusal of the Idaho Power Co. to cooperate with the Interior Department in any contract for joint use of transmission facilities is well known. I would like to cite one example that establishes beyond any doubt the attitude of the power company.

The Interior Department has long shared the interest of progressive Idaho citizens in the development of a supply of power adequate to meet the needs of future industrialization, especially in the phosphate industry. Early in 1947, the Bureau of Reclamation and the Bonneville Power Administration began work on a comprehensive survey, culminating in a joint report issued on April 12, 1948, called "Report on Availability of Power in Southern Idaho for Development of Phosphate Industry." This report showed that large blocks of additional power will be needed and the two agencies recommended that the Federal Government build a transmission line across southern Idaho to make this power available. The Interior Department transmitted this report to the Idaho Power Co. and asked them for a conference to work out the best possible cooperative arrangement to supply power for phosphate development as soon as possible.

Instead of meeting with Interior officials to work out a joint solution, the answer of the company was to file on July 9, 1948, an application for permission to construct their own transmission line over Federal lands between Boise and American Falls. This action made it very plain that the private company had no desire to cooperate, in spite of the desire of the Department to work with them in the public interest.

Following this action, Department representatives advised the power company that the permit would be granted if they would transmit Federal power over the line. This Federal power transmission would be restricted to the unused capacity of the line, would not interfere with the transmission of all the power company's generation, and such use would be paid for by the Government. All that the Interior Department requested was that the company execute a wheeling agreement with them that would not interfere with the company's operations and would enable Federal power to be transmitted on the unused capacity of the transmission line. What was the answer of the Idaho Power to this reasonable and fair proposal? On April 11, 1949, the company withdrew its application, and 2 weeks later tried to bypass the Interior Department by requesting the Federal Power Commission to allow it to construct these transmission lines as project lines connected with the company's licensed project at Bliss, Idaho.

In spite of the fact that these lines would run clear across southern Idaho, and plainly are not project lines connected with one generating plant, the company chose to take this method of evading the Interior Department's reasonable requests. Project lines are defined in the Federal Power Act as primary lines transmitting power from the project to the point of junction with an interconnected primary transmission system. The lines in question are clearly an important part of the transmission system itself, and there is no question but that the company was attempting to get temporary FPC permission to build the lines so that they could avoid a wheeling agreement with the Government.

In response to this request, the Federal Power Commission on May 2, 1949, advised the Idaho Power Co. that pending an FPC decision no construction work could proceed on these lines without the approval of the Interior Department. The response of the power company was almost unbelievable. Without permission or authorization the Idaho Power Co. entered public lands in this region and began actual construction of the transmission lines. Under such circumstances, the Federal Government could follow only one course, so the Attorney General brought action against the Idaho Power and on August 8 was granted a temporary restraining order.

This example should serve to show us beforehand the results of turning over the Anderson Ranch transmission lines to the Idaho Power. They have demonstrated conclusively that they will not enter into a satisfactory contract with the Government and have no desire to cooperate in the public interest.

In reading the hearings, I find some of the Idaho Power Co.'s statements difficult to understand because of their inconsistency. This company is actively engaged in combatting President Truman's proposed Columbia Valley Administration legislation and has made large financial contributions to organizations carrying on a propaganda campaign against CVA. This propaganda is all designed to show that CVA is socialistic and that we must leave the Bureau of Reclamation untouched in its present jurisdiction because of the fine way it is doing its job and cooperating with private companies. Since the Idaho Power is paying part of the cost of circulating such statements, one would assume that they approve this endorsement of the Reclamation Bureau. Now let's see what they say in the prepared statement on page 1273 of the hearing:

"It is evident that these agencies plan to request in this and future years authorization and funds on a piecemeal basis for minor portions of this long-range program of duplication, as the Bureau of Reclamation is doing on the Anderson Ranch-Mountain Home line (and as they have already done in the case of the C-line extension), but being sure, at the same time, that the individual pieces will ultimately fit into the over-all plan. This can have for its objective nothing less than the destruction of the privately financed, tax-paying property of our company and the socialization of the private utility industry in the same manner that the electric utilities in Nebraska and the TVA area were eliminated."

It appears that in the eyes of the Idaho Power Co. any attempt to better our State or

people is socialistic, regardless of whether it is CVA or the Bureau of Reclamation that is acting in the public interest.

Their attitude toward rural electrical cooperatives is effectively illustrated by the way in which they destroyed the Malheur Electric Cooperative of Idaho and Oregon by duplicating its lines while refusing to sell it wholesale power. Kenneth McCandless has outlined the facts in an article printed in the Rural Electrification magazine. This article sets forth the attitude of the Idaho Power Co. so clearly that I am going to include it at this point:

"HIGH COST POWER PLUS SPITE LINES EQUALS DEATH FOR THE CO-OP VICTIM IN OREGON

"(By Kenneth McCandless, editor, Pacific Northwest Cooperator)

"VALE, OREG., May 16.—Idaho Power Co. today evicted a nester—Malheur Electric Cooperative—after 10 years of unrelenting warfare.

"To make it legal and assuage the final bitterness it is paying $66,648 in interest and principal payments before REA sells the $472,000 mortgage on 365 miles of lines and equipment. The 621 members mainly are located in the rich irrigated territory on the western edge of the Boise Valley including part of Payette County, Idaho, and Malheur County, Oreg. Long thin lines tap sparsely settled ranch country to the north and west.

"After various bookkeeping adjustments are made, REA will get a check for approximately $501,800, members were told at the final sell-out meeting in community hall this afternoon.

"Actual construction cost of the lines was $527,863. Depreciation was estimated by REA at $69,000. Inasmuch as practically all of the REA mileage was paralleled by later IPC spite lines, the cost of dismantling and integrating will be high. And adding in the expense of its swarm of public relations agents who intensified their "switch-over" pressure on REA patrons in recent months, the charge-off by Idaho Power 'good will' is estimated at well beyond $200,000.

"'A magnanimous gesture to a crushed rival,' is expected to be common comment. Certainly, the co-op received no mercy in 10 years of power famine, spite lines and undermining propaganda.

"But 'penny ante' may be more accurately descriptive for those appraising future stakes in this Pacific Northwest development game. What do these stakes include?

"1. Farm cooperatives of Midwest and Northwest now preparing to build their own electric furnace plants to process phosphate fertilizer in the Nation's richest deposits—southeast Idaho—could be 'taxed' millions by Idaho Power in higher production costs.

"2. The Atomic Energy Commission would pay toll in wheeling charges over private lines to its projected new plant in eastern Idaho.

"3. Taking no chances on possible failure of the power lobby in Congress to block construction of gigantic Hells Canyon Dam on the Snake River, Idaho Power is rushing plans to build its own transmission lines to block Bonneville extension into Idaho or the construction by any CVA or other Federal body of public transmission lines from any federally built dam.

"It all adds up to posting of the Idaho Power empire's borders with 'No trespassing—Private property" signs.

"Significance of Malheur Co-op's demise may be widespread.

"Kermit Overby, REA information chief, replied to a query: 'So far, Idaho Power is the only company to take over an operating electric-distribution cooperative and this will be the third (and largest) it has absorbed. In the early days of our program, several co-ops relinquished their independent status during early organizational stages, some of them having progressed to the point of staking lines. Attacks on co-ops in service have been successfully repulsed in Virginia, Arizona, and Michigan in rather spectacular campaigns. Less serious steps have been brushed aside in many other places.'

"Jordan Valley (Oreg.) and Long Valley (Wash.) co-ops—to the south and north of this area—are the two previous absorptions.

"But the attack on the Malheur Co-op does follow a pattern. The military-type pincers or the financial nutcracker applied by Idaho Power with precision, speed, and force, to struggling Malheur has many familiar characteristics seen elsewhere. Isolated from low-cost Bonneville 3 mills wholesale power, it was forced to buy from IPC at 10 and 11 mills. Through parallel spite lines, Idaho Power—drawing energy largely from Bureau of Reclamation dams—then undercut the co-op rates in the same area. (That these were not in the loss-leader class was indicated by a recent tabulation published by the Pacific Northwest Cooperator showing that IPC's irrigation pumping rate was some 40 percent higher than that charged by representative PUD's and co-ops with access to Bonneville power.)

"Not only did IPC plant duplicate meters on co-op members' property, but the company finally agreed to sell the cooperative power only at irrigation rates (not wholesale rates). It was only after the Federal Power Commission resorted to an unusual order to IPC to sell the co-op power that Malheur got even the high-cost supply. Malheur was the victim who never got an even break in the struggle for survival.

"So the inevitable happened May 16 as members' ballots upheld the Board decision and the REA recommendation to sell rather than face mounting operating deficits as customers were picked off the lines.

"As summarized by Overby: 'Farmers in these rich valleys had been trying for more than 10 years (before the co-op was organized in 1939) to get service at a rate they could afford to pay, and had been unable to get it. But when they formed their own cooperative and were about to begin construction, the company started a program of harassment by spite-line construction.'

"The minute the co-op applied for another loan, the company would race ahead into the area striking straight at the heart of sections of lines the farmers proposed to build. 'Always the company lines served the more densely populated areas, thus leaving the farmers on the fringes of the valleys and in the more remote places for the co-op to serve.

"'These obstructive tactics compelled the cooperative to resort to uneconomical construction with the result that it has had larger expenses and lower revenues than those on which REA loan approvals were based. The last loan to the cooperative was approved by REA last June ('48) when there was some hope that low-cost public Bonneville power might come into the area. It appears now that this will not happen soon, if ever * * *.'

"Speaking for the Board in a consolation statement, President Harry B. Wilcoxon, of Vale, said: 'We lost the fight but I believe we won a technical decision. We got electricity.'

"COMMENTS AFTER SURRENDER BY MALHEUR ELECTRIC COOPERATIVE

"William J. Jacobsen, Vale, one of the founders and chairman of the REA Board for 5 years:

"'I came to the valley in '34. My farm was 2½ miles out of town and one-half mile from the Idaho Power line but I couldn't get hooked up. Few of us could. But things changed in a hurry when we began to organize. Our line crew would set out stakes and the company would set poles on that side. Once our boys knocked off in the evening leaving a half-mile of poles standing loose in the holes. Next morning when they came to work they found their poles pushed to one side, Idaho Power poles set, line strung and energized right over them. * * * At first they refused to sell us power forcing us to buy portable Diesel units. But after Pearl Harbor, at our request, the Federal Power Commission ordered them to hook us on—the first time, I believe, they had used that authority. * * *'

"E. F. McDole, Ontario, Oreg.:

"We came here from Eugene, Oreg., in 1933 to get a start in a new country. A power company line was three-eighths mile from the farm. Six of us met at Wes Blanton's place in 1937 and later attended the county-wide meeting in Boulevard Grange hall, Ontario. The company had been asking a $15 minimum guaranty for 5 years. After we applied for REA the company line came out in a hurry and they offered service for a $5 minimum and then a $3.50 minimum. This particular line went right on by six farms and hooked up the last one. The rest of us said we'd wait for REA.'

"E. B. Metcalf, Vale:

"'Our farm was 10 miles northwest. The company rushed out to beat REA, offering us a $6 minimum, then $3, then 90 cents. But we said "No, thanks. We'll still wait for REA."'"

I want to go into one other phase of Idaho Power's testimony before the committee. They emphasized their ability to meet future demands in southern Idaho and adjacent territory. This is based on a claimed capacity of 332,000 kilowatts in 1952, which includes all of Anderson Ranch's power output. As to future need, they take only an estimated 5 percent normal increase per year, and add 7,000 kilowatts for irrigation pumping and only 35,000 kilowatts for a new phosphate electric furnace already contracted. From these figures comes their statement that they can supply future demand. No provision is made for new industrial power needed to develop our resources, other than this one phosphate contract. Now, let's see what is needed to develop this phosphate. The Bureau of Reclamation and Bonneville Power Administration made a joint study of the problem last year and determined that for this one use we will need 145,000 additional kilowatt capacity in 1952, and 283,000 kilowatts by 1956. These requirements are based on the assumption that an ample supply of low cost power will be available. This assumption, of course, is valid only if we proceed with our Federal transmission lines. If we rely on the Idaho Power Co., its validity can be best illustrated by quoting from a letter I received recently from Charles Baker, secretary-manager of the Pacific Supply Cooperative, a large farm cooperative serving 75,000 farmers in Oregon, Washington, and Idaho. Mr. Baker wrote, and I quote from his letter:

"At the present time, and for some time past, we have been vitally concerned with the inadequate supply of fertilizer in the Pacific Northwest and particularly phosphate fertilizer. We, in conjunction with other large farm cooperatives in the Pacific Northwest and Midwest, have had expert technical men making a careful survey as to the method to be used in processing phosphate rock in south Idaho, as well as the point at which a plant should be located to function in the most economical manner. Our people have already spent approximately $30,000 in this technical research work to date to ascertain these facts.

"Recently, we contacted the top officials of the Idaho Power Co. and endeavored to secure from them a commitment for power to be utilized in an electric furnace plant. They spent an entire day trying to tell our technical men that the method was impractical and that it required the building of large additional hydroelectric plants in order to supply the power. They also indicated that the price would be 5 mills, if power were available, with the net result that we have no

opportunity to get low-cost power for this very necessary and essential purpose, unless Bonneville transmission lines are extended to the rock area of south Idaho.

"Our studies further show conclusively that 2½-mill power (the basis which the Army engineers and Bonneville Power Administration indicate power could be sold in this area as new dams are developed and amortize the cost) will enable us to produce phosphate fertilizer at a cost of $8 per ton less than can be done by buying power from the Idaho Power Co. at 5 mills, or by attempting to make it by the sulfuric-acid method and this without consideration to the great quantities of low-analysis rock which could not be used in a sulphuric-acid plant.

"Our cooperatives have the finances with which to construct their own processing facilities and can go ahead immediately if the Government will make available low-cost power to us in that area. In our judgment, this program would mean a saving of at least $1,000,000 annually in the cost of treble superphosphate to the farmers in the western half of the United States."

I might also mention that before 1956 an additional 71,000 kilowatts must be ready for the atomic-energy reactor plant now being built in Idaho. In other words, the company justifies its claim that it can meet future needs of the area by eliminating from its calculations and completely ignoring the necessity for large blocks of power needed for industrial development. The only way it can meet the real need is to take over all power developed by the Federal Government. If we allow them to do this by eliminating Government lines, we will not have power at a rate low enough to attract industry. Developments such as the phosphate furnaces planned by the Pacific Supply Cooperative will not come into Idaho until we can provide large quantities of low-cost power, and we must build this Federal transmission system to be able to furnish this power.

We face a vital decision in voting on these committee amendments. As I have shown by this brief outline of the issues surrounding the Anderson Ranch Dam transmission lines, it is a choice between continuing our present Federal power policy in the interests of the people as a whole or turning all power over to private companies for monopolistic control that will kill off REA's and hamstring future development of Idaho.

It is my understanding, Mr. President, that the committee's decision to make no appropriation for the Anderson Ranch Dam power line was based in part on a letter from Idaho's junior Senator, who urged that such negative action be taken.

That letter, of course, was written before the attitude of the Idaho Power Co. had been made clear by its refusal to enter into an agreement to cooperate with the Bureau of Reclamation and the Federal Government, as I have set forth. In view of this fact, I am hopeful that my colleague will reconsider his previous action and join with those of us who are fighting to prevent the scuttling of our long-standing, sound, and progressive public power policy.

I earnestly beseech him to join me in supporting the administration position on this all-important issue which means so much to the future development of our State and the Nation.

As to the amount of money to be appropriated for Anderson Ranch Dam, I am asking only that we accept the House figure, which is 15 percent below the budget request of $1,931,400. The Senate committee restored this 15-percent reduction, but then eliminated $631,986 for switchyards and transmission lines to reduce the total amount to $1,300,014. As I have pointed out, this committee amendment involves a matter of policy so important that I am willing to accept the House cut unchanged in order to make certain that the transmission lines can go ahead according to plan. Consequently, I urge that the proposed committee amendment to cut the appropriation from $1,642,000 to $1,300,014 be rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 42, line 20.

The amendment was rejected.

The VICE PRESIDENT. The Secretary will state the next committee amendment passed over.

The next amendment passed over was on page 42, line 21, after the word "division," to strike out "$2,316,250" and insert "$2,725,000."

Mr. HAYDEN. Mr. President, there is no controversy about that amendment, and it should be adopted.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The secretary will state the next committee amendment passed over.

Mr. MAGNUSON. Mr. President, the development of the Columbia Basin is so involved in the matter of power and reclamation that I ask unanimous consent to have printed in the RECORD a statement on this matter by myself.

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

COLUMBIA BASIN COMPREHENSIVE REPORTS

Your committee has already received testimony from representatives of Army engineers and Bureau of Reclamation on their revised and integrated reports for the development of the Columbia River and its tributaries. General Pick and Commissioner Straus gave extensive testimony on these proposals when they appeared before you in conjunction with your hearings on the Columbia Valley Administration bills.

I understand the reports of these two agencies are still in the Bureau of the Budget. They are before you, however, in an informal way.

On June 1948 and subsequently on September 16, the President addressed a letter to the Secretary of the Army, Secretary of the Interior, and other interested agencies requesting that the corps and Bureau revise their plans for development of the Columbia Basin. He directed the two agencies to develop an integrated proposal which would define as clearly as practicable the respective jurisdictions of these two main agencies operating in the basin.

In addition, the President requested the Bureau and corps to consult with other agencies of the Federal Government, having related interests in this great development. Accordingly, the Bureau and the corps have completed for presentation to the President and the Congress a program which is as well integrated and as comprehensive as is practicable—taking into account the fact that some 20 separate agencies of the Federal Government have a "stake"—so to speak—in the development of this great river.

I and other witnesses appear before you today to urge that your committee approve these plans and, in so doing, authorize some 44 separate projects on the Columbia and its tributaries. You have before you two bills designed to accomplish this objective—one introduced by Senator CAIN, S. 1595, and one by myself, S. 2180. In addition, the chairman of the committee has received letters from interested Senators suggesting that language similar to that represented by S. 1595 and S. 2180 be included in the omnibus rivers and harbors bill, H. R. 5472, recently reported by the House Public Works Committee. One of these letters was sponsored by the junior Senator from Washington, the other by Senators MILLER, TAYLOR, CORDON, MORSE, and myself.

We were prompted to make this recommendation by the knowledge that the omnibus rivers and harbors bill will undoubtedly receive a place on the agenda of both Houses for action at this session. That bill, therefore, provides an appropriate vehicle for obtaining consideration before the end of the session on the Army Engineers-Bureau revised reports.

I recognize, Mr. Chairman, that there is a jurisdictional question involved in this procedure. The Senate Committee on Interior and Insular Affairs has jurisdiction over Bureau of Reclamation projects and proposals—your committee over Army engineers plans. I understand, however, there is precedent for the procedure we have suggested and I am confident the chairmen of these two committees and their counterparts in the House can reach a workable agreement for the expeditious handling of the question.

On April 19, 16 other Senators and I sponsored a bill calling for the establishment of a Columbia Valley Administration. All members of the committee are fully familiar with this proposal. Then on June 30 I introduced S. 2180 which, if enacted, would authorize 44 projects in the basin, including modification of some existing authorizations, and give congressional approval to related agreements reached by the Secretary of the Army, Secretary of the Interior, Chief of Engineers, and Commissioner of Reclamation.

In my considered judgment, my action in this regard is compatible and consistent. The two letters I refer to earlier seek to make this clear. I quote from the letter addressed jointly to the chairman of the full committee, Senator CHAVEZ, and the chairman of the subcommittee, Senator MCCLELLAN, and signed by Senators MILLER, TAYLOR, CORDON, MORSE, and myself:

"In your hearings on the Columbia Valley Administration bills, you have heard testimony on the current reports of the Army and Interior Departments for development of water and related resources in the Columbia Basin and certain contiguous areas. Throughout these hearings, your committee correctly differentiated between these proposals and the CVA bills. The CVA proposal is primarily concerned with the administration or managerial phase of the problem; the reports of the two departments place primary emphasis on structures required for the physical development of the area."

When I testified previously before your committee on CVA, I sought to make my position clear. At that time I stated:

"I cannot emphasize too strongly that approval of these reports should proceed as expeditiously as possible. Authorization of needed projects should be considered separate and apart from whatever issues and controversy may be engendered by your consideration of the CVA proposal."

The same attitude was displayed by Secretary of the Interior Krug when he appeared as a witness on CVA. A member of your committee asked the Secretary this question: "Mr. Secretary, may I ask you what would you like the Congress to do—if you feel constrained to reply—with the comprehensive plan, as it has been agreed to under your signature and that of Mr. Royall?" The Secretary replied: "I would like to see the proposed projects authorized so there will be no delay in going ahead with the engineering work and planning work and submission of appropriation requests."

I have made reference to this subject because there are many honest, sincere people in the Congress and in the Northwest who believe that congressional approval of the Bureau-Corps of Engineers comprehensive plan is the best means of defeating a CVA. I want your committee and all interested parties to know that I do not share that conviction. The CVA bill provides that the administration, when and if created, will

take over existing projects, projects under construction, and projects authorized. There is no doubt in my mind that the structures which would be authorized under S. 1595 or S. 2180 are engineeringly sound and economically feasible.

I think it is a sound presumption that the engineering staff of a CVA would concur.

I go back, therefore, to my original premise. There is no significant conflict between congressional approval of the Bureau-Corps integrated plan and ultimate disposition of the managerial question, as represented by the CVA bill.

Just a few words now concerning S. 2180. This bill would authorize certain works for improvement of navigation and control of floods, and the conservation and utilization of the waters of the Columbia River and its tributaries. The initial stages of this development calls for authorization of 44 projects, including modification of several existing authorizations. These are listed in section 3 of the bill. I ask that the complete list be inserted at this point in my testimony.

The bill, as now drawn, would approve related plans set forth in the Bureau-Corps reports. I would like to quote the pertinent language because there is some controversy on this point. In part, section 2 of the bill reads: "Recommendations in the report, dated May 2, 1949, addressed by the Commissioner of Reclamation to the Secretary of Interior and the recommendations contained in the report of June 28, 1949, by the Chief of Engineers, entitled 'Columbia River and Tributaries, Northwest United States,' are hereby adopted and given the force and effect of law as if herein fully set forth." Objection has been raised to the words "hereby adopted and given force and effect of law as if herein fully set forth" on the grounds there may be language in these reports which should not have the full effect of law. It may be your committee will wish to modify this language. Possibly wording similar to that used in H. R. 5472, the omnibus rivers, harbors, and flood-control bill would be preferable. I shall leave this to the good judgment of your committee.

There are several other points of apparent controversy I would like to mention. Recently I received and forwarded to the chairman of this committee telegrams from Mr. Frank Ward and Mr. Clifford Erdahl of Tacoma City Light, and a letter from Mr. William Devin, mayor of Seattle. Mr. Erdahl and Mr. Ward expressed concern that approval of S. 2180 or similar language would have an adverse effect upon their plans to construct a dam on the Cowlitz River in southwestern Washington. I am sure your committee is familiar with the conflict of interests between this proposal and the so-called Columbia River fisheries plan. The latter, involving an expenditure of about $20,000,000, was approved by the Congress a couple of years ago and about $1,000,000, has been appropriated to carry out the purposes of the plan—the purpose being rehabilitation of salmon runs on the lower Columbia in an effort to salvage, insofar as possible, the $17,000,000-per-year resource.

I call attention to the fact that on page 6 of S. 2180 the following language appears among the projects listed for authorization: "Minor Columbia Basin works (navigation improvements, lower levees, and local flood-control works), except the fishery plan which is the responsibility of the Fish and Wildlife Service." In my judgment, inclusion of this language specifically and appropriately excludes from the bill the entire question of merits or demerits of the plan to which the city of Tacoma objects. However, you have in your files the specific suggestions of Tacoma City Light for whatever action your committee deems appropriate.

In his letter, Mayor Devin suggests that language be included in any authorization approved by your committee, which would give the State or municipal government the right to purchase certain facilities, after they are constructed, in the event these governments should decide to do so. This suggestion, too, I believe, should be considered by your committee.

A few prominent individuals in the State of Washington have expressed concern over the so-called Columbia Basin account, incorporated in the combined reports. Their concern stems from a fear that allocation of funds from this account to certain irrigation projects which may be approved in the future will have an adverse effect upon the present power rate. I want to deal with this question briefly, because it is very important. Any increase in power rate in the Pacific Northwest will tend to discourage the attraction of new industry to the area. Since hydroelectric power is our geratest asset and our chief source of industrial energy, any increase would have an adverse effect upon future development.

Personally, I do not believe that use of the Columbia Basin account will have an effect upon the power rate over and above present practice. Into this account will go the interest on the investment in power features of all major structures in the basin whether built by the Bureau or the corps. The Bureau estimates that this interest component over the years will amount to something like $600,000,000. At the present time the interest component on each individual structure is used to assist irrigators in meeting those costs beyond their reasonable ability to pay. The only change proposed, therefore, is that the interest component from all structures be pooled in a single account and made available to assist in defraying costs allocated to irrigation on any future project specifically approved by Congress for participation in the account.

In other words, before the account can be drawn upon to assist any particular irrigation project, that project must have been approved by the Congress. It is reasonable to assume congressional committees and the Congress itself will apply to projects bidding for participation in this account the same stringent criteria presently utilized.

Since the interest on investment in power features is now being used to assist irrigators under present power rates, I fail to see any adverse effect stemming from the recommendation that the interest component on all projects be pooled. I am open to conviction on this score, but from information at hand and the study I have given the matter, believe the fears to which I have referred stem chiefly from a misunderstanding as to the manner in which the account would be handled.

I know your committee will give fullest consideration to our recommendation that language similar to S. 1595 or S. 2180 be incorporated in the omnibus rivers and harbors bill. This request involves a program of vital importance and interest to every citizen in the State of Washington and the Pacific Northwest. For this and other reasons, it warrants most careful study. I hope there will be no delay—on the other hand, we must insure to the maximum practicable extent that all facets of the problem are brought to light before final action is taken.

The VICE PRESIDENT. The next amendment, which has previously been passed over, will be stated.

The LEGISLATIVE CLERK. On page 50, line 23, after the name "California", it is proposed to strike out "$53,550,000" and insert "$60,789,890, of which $794,699.93 is for payment to the following-named contractors in the following designated amounts in full settlement of their claims, legal or equitable, of any nature whatsoever arising out of or connected with the notice by the Bureau of Reclamation of the exhaustion of funds for payment of contractors earnings in connection with the construction of the Friant-Kern Canal, California, Peter Kiewit Son's Company, $186,195.93; Arizona-Nevada Constructors, $348,867.62; Morrison-Knudsen, Incorporated, and M. H. Hassler, $217,618.47; Bechtel Brothers-McCone Company, $32,018.51."

Mr. HAYDEN. Mr. President, the junior Senator from California has an amendment which he desires to offer at this time, I believe.

Mr. MALONE. Mr. President, is this the Shasta Dam amendments?

Mr. HAYDEN. It is.

Mr. MALONE. I desire to speak on this amendment, in my own time.

Mr. HAYDEN. The Senator may take his time now. Of course, no time limitation has as yet been adopted on this amendment. I wonder whether we can obtain a time limit on it. Will any Senator suggest a time?

Mr. MALONE. I understood that each Senator would have an hour, if he wished to use it.

Mr. HAYDEN. Not on these amendments.

The VICE PRESIDENT. No time limitation on this amendment has been imposed.

Mr. HAYDEN. Will the Senator suggest a limitation?

Mr. MALONE. I do not think I shall take very long.

Mr. HAYDEN. Would the Senator be agreeable to a limit of 45 minutes?

Mr. MALONE. I think that will be satisfactory.

Mr. HAYDEN. Then, Mr. President, I ask unanimous consent that debate on this particuluar amendment——

Mr. MALONE. I would not say that the entire debate on it should be limited to 45 minutes.

Mr. HAYDEN. I am not referring to the entire debate. If the Senator will hear all of my request, I think it will be agreeable to him.

Mr. MALONE. Very well.

Mr. HAYDEN. Mr. President, I ask unanimous consent that debate on this amendment or on any amendments thereto by each Senator be limited to 45 minutes.

The VICE PRESIDENT. Without objection, the unanimous consent proposal is agreed to; and the time for each Senator on this amendment or any amendments thereto is limited to 45 minutes.

NEVADA AND THE CENTRAL VALLEY PROJECT POWER—WITHDRAWAL OF POWER UNDER RECLAMATION LAW

Mr. MALONE. Mr. President, in the discussion of this important subject we are dealing with the future of a sovereign State. Considerable debate has hinged upon the thesis that the question involves a policy of public versus private ownership. However, the question is not as simple as that.

POWER COMPANIES A REGULATED MONOPOLY

In the first place, power companies are not strictly a private business. They are regulated monopolies. As such, their rates are fixed by the public service commissions in their respective States and

areas, on a basis of rates to provide a reasonable return to the companies.

VITAL PUBLIC INTEREST

Therefore, it is of vital public interest to see to it that the over-all picture shapes up for the best interests of the people affected.

THE SENATE APPROPRIATIONS COMMITTEE AMENDMENTS

The Senate Appropriations Committee amendments to the Department of the Interior appropriation bill (H. R. 3838), together with Committee Report No. 661, could forever preclude the State of Nevada from acquiring a base load of hydroelectric energy from the Shasta, Keswick, and Folsom Dams located within the Central Valley project, for use in the northern and western parts of that State, in accordance with the reclamation law.

The Congress of the United States provided in the reclamation law that the order of preference of purchase of power developed by Federally financed projects shall be the municipalities, States, and other public bodies, and power companies in the order named.

The Senate Appropriations Committee Report No. 661 on House bill 3838 includes the following language:

> The decision not to recommend the construction of other transmission lines, a steam plant, and other electric facilities, is based on the assumption that the Pacific Gas & Electric Co. will negotiate a contract with the Secretary of the Interior in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.
>
> The committee directs that the Commissioner of Reclamation report to the Senate and House Appropriations Committees by January 1, 1950, on progress made on entering into such a contract with the Pacific Gas & Electric Co.

It will be seen that the directions are specific to bypass the State of Nevada and ignore the specific provisions of the reclamation law.

THE SOUTHWESTERN POWER ADMINISTRATION CONTRACT PROVISIONS

The provisions of the Southwestern Power Administration and Texas Power & Light Co. contract should have been known and available to the Senate Appropriations Committee. However, an analysis of the contract probably was not available. It would seem impossible for the committee to have been familiar with the specific provisions of that contract and still have directed in a semimandatory provision in their report on the Department of the Interior bill, that the power from the Central Valley project shall be sold to the Pacific Gas & Electric Co. under a contract written "in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

The Southwestern Power Administration contract with the Texas Power & Light Co. includes:

The United States may not withdraw electric energy to serve customers of other privately owned electric utilities having certain contractual relations with the company. Reference is made to article 3, subsection a, section 6, page 8 of that contract.

The Pacific Gas & Electric Co. has a contract with the Sierra Pacific Power Co. which specifies that they shall furnish all power utilized by them except a relatively small amount generated by the company. The Sierra Pacific Power Co. operates in the northern and western parts of our State. Therefore, with the contract just described, coupled with the Southwestern Power Administration contract provisions it is impossible for the State of Nevada to withdraw any power from this project to provide a base hydroelectric load for that area.

A further provision of the contract between Southwestern Power Administration and the Texas Power & Light Co. is to the effect that in withdrawals, preference shall be given to public bodies and cooperatives, and power and energy shall not be withdrawn to serve other customers—industries, and so forth—so long as such power and energy can be marketed within the preferred class, and in no event until 18 months from the beginning of service under the agreement.

It is also provided that if the Government does dispose of such power and energy to customers outside the preferred class, the company may at its election terminate the agreement by giving the Government 3 years' notice. Reference is made to article 3, paragraph 1, section a. In other words, the contract is nullified if they furnish power to anyone except these preferred customers.

A third provision of the contract between the Southwestern Power Administration and the Texas Power & Light Co. provides that withdrawals may not be made to serve towns and municipalities which the company is serving, or may serve, at retail. Reference is made to article 3, paragraph 5, section a. So when the contract of the Pacific Gas & Electric Co. is taken together with the contract with the Sierra Pacific Power Co., which serves northern and western Nevada, which contract provides that they will furnish all the power to the Nevada company, it would be absolutely impossible for the State of Nevada to exercise its preference for withdrawal of power and utilize the Sierra Power Co. distribution facilities.

A fourth provision is that withdrawals may be made (the Payne substation of the Texas company) to serve towns and municipalities over Government lines where such towns and municipalities now own and operate their own distribution systems. Reference is made to article 3, paragraph 5, section a. In other words, the city of Reno does not own its distribution system; and so far as I know, it has no desire to own the system. Certainly I have no desire to have a municipally owned power company there. I am very happy with the condition as it is if the base load of hydroelectric power can be made available to the people. I favor privately operated industrial plants. But in this case it would be necessary for the city of Reno to take over the power company in order to deal with the company, Pacific Gas & Electric Co., under this contract; and these are the basic principles under which the Appropriations Committee directed the Department of the Interior to make these contracts with the Pacific Gas & Electric Co.

A fifth provision is that notwithstanding the above provisions, whenever the United States delivers power or energy to customers now or hereinafter—except Federal establishments and rural electric cooperatives as defined—the United States shall compensate the company by means of a credit based on the difference between the company rate and the Southwestern Power Administration rate. Reference is made to article 3, paragraph 7, section a. In other words, no saving is effected, because if the State of Nevada should, under the reclamation law, as it hopes to do, withdraw the amount of power it has applied for, and for which it has a preference and priority, that power would be taken into Nevada either over the privately constructed line or over a Government line, whichever was necessary, and if any saving is effected, such saving must be paid the power company. That is, if they save any money they must still pay it to the company involved. In other words, they cannot save any money. What kind of a provision is that? It has to be paid out in any case, and it must come from the Congress, including all of the taxpayers, or the people using the power.

I refer to article 3, paragraph 7, section (a) of that particular report of the Southwestern Power Administration.

The Texas Power & Light Co. type of contract with the Pacific Gas & Electric Co. would effectively preclude Nevada from obtaining a base load of federally produced hydroelectric power from the west unless a penalty were paid either by the Federal Government or the State of Nevada for such a privilege. Nevada's needs for a base load of hydroelectric power which would stabilize the cost of such power to the people are urgent, and we cannot be dependent solely on a power company which may not, under the regulatory commissions and boards, be allowed to supply their needs.

Moreover, the construction of a transmission line by the Bureau of Reclamation from Shasta to the market areas in western Nevada, or a proper contract with the power companies to "wheel" such power, which is obviously impossible under the conditions fixed by the Senate Appropriations Committee, would permit the State to encourage the construction of connecting lines to the south, so that power from the north and west could be fully integrated with the power the State now has available from the Hoover and Davis Dams on the Colorado River in southern Nevada.

Under the Texas Power & Light Co. contract, the company obtains the exclusive right to federally produced power which can be used in the State of Texas. The contract states:

> ART. 40. Before the Government sells for use in the State of Texas, to any party other than the company, any of the power and energy generated at the Denison Dam power plant, other than that delivered to the company under this agreement, the company shall have the option of purchasing such power and energy under similar terms and conditions as provided for herein with proportionate charges therefor, including a proportionate increase in the power and energy

which the Government is entitled to take out of the company's system for service to its own customers.

Thus, subject only to the restricted rights of the Government to dispose of power to a few preferred customers, the company obtains a virtual exclusive franchise to purchase all power generated at Denison Dam which will be used in Texas.

Mr. President, I say that while the contract may have been available to the Appropriations Committee, there could not possibly have been available to the committee a digest of the contract, or they would never have voted favorably on such a condition.

THE PACIFIC GAS & ELECTRIC (CALIF.) CONTRACT WITH THE SIERRA PACIFIC POWER CO. (NEV.)

The contract dated March 4, 1948, between the Sierra Pacific Power Co., of Reno, Nev., which serves western and northern Nevada, and the Pacific Gas & Electric Co., of San Francisco, Calif., which is the company designated by the Appropriations Committee as the one with which the Department of Interior must deal and to which it must sell all the power, provides:

First. The Sierra Pacific Power Co. shall purchase and receive from the Pacific Gas & Electric Co. all of the electricity, gas, and energy which the Sierra Pacific Power Co. shall require during the term of the contract for resale to its customers and for use in its electric business, except such electric energy as Sierra may generate in its existing electrical generating plants and such quantity of electric energy as Sierra may purchase or may hereinafter purchase from others under minor stand-by and minor exchange agreements.

In other words, the two companies are tied up tight. The Nevada company can only receive power through this one company.

Second. If during the term of the contract, which is 15 years, the Sierra Pacific Power Co. of Nevada requires more power and energy than the Pacific Gas & Electric Co. of California can reasonably supply throughout the then existing lines, the Pacific Gas & Electric Co. will provide additional line capacity, provided the Sierra Pacific Power Co. shall then extend the contract dated March 4, 1948, for an additional 15 years from the date that the additional transmission line goes into service—making a total of 30 years covered by the contract.

Foreclosing the right of the Federal Government to construct transmission lines to serve the Nevada market eliminates any bargaining power the State of Nevada now has in arranging with such power companies to "wheel" power that may be withdrawn from the Shasta project for use in the State—and prohibits Nevada from realizing the savings which would result from the availability of a firm hydroelectric base load of Shasta power.

I call attention specifically to that feature. I doubt whether it would ever be necessary for the Government to build the power line, but, if that gate were closed, with its bargaining power gone, then it would be impossible ever to secure such a contract. We know from experience what will happen then. It simply will go into the entire pool of power, with the great proportion of steam power that is operated within the entire area, and will be subject, the same as any other steam power, to the rise in prices of fuel due to inflation and scarcity; will then be short of power when the entire area is short of power, whereas the State of Nevada has the right under the reclamation law to withdraw the power, a base hydroelectric load, and have it for use within the State, just as the city of Los Angeles and the power companies, in turn, under their priority, withdrew power from Boulder Dam, located in Nevada and Arizona and used it in that city. I know the chairman of the Appropriations Committee is entirely familiar with that contract, because it affects the State of Arizona the same as it affects my State. We both had conferred on these contracts. We remember 22 years ago, working together here, while I was State engineer of Nevada, and he, in the capacity of United States Senator from Arizona. If the States of Nevada and Arizona use all the power we have to withdraw under the contract, then we cannot secure the power from the municipality of Los Angeles, because they have withdrawn it under the Reclamation Act. They have purchased the power, and it belongs to them. This is the same right which we are now asking—the same right that we now request, respecting the Shasta Dam.

Projected Central Valley project rates based upon the average market load factor are more than 20 percent less than the rate paid by the Sierra Pacific Power Co. to the Pacific Gas & Electric Co. On the basis of the company's 1947 purchases from Pacific Gas & Electric, this saving by Central Valley rates over the 20-year period of the utility contract would aggregate nearly 2½ million dollars.

However, even a greater factor is, that through securing a base load of hydroelectric power for exclusive use within the State of Nevada, investors would be assured that the cost of such power would remain stable over the years ahead. That is the advantage of hydroelectric power. Once it is installed and paid for, or is amortized over a period of 20 or 30 years, it does not change very much in cost, but steam power is subject to the rising fuel costs, and to inflation, and that is what a State must provide against for its citizens when it has the opportunity.

No people of a great State should be forced to subsidize any operation to that extent and in that manner, or neglect to secure a base hydroelectric load of electric energy to stabilize its future development operations.

PREFERENCE OF POWER WITHDRAWAL OF PUBLIC AGENCIES

The previous experience of the Department of Interior with the Pacific Gas & Electric Co. has not been encouraging in the matter of cooperation in "wheeling" power under contract to public agencies entitled to withdraw such power.

The city of Roseville is cited as an example where the Department of Interior sought to have the Pacific Gas & Electric Co. wheel the power to Roseville which would be contracted for by the city under their preference guaranteed by the Federal law. That is the same law, the reclamation law, from which I previously quoted.

This request was based upon a contract between the Department of Interior and the Pacific Gas & Electric Co. dated September 23, 1943.

This request was based on section 20 of the contract which says:

> During term of this contract, in order to meet the existing war emergency, the parties agree (without establishing a permanent policy in respect to the distribution of power in the United States) that they will endeavor to carry out the provisions of the reclamation law, provided that preference be given public agencies and cooperatives in the lease or sale of public power by mutual agreements, supplementary to this contract, if and when the occasion may arise.

The Pacific Gas & Electric Co. not only declined to enter into any such arrangements under the terms of the contract with the Bureau of Reclamation, which expired December 31, 1948, as noted in the case of Roseville, but have so far refused to renew the contract with the Department of Interior under terms which would meet the preference provisions of reclamation law.

Other requests were made by the Department of the Interior to the Pacific Gas & Electric Co. to wheel Shasta power over their lines for Bureau customers entitled to preference to Federal power by the terms of the Reclamation Project Act of 1939, including the Army and Navy. The Pacific Gas & Electric Co. refused such requests.

The action of the Pacific Gas & Electric Co. under the Department of Interior contract must be assumed to be indicative of their general attitude.

This action by the company is costing the Federal Government in excess of $700,000 per year for the power purchased from the company for such major Federal establishments, such as the Army, Navy, Air Force, and the Ames Aeronautic Laboratory.

PACIFIC GAS & ELECTRIC CO. REFUSED TO WHEEL POWER TO NEVADA—NOT OWNED BY COMPANY

During a general discussion of ways and means to transmit a base load of firm electric energy from Shasta Dam to the State of Nevada for use in that State, the president of the Pacific Gas & Electric Co. refused categorically to transmit any power over their transmission lines not owned and controlled by the company.

The emphatic and incontrovertible position consistently taken by the power companies, including the Pacific Gas & Electric Co., of San Francisco, Calif., is diametrically opposed to the vital interests of the State of Nevada.

The positive action then of the Senate Appropriations Committee in its amendments to House bill 3838 and their report to the Senate, No. 661, puts the Pacific Gas & Electric Co. in the driver's seat, and, as can be readily seen by the provisions of the Southwestern Power Administration-Texas Co. contracts, the Pacific Gas & Electric Co., Sierra Pacific Power Co. contracts, and the line of decisions and action of the principals—

would forever preclude the State of Nevada securing a base load of hydroelectric energy from the Shasta Dam if the committee's amendments and report are allowed to stand unchallenged.

I might say at this point, Mr. President, that most every power company in America opposed the construction of Hoover Dam, which was then called Boulder Dam. They did everything in their power to prevent legislation being passed providing for its construction. I was here as State engineer for the State of Nevada during 1927 and 1928, up until the date of the passage of the bill. I was here intermittently, not all the time, but I am in position to know the opposition, positive, and effective as it could possibly be made, and it never let up until the steam shovels were moved into the canyon and work was started and they could not stop it.

The same thing was true of the Central Valley project. After I left the Nevada State engineer's office I became consulting engineer on the Central Valley project in 1935. The power companies opposed in the same manner the construction of that project, which affected a million persons in the valley, it being a matter of conservation, the regulation of water supply, and flood control, which they simply had to have. Almost everyone realized at the time that without Boulder Dam the Southwest would never grow much more than it had up to 1927 and 1928. The State of Nevada in that area had at that time a population of five or six thousand. It now has from 40,000 to 45,000, and has just started to grow, with industries coming in utilizing the low-cost power. That is what it means to a State to have a permanent low-cost long-range supply of power.

In addition to other loopholes the Southwestern Power Administration-Texas Co. contract may be a type of contract suitable for the average Southwest power area where flood control, navigation, and other uses of the multiple-purpose projects are paramount to the development of the power. Then, generally speaking, under these particular operating conditions a greater amount of secondary power would be available than firm power, and therefore the provisions of a contract covering such power might not be at all suitable for a type of project producing a greater percentage of firm power. Firm power indicates that the power is available 100 percent of the time and secondary power means that such power may be available on any percentage of the time less than 100 percent, but it is not dependable, in that other power must be available to supplement the supply at the proper time.

Hoover Dam, for example, produces much greater amount of firm power than secondary power, and the same is true of Shasta Dam in the Central Valley project.

The value of the secondary power depends almost entirely on the percentage of the time such secondary power is available.

Mr. President, I have listened with much interest to the discussion on the floor regarding firm power, secondary power, load factor and power factor, and I shall go into it in some detail, because I think it is necessary in order to understand the difference between the types of projects.

For example, if it is available 90 percent of the time, then power from other sources to make up the additional 10 percent can be made available at the proper time and turn it into firm power—whereas power available only 10, 20, or 30 percent of the time may have very little value since you must have additional power available at the proper time up to 90, 80, or 70 percent of the time.

The power generated at Hoover Dam averages about 5,000,000,000 kilowatt-hours per year, of which approximately 4,250,000,000 kilowatt-hours are firm power. Thus, it will be seen that approximately 85 percent of the power generated by this project is firm power, leaving only 15 percent of secondary power.

Well over 50 percent of the power generated at Shasta Dam in an average year is firm power. It will be seen that dealing with power in this category is an entirely different thing than if the situation were reversed. Therefore, as I have said, in addition to the other loopholes in the Southwestern Power Administration-Texas contract, the principal purpose laid down may not fit the situation in any other arrangement including the Boulder Dam and Shasta Dam areas.

The firm and nonfirm power in kilowatt-hours for the Central Valley project including the Shasta, Folsom, and Keswick Dams are 1,086,000,000 kilowatt-hours of firm power and 802,000,000 kilowatt-hours of nonfirm power, or a total of 1,888,000,000 kilowatt-hours. This is hydro generation exclusive of the Delta steam plant.

THE LOAD FACTOR—POWER FACTOR

The load factor and the power factor used in relation to the projects often are confused and have a great bearing on the cost of power.

The load factor is the ratio of the average load over a designated period to peak load occurring in that period. In other words, the actual use in kilowatt-hours divided by the demand or capacity in kilowatts times the number of hours included in the period under consideration.

The power factor is the ratio of the power used to the apparent power required. In other words, the total kilowatt demand divided by the quantity, volts times amperes divided by 1,000.

The load factor, generally speaking, ranges from 40 to 50 percent depending on the type of load included within the area.

The ordinary lighting and general city requirements are often as low as 35 percent which is increased by any industrial load which either furnishes a continuous use or a use in off-peak periods meaning that while the peak power load for general city use generally occurs early in the evening, an industrial load continuous during the day or a continuous night load will raise the load factor.

In the city of Reno, for example the load is mostly for domestic use, and therefore the load factor is low. But the more industry comes in—and in order to get industry to come in we not only have to have low-cost power, but assurance that the cost will not change much over the years ahead, otherwise investment will not be made—the more the load factor is raised, the price to domestic users can be lowered in accordance with the higher load factor. That is one of the principal factors in the cost.

Some industries will demand as high as an 80 to 95 percent load factor, which is of material assistance in raising the general average load factor. In the State of Nevada great distances must be covered by transmission lines to make power available to the outlying agricultural and mineral areas. Greatly increased mineral and agricultural production can be brought about in proportion to the lower-cost power delivered.

I might say, Mr. President, that also applies to the other intermountain States, including the State of the chairman of the Appropriations Committee.

Before the Hoover Dam was constructed power cost approximately 2 cents a kilowatt-hour. High-priced fuel had to be shipped in. No industry could possibly come in, because if the cost of power goes to 3½ or 4 mills they are no longer interested in most of the chemical and electrochemical industries. The power factor is also improved through the advent of continuous industrial loads. If the price can be held down one-tenth of a mill, it sometimes makes the difference, as is evidenced by southern Nevada, with 8 or 10 times as many people there now, and permanently there, with something to do, as were there when we first looked over the canyon to see where we could build Boulder Dam, now called Hoover Dam.

I say, therefore, Mr. President, this is not a question which can be pushed aside lightly by saying, "I am for private ownership," or "I am for public ownership." I am for private ownership, but I am for the proper disposition of the salable product, which is mostly electric power and water, under these projects which have been developed under the reclamation law since 1902, when Senator Newlands, of my own State of Nevada, introduced the bill and it was passed, and the reclamation projects were started. The benefit to the people from these projects cannot merely be brushed aside with the saying, "I am for private industry." Why did not private industry build these dams? The distinguished senior Senator from Arizona [Mr. HAYDEN] knows why they did not build Boulder Dam, why they did not build Shasta Dam. It was because it was too much of a chance to take with investors' money. So the Government had to take the chance. Now that the Hoover Dam has turned out to be one of the best bank risks in America, and is one of the fine developments, the story is different.

It is necessary, then, for the Senate of the United States to follow through, and in this particular case all I am trying to say is that we should not shut the door on the State of Nevada to secure this power, to withdraw it, through a public agency, the Colorado River Commission of Nevada, and turn it over without cost to the power company for distribution. We do not want the State of Nevada to engage in the distribution of power; we want the power company to distribute it. It does not affect taxes,

private ownership, or anything else, except the cost of power to the people of the State of Nevada. That is the story.

HOOVER DAM POWER AND SHASTA DAM POWER FOR STATE OF NEVADA

To understand the possible future demands for power in the State of Nevada it is necessary to know that great distances must be covered by transmission lines to make power available to the outlying agricultural and mining areas. It is also necessary to know that greatly increased mineral and agricultural production can be brought about in proportion to the lower-cost power delivered to the point of use.

PIOCHE AND CALIENTE AREAS—SOUTHEAST NEVADA

For example, before the advent of Hoover Dam, there was little or no mining development in the southeastern part of Nevada, in the Pioche and Caliente areas, due principally to the fact that steam power had to be developed through the use of imported fuels and the actual cost of development of such power was in the neighborhood of 2 cents per kilowatt-hour.

However, when Hoover Dam power became available, the mining interests working with the State of Nevada financed, through a power district, a 150-mile transmission line from Hoover Dam to the southeastern Nevada mining districts, and as a result that area is producing a large percentage of the zinc and lead now being produced in the United States, and it is a substantial contribution to the security of the Nation—it would not be in operation today if it had not been for the low-cost power they are getting into that area—and to the employment and taxable property of the State and the Nation which would have been impossible without the available firm power from Hoover Dam.

Mr. President, I have here a map for review by the Senators, to show that from the Hoover Dam a 150-mile line was run into the southeastern part of the State of Nevada. It shows how the power lines from Hoover Dam located in the States of Arizona and Nevada run to Los Angeles and other California areas, and to the metropolitan water district.

The condition shown on the map concerning Shasta Dam is just exactly the reverse. Reno is shown on the map, and Folsom Dam is shown just over the hill. The power line which will be constructed—the money is already available for it—will go to the Sacramento area. The only two lines which run to Nevada are owned by the Pacific Gas & Electric Co.

The $100,000 included in the bill, which the Knowland amendment will ask to have restored, is for an investigation of the possibility of further electric lines in the event the P. G. & E. continues to refuse to wheel power to Nevada, belonging to that State. I have no doubt that an arrangement will be made with them if we retain the bargaining power, but if we shut the door so that we cannot possibly do it in any other way except by the P. G. & E. taking over, then we know from experience that it will not be done.

Mr. WATKINS. Mr. President, will the Senator from Nevada yield?

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

Mr. WATKINS. As I understand, then, the Senator is in favor of private enterprise doing the job if and when it will do it.

Mr. MALONE. If and when it will do it on the proper and accepted basis, I am in favor of it.

Mr. WATKINS. Then the Senator is in favor of Federal money being put into the necessary lines if private enterprise does not do it?

Mr. MALONE. Yes.

Mr. WATKINS. I agree with the Senator 100 percent.

Mr. MALONE. As I have said to the Senator, and I have documented the evidence and examined the Texas contract, and the contract between the P. G. & E. and the Sierra Pacific Power Co., it could not be any more airtight in preventing the State of Nevada from getting the power from the Shasta Dam on the proper preference basis if they had deliberately set out to prevent a base load of hydroelectric power from coming into the State. There would be nothing whatever that the State of Nevada could do to assure the potential users of power and a potential investor that we could count on a stable supply of power at a stable cost, and that he would have a chance to amortize his investment before the power would be raised in price.

No power company was interested in doing the job in southwestern Nevada for the very simple reason that the chances were too great to invest stockholders' money in the enterprise, but now that the 150-mile line is constructed, it is repaying the cost and the power is made available not only to the mining enterprises in that area but to the domestic users for one-half cent per kilowatt-hour or less, with the results already noted.

The State of Nevada has a withdrawal privilege for about 18 percent of the firm power produced at Hoover Dam, just as Arizona has, and a large amount of power from Davis Dam which will be completed next year has been allocated to the State, and Arizona also has a large amount of power from Davis Dam that should be available in 1950 and 1951.

If the State of Nevada can now secure the 80,000 kilowatts of power from Shasta Dam, making use of it as the power load grows in western and northern Nevada, eventually and in the not too distant future the already existing power lines from the western and northern part of the State will be connected through the eastern and central part of the State and then the two sources of power from Hoover Dam and Shasta Dam, allocated to the State, will be available through an interconnected system. There would simply be an interconnected system, to which we have all looked forward for 25 years, with a minimum of expenditure by the Government.

BASE HYDROELECTRIC LOAD FOR NORTHERN AND WESTERN NEVADA

A review of the future development of the State of Nevada over the next 15, 20, or 30 years is entirely dependent then upon securing a base load of hydroelectric power from the Shasta Dam project which will not change in cost over a long period of years, so that mining and industrial investments can be made with that assurance.

The cost of the Shasta Dam power under this arrangement has been tentatively fixed at approximately 5½ mills per kilowatt-hour delivered to the State of Nevada. The Hoover Dam power is approximately 2 mills at the switchboard. However, one of the great advantages of hydroelectric power over steam power over a term of years is that once the investment is made in hydroelectric power, only operation and maintenance is necessary, no fuel being involved; therefore the cost of fuel and inflation has very little effect on the original cost of the power so that 20, 30, or 40 years ahead the power should not vary materially from the present cost, while the cost of steam power will depend altogether on the availability and cost of fuel, and any future inflation will have an immediate effect on the cost.

If the State of Nevada is unable to withdraw a base loan of hydroelectric power from Shasta Dam then the entire amount of such power will be thrown into the total load of the area with its large percentage of steam power, with the prospect that it will be a much greater percentage over the years ahead and with the further result that any shortage of power within the entire area will be immediately felt in the State of Nevada; the additional cost over the years due to inflation and the fuel scarcity will be almost immediately reflected in the cost of power in the State of Nevada; therefore no long-range investments could be encouraged, and certainly the State of Nevada could not look ahead with any degree of confidence in developing the agricultural, mining, and industrial resources of the State.

It is simply the difference between a very great possibility of future development of a great State and in closing the door on the prospect of long-range, low-cost power for the purpose.

In that connection, Mr. President, I should like to have printed in the RECORD, at this point, a release issued by my office on July 22, 1948, on this very subject. I ask unanimous consent that it be inserted in the RECORD at this point.

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

NEVADA'S PRESENT AND POTENTIAL POWER SUPPLY

WASHINGTON, D. C.—There has been such a tremendous increase in the power consumption in Nevada and other Western States in recent years, that at the present time more power is being utilized than during the wartime peak, and there is an unsatisfied demand for even more power than is presently available, according to a statement made by Senator GEORGE W. MALONE. The amount of power utilized in Nevada has nearly trebled—Arizona quadrupled—Utah

doubled—and California uses two and one-half times the electrical energy since 1934.

Senator MALONE outlined the present and potential power supply in Nevada as follows:

FUTURE ESTIMATES SHORT

All estimates of increased power use over the past 20 years by power experts have fallen far short of the actual demand for the reason that not even the power companies themselves seemed able to visualize the additional demand and use by mining, agricultural, and the processing industries through a substantial reduction in cost per kilowatt-hour.

Every power company in America opposed the construction of Hoover (Boulder) Dam in Nevada and Arizona—because they said, and proved by the record, that all of the power needed and demanded was available. The same applied to Shasta Dam in California, Bonneville Dam in Oregon, and Grand Coulee Dam in Washington State.

On July 4, 1929, I submitted a power-use chart to the Secretary of the Interior in support of our withdrawal-privilege application from Hoover Dam (p. 161 of my 1935 Colorado River Commission report—State engineer's office). I estimated that within 25 years (1955) we would use 187,500 horsepower of electrical energy—including irrigation, 20,000 horsepower; mining development at the point of discovery, 76,000 horsepower; nonmetallic ores, manufacturing, and other uses at the dam, 91,500 horsepower.

We are now—18 years later—utilizing more than 100,000 horsepower for the purposes already outlined, including a large and growing power load in the important zinc-lead mining district of Pioche.

While the Colorado River Commission of our State has now applied to the Secretary of the Interior for the withdrawal of the remainder of our allotment of approximately 85,000 horsepower—much more than that amount can be utilized during the next 5 to 7 years within the area.

The Colorado River Commission of Nevada early this year, after repeated urging by the subcommittee of the National Defense Committee of the United States Senate, investigating the management of the basic magnesium plant by the War Assets Administration, applied for a full one-third of the power to be generated at Davis Dam.

This one-third—approximately 90,000 horsepower—would make a total of approximately 277,000 horsepower or 210,000 kilowatts of electrical energy for the development of southern and eastern Nevada, a part of which could be transferred at least temporarily to northern Nevada over existing transmission lines through California as I have previously outlined.

POWER FROM SHASTA-KESWICK-FOLSOM DAMS

It is my opinion that all of the low-cost energy available in southern Nevada from Hoover and Davis Dams will eventually be used in the southern and eastern parts of the State, so the real opportunity for northern and western Nevada to secure a base hydroelectric load is from the Shasta, Keswick, and Folsom Dams, a part of the Central Valley project in California.

The State of Nevada has a priority for 90,000 kilowatts—about 120,000 horsepower from that source. The priority can only be exercised through the Colorado River Commission as the agent of the State by contract with the Secretary of the Interior—then the Commission can transfer the power to the Sierra Pacific Power Co. for distribution without profit to the State.

The necessary contract with the Secretary of the Interior is being opposed—the Pacific Gas & Electric Co. owns the only available transmission lines from the substation near Sacramento connecting with the Sierra Pacific Power Co. near the summit of the Sierra-Nevada Mountains.

The Pacific Gas & Electric Co. has currently refused to transmit (wheel) any power to the summit not owned by their company—and has so far been able to prevent any funds from being appropriated by Congress for surveys and investigation of the cost of transmission of any power that the State of Nevada might purchase to be delivered to the State.

The Sierra Pacific Power Co. has no priority to purchase such power. Therefore, if delivery of any power purchased by the State can be prevented—then the Pacific Gas & Electric Co. will automatically fall heir to such power. It will then become a part of the total load of the company, a great proportion of which is made up of steam power and subject to the rise in fuel costs and to the full effect of inflation.

BASE LOAD OF HYDROELECTRIC ENERGY

The advantage of the State contract is that through this method northern and western Nevada would have a base load of hydroelectric energy that would not increase perceptibly in cost over the years ahead—approximately 130,000 horsepower—in the same manner as southern and eastern Nevada have from the Hoover-Davis Dams combination, the northern Nevada load is approximately 40,000 kilowatts—54,000 horsepower at this time.

The relations of the States—Nevada and California—are reversed in the north—in the south the State of California benefits through securing approximately 64 percent of the Hoover (Boulder) Dam low-cost power through the Bureau of Power and Light, the Southern California Edison Co. and others for use in California—while from Shasta, Keswick, and Folsom Dams the State of Nevada, through its Colorado River Commission and the Sierra Pacific Power Co. would receive approximately 16 percent of the low-cost hydroelectric base load from that source.

This base hydroelectric load for northern Nevada would later be augmented by the future development of power on the Carson and Walker Rivers amounting to approximately an additional 90,000 kilowatts—120,000 horsepower—making a total of 240,000 horsepower of base hydroelectric load additional for the development of northern and western Nevada if the proposed contract with the Secretary of the Interior is consummated. The present hydroelectric power developed on the Truckee River is approximately 11,000 horsepower, making a total of 251,000 horsepower.

This amount compares favorably with the 277,000 horsepower available in southern and eastern Nevada—equaling a total of 528,000 horsepower of base hydroelectric load for the entire State of Nevada over the years ahead compared to approximately 170,000 horsepower utilized in the entire State at this time. (The potential development of power does not include possible additional power on the Truckee River.) (When we started to build Hoover Dam, a total of less than 40,000 horsepower was utilized in the entire State.)

To assure northern and western Nevada such a base hydroelectric load that would stabilize the cost of power within the area over the years ahead—the Colorado River Commission of Nevada should immediately contract with the Secretary of the Interior for the 90,000 kilowatts—130,000 horsepower—to be accepted when available and delivered.

QUESTION OF TRANSMISSION

The next question can then be approached: whether the Pacific Gas & Electric Co. will "wheel" Nevada's allotment of power to the summit over existing lines or new lines are to be constructed. The Secretary of the Interior quotes a price of approximately 5 mills per kilowatt-hour delivered to the Reno area, which would be a feasible industrial rate for the area.

With such a base load of hydroelectric power available for the entire State of Nevada, as already outlined, there is no question but that transmission lines will be constructed as they become feasible as shown on the accompanying map connecting all of the principal mining, agricultural, and industrial areas of the State.

Such a long-range program projected at this time through contracts with the Secretary of the Interior and through further hydroelectric power development within the State could mean the difference between remaining practically status quo or increasing the wealth and employment of the State from three to five times over the next two decades, which might result in an increase of the population from the present 140,000 to nearly 500,000 during the same period.

ANOTHER LONG-RANGE DECISION

It is a period of decision similar to the decision we had to make when the Hoover (Boulder) Dam was proposed, and it is my considered opinion that we should proceed with the contract and the further hydroelectric power development within our State as already outlined.

NEVADA'S PROGRESS IN EXERCISING PREFERENCE FOR SHASTA DAM POWER

Mr. MALONE. In the interest of securing a base hydroelectric load of electric energy from Shasta Dam in the Central Valley project, in accordance with the States' preference privilege of the reclamation law, the junior Senator from Nevada arranged for a conference to be held in Reno in December 1946 at which representatives were present from the Pacific Gas & Electric Co., California, Sierra Pacific Power Co., of Reno, the State engineer of Nevada, who was also secretary of the Colorado River Commission, and prominent citizens of the State.

This conference was held in the offices of the Sierra Pacific Power Co., the Reno company, the western and northern Nevada company, at which time I outlined my conception of the needs of northern and western Nevada for a base load of hydroelectric power which was available from Shasta and other dams within the Central Valley project, and the method by which it could be secured.

Briefly, this method was for the Colorado River Commission, representing the State of Nevada through action of the State legislature, to apply for 90,000 kilowatts of electric energy from the project to be secured through contract with the Department of Interior in accordance with the States' preference granted by the reclamation law.

The 90,000 kilowatts of electric energy secured through the Colorado River Commission could immediately be transferred to the Sierra Pacific Power Co. for distribution throughout its western and northern Nevada areas, the application through the State body being necessary since the Sierra Pacific Power Co. could not act for the State in exercising the preference in withdrawing such power.

The Sierra Pacific Power Co.'s distribution system covers the entire western and a large part of northern Nevada, extending as far south as the cities of Minden, Gardnerville, and Yerington, and as far east as Battle Mountain in northern Nevada.

AMOUNT OF POWER PRESENTLY UTILIZED

Approximately 45,000 kilowatts of power are utilized within the area of western

and northern Nevada through the interconnected transmission system of the Sierra Pacific Power Co. The towns of Tonopah and Goldfield in south-central Nevada are served by the California Electric Power Co., which secures a major portion of its power from Hoover Dam. Las Vegas, Nev., is served by the Southern Nevada Power Co., whose sole source of power is Hoover Dam. Overton, Caliente, and Pioche, in southern and eastern Nevada, are served by a specially constructed transmission line from Hoover Dam financed through a power district formed under a special State law for the creation of such districts.

Mr. President, I ask Senators to take a look at this map with particular attention to the central portion of Nevada, which is without power lines. There are located in that area some very important cities, towns, mining and agricultural areas. It is the hope of the people of Nevada that over the next 20, 30, or 40 years, with the power available throughout the State through an interconnected system as already described, that a steady mining, agricultural, and industrial development will go forward over the years ahead.

The PRESIDING OFFICER. The Senator has 2 minutes remaining of his time.

Mr. MALONE. Mr. President, I ask unanimous consent to complete my address.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Chair recognize me so I may yield to the Senator from Nevada sufficient time out of my own time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. HAYDEN. Mr. President, having been recognized, I ask unanimous consent that out of my time I be permitted to yield to the Senator from Nevada sufficient time for him to finish his statement.

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

Mr. MALONE. I thank the Senator from Arizona.

Mr. President, we are dealing with one of the most sparsely settled States in the Union. Nevada is 600 miles long and nearly 400 miles wide. It contains a smaller population than any other State in the Union. But it supports a good State government. It has very few trick taxes and laws. It has been able to hold its taxes within reason. It has been able to hold itself relatively free of the binding laws and regulations which have come into existence in many States during the last couple of generations. It is, in my opinion, operating as good a State government as there is in any State of the Union, on just a fraction of the average cost.

Mr. President, are we to shut the door so that this large area, which is tributary to other States, and which has other States tributary to it, cannot be developed as it should for its own benefit and for the benefit of California, Utah, Idaho, and Oregon and the surrounding areas. As a matter of fact the principal markets exist in California for Nevada's livestock and many other products produced in that State, the same as they exist for those of Arizona and many of the Western States. Large markets exist in Los Angeles, San Francisco, Portland, and Seattle.

Nevada is a part of the great West, of the eight intermountain States. Arizona, Nevada, and Idaho form the western boundary. New Mexico, Colorado, Wyoming, and Montana form the eastern boundary of that great intermountain area. Nevada includes a part of the great Amesrican desert. I say, Mr. President, that we are now dealing with the lifeblood of that State. The Senate cannot simply dismiss this subject as a simple public versus private ownership question unless it understands the effect of what we are about to do.

Unless a Senator happens to have been in business in the State, or has had experience with its technical problems, it would be difficult for him to understand what the situation really is. By one regulation, by one stroke of the pen, Congress could stop development in the State of Nevada or in any other State under similar conditions.

Mr. President, I have not had the time, nor have I attempted to find out or understand all the intricate problems that exist in the other States. It has been a big enough job for me to try to understand the intricate problems of my own State, in relation with those of the others. But I say in all seriousness that the United States Senate and the House of Representatives and the President of the United States should not take one side or the other of such a question—and I know they are not in the business of taking one side or the other of what they may be unwittingly dismissing as a principle—without analyzing the situation and endeavoring to see where the chips would fall, and what would happen to the rights of a sovereign State as a result of the vote and action taken here.

The entire central, mideastern, and northeastern areas of the State of Nevada are served by local power companies, and the cost of power is very high, which precludes its use for practically anything except domestic purposes.

It is impossible to generate electric energy through the use of high-priced fuel transported long distances and furnish power at a price which can be used for industrial, mining, and agricultural requirements.

I pointed out there were great areas where there was no available hydroelectric power. High-cost fuel is taken into the area and power is produced for domestic purposes. There is no chance of producing hydroelectric power there at a reasonable cost because we have no falling water; we have no large streams. So there is no chance for the mining and agricultural areas of Nevada to receive cheap power, except through an interconnected system of Hoover Dam power in the south and Shasta Dam power in the north.

There are mining areas in Nevada which have great low-grade deposits of ore. Senators can check this information with the Federal Bureau of Mines. For example, in Eureka, Nev., if the cost of power could be lowered to 5, 6, 7, or perhaps 8 mills per kilowatt-hour, these deposits could be worked profitably. Instead of that, those who would use the power must pay 2 and 3 cents a kilowatt-hour. The difference in cost of power might mean the difference in operating these mining areas successfully, with the resultant employment and increase in taxable power and also production of strategic and critical minerals and materials. Such production would mean an added safeguard to the security of the United States. Besides, as I say, it would increase the taxable property and employment in the most sparsely populated State in the Union.

HOOVER DAM-SHASTA DAM POWER INTERCONNECTION

If the 90,000 kilowatts of power is made available to the northern and western areas by the Colorado River Commission exercising the States' preference, then it is entirely possible within a reasonable period that the southern and northern areas of the State will form an interconnected power system which will connect the Hoover Dam and Shasta power areas, thus making lower-cost power available to the mining and agricultural areas throughout the State of Nevada, and it would increase the production of minerals, agriculture, and livestock to a very appreciable extent over the years ahead.

STATUS OF CONTRACT BETWEEN STATE OF NEVADA AND THE DEPARTMENT OF THE INTERIOR

The State engineer of Nevada, secretary of the Colorado River Power Commission, did within a reasonable time following the Reno conference in December 1946, between the Pacific Gas & Electric Co., the Sierra Pacific Power Co., and interested citizens, make application to the Department of the Interior for 90,000 kilowatts of electric energy from the Shasta Dam, and the State of Nevada was granted a priority as of the date of the application.

On June 24, 1949, the Department of the Interior, through the regional office in Sacramento, Calif., submitted a proposed contract to the State of Nevada, through the Colorado River Commission, which would, in effect, make available the electric energy up to the 90,000 kilowatts applied for, under the conditions that such power would be delivered upon the request in writing by the Nevada Colorado River Commission and the submission by the commission of evidence satisfactory to the contracting officer of the Department of the Interior that the commission has binding contracts covering the resale of the power and energy contracted for, in any amount up to 50,000 kilowatts, and provided further that the power is available. The initial contract rate of delivery may be increased at any time up to an additional 40,000 kilowatts, when available, making a total of 90,000 kilowatts of power.

The contract in effect means that the Colorado River Commission of Nevada may hold the established priority for 90,000 kilowatts of power through a contract without financial obligation, simply accepting delivery as such electric energy may be disposed of through a firm con-

tract, and the Department of the Interior guarantees delivery of the initial 50,000 kilowatts when it is available within the Central Valley project.

That provision was to meet the condition that the power could be furnished the Sierra-Pacific Power Co. to distribute when the market would take it and when it was available from the Central Valley project. In other words, we were not withdrawing power from anyone who already had put it in use, and we were not forcing anyone to take it when he had no use for it. So it is a very fair contract.

DEPARTMENT OF THE INTERIOR—COLORADO RIVER COMMISSION CONTRACT NOT CLOSED

As of this date, the Colorado River Commission of Nevada has not seen fit to close the contract. However, the priority established by the initial application is in good standing, and it is hoped that the commission will see fit to take such action within a very short time.

PRELIMINARY CONFERENCES

Early in 1947 I requested that a second conference be called by the Governor of Nevada, to be held in Carson City, and that all interested parties be invited to review the possibilities and the advisability of exercising the preference accorded the State of Nevada through the reclamation law for a 90,000 kilowatt block of Shasta Dam power. The first conference, already described, was held in December 1946.

This meeting was held on August 6, 1947, and attended by the Governor, the State engineer, the junior Senator from Nevada, the mayor of Reno, and representatives from the University of Nevada, the Farm Bureau, and the Sierra-Pacific Power Co.

The consensus of the meeting, including the testimony presented by representatives of the Farm Bureau and the city of Reno, was that Nevada's preference for the 90,000 kilowatts of power should be exercised and made available to the State over a long-range period, if a proper contract could be made with the Department of the Interior through the Colorado River Commission.

Such a contract has been offered, and the arrangement has been delayed principally because every act—whether it was deliberate or not I am not able to say of the Sierra Pacific Power Co. and the Pacific Gas & Electric Co. in making contracts including advertisements has been against closing this contract.

The Senate Appropriations Committee could not possibly have had the information before it and taken such action. An analysis of the Southwestern Power Administration contract shows that we could not possibly contract for such power under the withdrawal conditions set forth in the reclamation law, if any such contract should be made with the Department of the Interior and the Pacific Gas & Electric Co. under the policies and on the basic conditions laid down in that contract.

Subsequently, as already noted, a contract was offered by the Colorado River Commission which would permit them to exercise the preference for the State for the 90,000 kilowatts of electric energy without the State undertaking any financial obligation whatever, since it provides that firm contracts for payment will be secured by the Colorado River Commission before the actual transfer of such power.

As of this date, the Colorado River Commission has not moved to exercise such preference.

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

Mr. MALONE. I yield.

Mr. HAYDEN. We have a very similar situation in Arizona, with respect to the allotment of power to the State of Arizona from Hoover Dam. We created what was known as the Arizona Power Authority. That agency, representing the State of Arizona, has entered into a contract with the United States Reclamation Service for the entire amount of power Arizona is entitled to receive from the Hoover Dam. Then it makes arrangements with private utilities, municipalities, water users' associations, and rural-electric cooperatives as to how much power shall be distributed. The Reclamation Service has constructed backbone transmission lines into the central part of the State. From there the power goes out, but we have one agency to make the contract. I take it the Senator has the same idea, namely, that a similar arrangement could be made in Nevada whereby a volume of power from the Shasta Dam and the Keswick Dam in California, now under construction by the Reclamation Service, could be brought into the State, the State agency distributing it to private and public bodies.

Mr. MALONE. That is entirely correct. I am glad that the senior Senator from Arizona has so ably described the situation. I know that he is familiar with it. He has put his finger right on the sore spot—if proper arrangements cannot be made to wheel the electric energy to be contracted for through the power companies—then the Government should construct the backbone line just as it has done in the Senator's own State.

Mr. HAYDEN. Is it the Senator's opinion that in order to carry out such an agreement there should be constructed by the Reclamation Service transmission lines in California which would enable this power to be brought into Nevada?

Mr. MALONE. Yes—that is exactly my contention—if proper contracts cannot be made with the power companies to do the job. The funds for the transmission line from the Shasta Dam to a point near the Sacramento substation has been appropriated. The two lines over the mountains to the Nevada-California State line, which are owned by the Pacific Gas & Electric Co., are not now of sufficient capacity to take the additional power we need with the necessary stand-by. However, if the company should be willing to construct the necessary additional transmission lines and were willing to wheel Nevada's power under a reasonable permanent contract the situation would be different.

But when the president of the Pacific Gas & Electric Co. stands in my own office and states categorically that his company will never wheel a kilowatt of power over the mountain to the State of Nevada which it does not own and control, we have no choice. We must arrange for other transmission lines to do the job.

I thank the Senator from Arizona, because with his many years of experience in the House and Senate in dealing with such matters, I know that he is entirely familiar with every detail. He has put his finger on the sore spot. The position of a State like Arizona or Nevada—and I speak more particularly of Nevada because it is smaller in population—is that the State agency takes a chance in withdrawing power without having it already sold. It can ill afford the money to pay for it, since if there should happen to be a lapse in time between receiving the power and making deliveries it would cost the taxpayers' money. That is what I am trying to explain to the Senate. However, if we do not close the door, but permit the Department of the Interior and the State of Nevada to bargain with the power companies, in my opinion they will deal with them. However, if we close the door, they cannot deal with them. That is what the Knowland-Downey-Malone amendment would do, it would keep the door open.

THE POWER COMPANIES' CONTRACTS AND ACTIONS

The contract between Sierra Pacific Power Co., of Reno, Nev., and the Pacific Gas & Electric Co., of San Francisco, Calif., dated March 4, 1948, just 6 months following the conference held in the Governor's office on August 6, 1947, shows little, if any, cooperation in securing a base load of hydroelectric power for northern and western Nevada, since it specifically provides, as already noted, that all the power purchased by the Sierra Pacific Power Co. must be purchased from the Pacific Gas & Electric Co., except such amounts as may be generated by the company on the Truckee River, a river running out of Lake Tahoe east through the city of Reno, Nev., and also provides that in the event of additional transmission facilities the 15-year contract will be extended another 15 years. The door would be closed for 30 years, without any possible chance of making any kind of arrangement for withdrawal of power.

The provisions of the contract, coupled with the fact that the Pacific Gas & Electric Co. representatives have stated specifically and categorically that they will not wheel any power from the Shasta project that they do not own and control, and subsequent action of the Senate Appropriations Committee eliminating any appropriation for examination and estimates for additional transmission lines, as stated specifically in their report No. 661, effectively nullify any opportunity for the State of Nevada to exercise withdrawal preference for Shasta Dam power in accordance with reclamation law. The committee report No. 661 reads, in part, as follows:

The decision not to recommend the construction of other transmission lines, the steam plant, and other electric facilities is based upon the assumption that the Pacific Gas & Electric Co. will negotiate a contract with the Secretary of the Interior in accordance with the basic principles found in the

contract between the Southwestern Power Administration and the Texas Power & Light Co.

The Senator from California [Mr. KNOWLAND] will offer the Knowland-Downey-Malone amendment which would restore the $100,000 for examination and estimates for further transmission lines. As I have already stated, I doubt whether it will be necessary to construct such lines. But if everyone knows that such lines can be constructed, then it is my personal opinion that the parties concerned will get together in regard to a wheeling contract with the power companies that will allow the State of Nevada to benefit from the decreased cost of bringing a base load of hydroelectric power to the State. But if the door is closed, by virtue of cutting out the appropriation for examination and estimates for such additional lines, then there will be no chance to make any examinations and estimates, and specifically if the order stands for the Department of the Interior to sell the power to the Pacific Gas & Electric Co., then the door will be slammed right in the face of the State of Nevada.

The combination of factors, including the basic principles laid down in the Southwestern Power Administration and Texas Co. contract, seems to forever preclude the State of Nevada from exercising their rightful preference to a base load of hydroelectric power to be utilized in the State of Nevada.

Under reclamation law, the State of Nevada is in the class of customers entitled to preference in purchase of Federal power. If the Pacific Gas & Electric Co. maintains its refusal to "wheel" power to preferred agencies, Nevada's only hope of securing the power as contemplated by the law is the construction of transmission lines by the Bureau of Reclamation. Indeed, even if the power company should relent, the wheeling of power might not be permitted by the California Public Utility Commission, which has jurisdiction; and thus we would be in the strange position of having a State commission in one State control in large measure the welfare of an adjoining State.

Mr. President, at the time of the dry season 2 years ago, power in that area was in short supply. All of Shasta Dam power was not available, and power from the Folsom Dam and Keswick Dam was of course not available. So when the Pacific Gas & Electric Co., which still is furnishing power to the Sierra Pacific Power Co. of Nevada was rationed, Nevada supply was rationed at the same time. She did not own any power on her own account; also, when the California Railroad Commission says that power shall be rationed, that results in rationing power to the State of Nevada, which had the right to withdraw a base load from the project for its own permanent use.

In this connection I submit herewith two wires, the first from the Honorable Vail Pittman, Governor of Nevada, and the second from the Honorable F. R. Smith, mayor of Reno, Nev., which aptly illustrate the situation in which the State of Nevada could find itself again whenever power should be in short supply:

RENO, NEV., *April 2, 1948.*

Hon. GEORGE MALONE,
United States Senate,
Washington, D. C.:

Upon information from you that city Reno would receive preference on Shasta power City Manager Branch and I contacted Tom Smith, State engineer, and George Allard, public service commission. Tom contacted Mr. Elmore, Bureau of Reclamation, Sacramento, who confirmed your advice. Allard and Smith then went to San Francisco to contact California Public Utilities Commission in regard to their jurisdiction over the transmission of power over Pacific Gas & Electric lines from Shasta to Sierra Pacific Power Co. lines. Upon his return Allard informed us that the California commission stated that they held jurisdiction over transmission of power and would not allow any additional power to flow into Nevada. At the time he was in San Francisco Bureau of Reclamation the California commission and Pacific Gas & Electric held a meeting and agreed that all additional power from Shasta would be sold to Pacific Gas & Electric Co. upon temporary basis. If we have been misinformed and separate allotment of power can be obtained from Shasta and Pacific Gas & Electric Co. forced to transmit it to Sierra Pacific Power please let us know. Reno is desperate for want of power. Industries merchants and employees are facing shut-down, loss of business, and unemployment. We will appreciate whatever aid you can give us.

F. R. SMITH,
Mayor.

CARSON CITY, NEV., *April 5, 1948.*

Senator GEORGE W. MALONE,
Mayflower Hotel, Washington, D. C.:

Reference your phone call this evening interested in securing emergency power from any possible source. Want help from Nevada's congressional delegation. Smith and Allard, public service commission, have conferred with California's Public Utilities Commission and are exploring every potential power source. They are not optimistic concerning your plan but will do everything possible to assist if you decide to come to Nevada. I will be glad to confer with you. You make decision whether possibilities warrant your proposed trip. Please advise.

Kind regards,

VAIL PITTMAN,
Governor.

The city of Los Angeles and the private-power companies in southern California withdrew 64 percent of the power from the Hoover Dam, located in Arizona and Nevada under the reclamation law, which we were glad to have them do. But if Nevada is short of power in that area, even though the power is developed in her own State and in Arizona, it is not available to us, since it has been contracted for under the reclamation law and is the property of the contracting parties. So this is simply a reverse set-up; the State of Nevada will be withdrawing power from a project located in California.

THE KNOWLAND-DOWNEY-MALONE AMENDMENT

I hope the Senate will approve the Knowland-Downey-Malone amendment restoring the $100,000 for examinations and surveys, and will eliminate the direct order to sell to the Pacific Gas & Electric Co. all of the electric energy generated at the Shasta, Keswick, and Folsom Dams, as contained in Senate Appropriations Report No. 661.

This amendment will again restore the bargaining power of the Department of the Interior and the State of Nevada in their effort to secure firm power under contract to the State through the States' preference, as set forth in the reclamation law.

There is a serious question as noted, that in the event the electric energy was sold directly to the Pacific Gas & Electric Co., whether the railroad commission of California could prevent the company from delivering firm power to the State of Nevada, or could prevent full delivery in the event of a shortage of power within the area.

The city of Los Angeles, the metropolitan water district, and the power companies of California, in turn, withdrew about 64 percent of the power, in their own right, from Hoover Dam, located within the States of Arizona and Nevada. The public service commission of Nevada has no jurisdiction whatever, since such power was withdrawn in accordance with the provisions of the reclamation law as directed by the Congress of the United States. The State of Nevada is in exactly the same position in regard to Shasta Dam power.

FUTURE DEVELOPMENT IN NEVADA

Under a reasonable industrial, mining, and agricultural rate, the population, employment, and taxable property in the State of Nevada should more than double during the next two decades.

We have in southern Nevada, near Hoover Dam, an industrial rate of about 3½ mills per kilowatt-hour—2 mills per kilowatt-hour at the switchboard at Hoover Dam. It should be reduced to about 3 mills per kilowatt-hour, including the Davis Dam power, when delivered to points of use near the dam, in the reasonably near future. As a result chemical, electrochemical industries, and mineral-reduction plants are locating in that area.

When the Shasta Dam power can be delivered to the State of Nevada under the conditions set out in the reclamation law, an industrial, mining, and agricultural rate can be made for northern and western Nevada, and eventually for the central portion of our State, through extension of the transmission facilities.

The people of the State of Nevada believe in holding and developing the factors that attract new capital investment. We believe in holding down the power rates to a point where new mining, agricultural, and industrial development will occur; and of course that is where we will collect additional taxes. That is the theory on which we have operated in Nevada for many years. We do not want to charge industries an unduly high rate for power, so that the rate goes above the rate which makes it a feasible operation for chemical, electro-chemical, mineral, and other industries to pay.

For example, when the power rate goes above from 3½ to 4 mills per kilowatt-hour, it is no longer so attractive to the chemical and electro-chemical industries.

For pumping water, for irrigation, or for mining and processing industries, a steady, dependable rate of 5 to 8 mills

per kilowatt-hour is generally necessary or desirable.

But, in addition to the rate, assurance must be had that the rate will remain stable, that it will not change very much over the years ahead, during the amortization of the investment in machinery and development work in the mining field, the investment in clearing and leveling the land and in equipment for use in agriculture, and the capital investment in the processing and manufacturing industries.

Industries and new capital investment are attracted to an area of low-cost firm hydroelectric power, and a difference of one-tenth of a mill per kilowatt-hour may make the difference between attracting and not attracting these industries. But the assurance that such power rates will not change very much over the years ahead is one of the principal factors in that situation. All that the State of Nevada asks in this case is that the Senate not close the door on that opportunity.

EXISTING CONTRACTS CLOSE THE DOOR OF OPPORTUNITY

The basic provisions of the Southwestern Power Administration-Texas Co. contract, together with the recent contract between the Sierra-Pacific Power Co., of Reno, Nev., and the Pacific Gas & Electric Co., of San Francisco, Calif., together with the trend of events in power company public relations and statements do definitely close the door of opportunity for my State of Nevada. So, Mr. President, I ask the Senate not to agree to the amendment which the Appropriations Committee has made to this bill.

In its place I hope that this body will approve the Knowland-Downey-Malone amendment—restoring the $100,000 for examinations and surveys for additional power lines—and disregard the order made by the Senate Appropriations Committee to the Department of the Interior to sell all of the power to the Pacific Gas & Electric Co.—in disregard of the State's preference as provided under reclamation law.

Mr. KNOWLAND. Mr. President, I offer, on behalf of myself and my senior colleague [Mr. DOWNEY] and the junior Senator from Nevada [Mr. MALONE], an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 50, line 24, after the words "of which", it is proposed to insert:

Not to exceed $100,000 is for the making of examinations and surveys of power facilities, not to exceed $2,000,000 is for the construction of the Shasta-Tracy (west side) transmission lines Nos. 1 and 2, and.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). The Chair is advised that question comes first on the amendment on page 50, line 23, to strike out "$53,550,000" and insert "$60,789,890."

Mr. KNOWLAND. That committee amendment probably should be voted on first, I suppose.

Mr. HILL. Let us agree to that.

Mr. HAYDEN. Let us agree to the committee amendment, then, if it is desired to do that. The point I was trying to make clear was this: The Senator does not propose to disturb the amount of money carried in the bill.

Mr. KNOWLAND. That is, as reported by the committee.

Mr. HAYDEN. Yes.

Mr. KNOWLAND. That is correct. In other words, we are not by this amendment increasing the amount of this item as reported to the Senate by the Appropriations Committee as a committee amendment.

Mr. HAYDEN. What the Senator is seeking to do, then, is to leave the amount in the bill in the sum of $60,789,890. The committee provided that of that amount, a certain part should be used in the payment of claims. The Senator's amendment provides that so much shall be used for the construction of certain transmission lines.

Mr. KNOWLAND. And $100,000 for the surveys which the Senator from Nevada [Mr. MALONE] has been discussing.

The PRESIDING OFFICER. The Chair is advised that the amendment before the Senate is on page 50, line 23, and the first part of line 24. When that has been disposed of, then the language inserted by the committee will constitute the next amendment.

Mr. HILL. Mr. President, as I understand, the amendment offered by the Senator from California is to the language inserted by the committee, beginning on page 50, in line 24, with the words "of which."

Mr. KNOWLAND. That is correct.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. HAYDEN. Mr. President, let us adopt the committee amendment, changing $53,550,000 to $60,789,890, and then the Senator from California can offer his amendment.

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

The CHIEF CLERK. On page 50, line 23, strike out "$53,550,000" and insert "$60,789,890."

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I ask whether, when the bill goes to conference, that will be one amendment?

The PRESIDING OFFICER. That is correct.

Mr. HAYDEN. The amendment which the Senator from California desires to offer is a substantive provision, which would be parallel with the language which follows, in line 24—that of the sum appropriated a certain amount shall be used for the purposes he indicates. If the Senator will put at the end of his amendment the words "and of which," it will fit into the language properly.

Mr. KNOWLAND. I accept the modification as indicated.

The PRESIDING OFFICER. Without objection, the modification will be made.

Mr. MALONE. Mr. President, I am merely seeking information. The amendment of the Senator from California would restore the $100,000, which was formerly marked out by the Senate committee, to be taken out of this specific appropriation and to be used for surveys. Am I correct in my understanding of that?

Mr. KNOWLAND. The Senator is correct.

Mr. HAYDEN. It does not relate to the construction of any steam plant.

Mr. KNOWLAND. No; the amendment deals with the $100,000 survey money, to which the junior Senator from Nevada has been devoting himself, plus the construction work on the west-side transmission lines.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from California to the committee amendment.

The CHIEF CLERK. In the committee amendment, on page 50, line 24, after the word "which", it is proposed to insert the following: "not to exceed $. 00,000 is for the making of examinations and surveys of power facilities, and not to exceed $2,000,000 is for the construction of the Shasta-Tracy (west side) transmission lines Nos. 1 and 2, and of which."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment.

Mr. HAYDEN. Is the Senator putting the amendment after the word "which"?

Mr. KNOWLAND. Yes; after the words "of which."

Mr. HAYDEN. Very well.

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

Mr. KNOWLAND. I yield.

Mr. MALONE. The language of the report, No. 661, of the committee, found on page 13, would have no force or effect, as I understand the situation, as of this time. I am not very clear about it. I shall read the language of the committee report in order to be sure:

The decision not to recommend the construction of other transmission lines, the steam plant, and other electric facilities is based upon the assumption that the Pacific Gas & Electric Co. will negotiate a contract with the Secretary of the Interior in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

The committee directs that the Commissioner of Reclamation report to the Senate and House Appropriations Committees by January 1, 1950, on progress made on entering into such a contract with the Pacific Gas & Electric Co.

Mr. President, I understand that language of the committee report is entirely disregarded.

Mr. HAYDEN. Of course, if the action of the Senate does not approve the recommendation of the committee, the action of the Senate stands.

Mr. MALONE. I thank the Senator.

Mr. KNOWLAND. Mr. President, the west side line has been a part of the Central Valley project since its inception. I happened to serve as a member of the California Legislature in 1933, when the original Central Valley Act was passed. It was for a multiple-purpose development, which not only deals with flood control and reclamation and power generation and transmission, but also with salinity control and navigation.

I call the attention of the Senate to the report of the Committee on Appropriations, in connection with the Interior Department appropriation for the fiscal year 1949, which was last year. At page 6 of the report appears the following language, under the heading "Central Valley":

The committee recognizes that the Central Valley project has since its inception contemplated the construction of transmission lines down the west side of the Sacramento River as well as down the east side from Shasta Dam to the Tracy pumping plant, which lines are an integral part of this multiple-purpose project.

We started the west side line development by the construction of a line from Shasta Dam to the Shasta power plant. This will be a continuation of that line from there on down toward the Tracy pumping plant.

Mr. President, this not only has the support of both of the United States Senators from California; it has, in my judgment, the overwhelming support of the Members of the House. It has the support of the Governor of the State of California. As we do not ask for any increase in the committee amount, I hope the Senate will approve the amendment.

Mr. DOWNEY. Mr. President, I wish to associate myself with the remarks made by the junior Senator from California and by the junior Senator from Nevada, and to express the urgent hope that the proposed amendment be adopted. I hope it may be adopted by oral vote, since there seems to be no opposition to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from California.

The amendment to the amendment was agreed to.

The PRESIDING OFFCER. The question now recurs on agreeing to the committee amendment, as amended.

Mr. HAYDEN. Mr. President, I ask that the three amendments just agreed to at the bottom of page 51 be numbered separately. That will clarify the matter.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

Mr. DOWNEY. Mr. President, I desire to make a very brief statement on the Cachuma project at Santa Barbara, Calif.

Yesterday one of the items which came before the Senate in its consideration of the pending appropriation bill involved the Cachuma project, in Santa Barbara, Calif. The House of Representatives made an appropriation of several million dollars for this project, but the Senate committee struck out the appropriation because, as I think is admitted, the people of Santa Barbara and the area involved have not yet, by an election, expressed their desire for the project.

Yesterday the committee amendment eliminating the House appropriation was adopted by the Senate. However, it is the desire of the Senators from California that this issue be again reviewed by the conferees of the House and Senate. In view of the fact that entirely comprehensive and proper statements were made by the Senator from Arizona, the junior Senator from California, and the senior Senator from Oregon, I shall not enlarge upon the situation further than to say that, in my opinion, the water condition at Santa Barbara is so critical that it might easily reach the point of a catastrophe. We are not seeking any change in the Senate amendment. We are urging that proper language be inserted in the conference report by virtue of which the appropriation may be made as a part of this bill and made immediately available for the Santa Barbara people if, and whenever, by proper election, they approve the expenditure of the money and the proper contract therefor.

The people of Santa Barbara will be holding an election in the near future. We are quite confident they will approve this proposed project. If the House conferees can assist the people of the State of California by working out a provision that as soon as the election takes place, if it is favorable, the money will be available on Reclamation Bureau projects, it will be of very great assistance to the people of the State of California. I cannot exaggerate too greatly the critical condition in Santa Barbara. A matter of a few months might be the difference between safety and great danger and hazard to Santa Barabara.

Mr. President, I may say to the distinguished senior Senator from Arizona that we know how sympathetic and great is his concern for all projects, wherever located in the West. We know we are in most excellent hands with him and with the distinguished Senator from Tennessee [Mr. McKELLAR], the Chairman of the committee.

So, Mr. President, without any further statement, I should like to have printed in the RECORD as a part of my remarks certain data relative to the subject which I have been discussing.

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

CACHUMA PROJECT, SANTA BARBARA COUNTY

This is an approved project based on a report of the Department of the Interior, Bureau of Reclamation. This report has the approval of the Corps of Engineers, United States Army, the Department of Public Works of the State of California, and of Governor Warren of California. The project was authorized by the Eightieth Congress (House Doc. No. 587) which provided an initial appropriation to place the project in the construction stage.

This project was originated at the request of the Board of Supervisors of Santa Barbara County in 1941 and not by the Bureau of Reclamation. Prior to the time the Bureau of Reclamation was asked to make this survey, the Board of Supervisors of Santa Barbara County had had its water problem investigated by a private engineering firm (Leeds, Hill, Barnard, & Jewett). The gist of this firm's report coincided with the findings of the Bureau of Reclamation. Hence, the proposed project is the result of the far-sighted vision of the people of Santa Barbara County themselves who long ago foresaw a future water shortage. All engineering data with reference to this project indicate an impending water crisis and point to only one solution—the construction of a dam on the Santa Ynez River, together with the appurtenant works which consist of a diversion tunnel and necessary conduits.

Therefore, the only problem presented is whether or not to appropriate money at this time for the construction of a project which Congress has already found to be necessary and feasible.

The Bureau of Reclamation and the other engineers who investigated the problem and, likewise, the elected officials of the people affected have advised us that Santa Barbara County is faced with an emergency situation which would be disastrous to more than 65,000 people who would receive irrigation and municipal water from the project.

The water supply last summer was so deficient that rationing of water was imposed and criminal penalties were levied for any violation of rationing regulations. At the present time this area is again on the verge of rationing but is striving in every possible way to delay such a step.

A temporary alleviation of this dire water shortage was provided by wells drilled by the city of Santa Barbara. These wells tapped a supply of doubtful quality. The geologists retained by the city of Santa Barbara reported that the underground water supply tapped by these wells must be classified as an emergency supply only and could not indefinitely supply the needs of the people of the city of Santa Barbara. An investigation conducted by the United States Geological Survey proved that the underground water supply of the entire area was being seriously overdrawn and could not last.

The shortage has become so critical that the city of Santa Barbara recently had to put into operation a well whose water is laden with sulfur. The well was drilled early this year, but because of the sulfur content it was not used. Now, despite the fact it will contaminate the city water supply, it has had to be opened.

No one can predict when the city's wells will cease producing or will become so brackish as to be unfit for human consumption. One well has been curtailed due to excessive salt content; one well has been sharply curtailed due to sulfur content; one well, as I have just pointed out, has been forced into production despite its extremely high sulfur content; one well was shut down completely due to algae in the water. This last well is again producing, but on a limited basis. The reduction of water produced from the wells has compelled the city of Santa Barbara to draw from Gibraltar Reservoir to a dangerous extent. There is now only an estimated 40-day supply of water in the reservoir. If this is drained below a certain level, which it might well reach due to critical domestic uses, the city will face a severe fire hazard, perhaps even a refusal by many underwriters to write additional insurance.

The water for irrigating the 13,000 acres now under irrigation in the coastal areas has been depleted to such an extent that many of the wells have gone dry and the salt content of many others is dangerously high and detrimental to horticultural growth. Once this saline content has reached a certain stage it would take years to overcome the damage which would be done agricultural lands in the area. Furthermore, a well which has once gone to salt is ruined forever.

The regents of the University of California have planned to enlarge and make permanent a branch of the University of California at Goleta, near Santa Barbara, to accommodate over 6,000 students. The fact that the regents have decided to abandon these plans unless an adequate water supply is provided for the area is illustrative of the seriousness of the situation.

If California has a drought this winter, as in past winters, the people in this area will be faced with a situation where there will be inadequate fresh water for drinking and

sanitary purposes and the agricultural lands will be irreparably damaged.

By appropriating money at the present time, subject to the ratification of the project by a vote of the people, two things will be accomplished:

1. A fresh-water supply of an emergency character will be tapped by the Tecolote tunnel, the first work which would be constructed with the funds appropriated by Congress. The sandstone in the mountains of this area contains a limited, but highly valuable, supply of water which would augment other supplies and would materially help to tide the people over an emergency situation. It is this sandstone formation which would be tapped by the Tecolote tunnel.

2. The appropriation at this time will advance completion of the project by 1 year, thus alleviating the emergency situation facing people of this area.

If the Congress does not provide funds so that construction of the Cachuma project can proceed as soon as the necessary contracts for the sale of water have been ratified by the voters of the water districts, it may have to accept an important part of the responsibility for an emergency situation which would result from a continued dry season.

Almost all of the opposition to the Cachuma project has come from one wealthy ranch owner who has gone so far as to send misleading statements to several Senators in his effort to defeat a project on which the future of some 65,000 people in Santa Barbara County depends. The elected officials of the city and county of Santa Barbara have repeatedly had to clarify the situation to the Congress due to some of his statements.

The clearest evidence of the need for any project such as the one now under consideration is the testimony of the elected officials, both State and local, who are responsible to the people to be served by the project. The following is the text of a telegram from the Honorable Earl Warren, Governor of California:

SACRAMENTO, CALIF., *July 26, 1949.*

Hon. SHERIDAN DOWNEY,
Senate Office Building:

Have wired Senator HAYDEN as follows: "I am advised that there is danger that no funds will be appropriated for continuing the Cachuma unit, Santa Barbara County project, in the Interior appropriations bill now before the Congress. The situation in the southern portion of Santa Barbara County is most critical with reference both to municipal and irrigation water. This area of California is in urgent need of funds to proceed immediately with the Cachuma project, including Cachuma Dam and Tecolote tunnel. If funds could be made available in the pending appropriations bill contingent on a favorable election by the people of th's area, the work could be started this fall on Tecolote tunnel, thereby assuring an emergency supply of water at an early date. If California should suffer a drought this winter and Tecolote tunnel had not been started, disaster would most assuredly face this area. May I sincerely ask on behalf of the people of this section of my State your favorable consideration of their request for immediate funds for the Cachuma project?"

EARL WARREN,
Governor.

The following telegram from T. M. Storke, editor and publisher of the Santa Barbara News-Press, is an emphatic declaration of the need for this project from an outstanding citizen of the community who is in a specially favorable position to judge the sentiment of the local people:

SANTA BARBARA, CALIF., *July 25, 1949.*

The Honorable SHERIDAN DOWNEY,
Senate Office Building:

Strongly urge restoration appropriation for Cachuma unit, Santa Barbara water project. This project, which will assure Santa Barbara and nearby district adequate water supply, is imperative to continued life of community. Santa Barbara News-Press, oldest newspaper in southern California, which has served this community 87 years, and of which I have been editor and publisher for 49 years, is in position to judge sentiment of the people, which is overwhelmingly in favor of completion this project without delay.

T. M. STORKE,
Editor and Publisher, Santa Barbara News-Press.

Also included is a clipping from the Santa Barbara News-Press of August 12, 1949, with reference to the low quality of water obtained by the city from a well brought into production this year; also a telegram from the Honorable Norris Montgomery, mayor of Santa Barbara, which clearly states the situation regarding negotiations between the local water districts and the Bureau of Reclamation and again provides assurances that contracts will not be executed until the contract has been submitted to the voters.

[From the Santa Barbara (Calif.) News-Press of August 12, 1949]

ORTEGA WATER TO BE USED DESPITE SULFUR CONTENT

Regardless of its sulfur content, the water in the Ortega well must be used during the city's water crisis. The city council decided this yesterday when it called for bids for installation of a pump in the well.

This step illustrates the serious condition of the city's water supply, according to Water Superintendent C. M. Pinkham. It was necessary because of the extremely low level of Gibraltar Reservoir and the heavy summer draft on all of the city's water sources.

Emergency wells have not been able to keep abreast of water use. It has been necessary to draw water from Gibraltar to supplement the yield from the wells, Pinkham said.

However, the level of Gibraltar has sunk to an extremely low level and Pinkham is recommending use of water from the Ortega well in spite of its relatively high sulfur content.

If the city had no emergency source of water and had to depend only upon Gibraltar, it would have water for only about 40 days, Pinkham said.

The city is using approximately 8,000,000 gallons of water per day. Metered consumption in July of this year was almost 171,000,000 gallons, or considerably less than was used in the same month 2 years ago—more than 211,000,000 gallons. This is accounted for in the higher price of water now than 2 years ago. Pinkham said he believes. Last year, during water rationing, metered consumption in July was slightly more than 139,000,000 gallons.

Water used by the park department is not metered. Neither are some minor uses, such as water for fire fighting or that taken by building contractors from fire hydrants.

There were 12,206 connections in the city's water-distribution system on July 31 this year. That compares with 11,006 on the same date 2 years ago.

Pinkham said he believes the city's emergency wells are being pumped as heavily as good judgment permits. "They seem to be holding up well under present pumping rates. We think it would be foolhardy to pump them any harder. We don't think it would be advisable to take a chance on that scare and increase the draft," he said.

NEVER USED

The emergency well in Ortega Park was completed early in April of this year. It was never used, however, because of the high sulfur content of the water.

"When pumped at the rate of 1,200 gallons per minute, the well yielded mud and sand, as well as sulfur. When pumped at only 350 gallons per minute there was no mud or sand and approximately 25 percent less sulfur in the water," he said tests showed.

Pinkham recalled that after the tests it was decided not to use the well until water was more badly needed than it was at that time. "That time has apparently arrived now," he said.

Attempts will be made to remove some of the sulfur in the water by running it through the De la Guerra booster station. There it will be superchlorinated and dechlorinated.

Total estimated cost to complete the Ortega well installation is $7,000.

SANTA BARBARA, CALIF., *August 24, 1949.*

Senator SHERIDAN DOWNEY,
Senate Office Building:

Boards of all water districts participating in Cachuma program have passed resolutions providing that contracts will not be executed until program has been submitted to the voters of the districts and approved by them. All district boards have been ready to call election for many months. Setting of date for elections has been delayed because of technicalities raised by United States Reclamation Bureau and State authorities in negotiation of master contract. This master contract in final draft arrived this week. District boards are scheduled to act on it Monday. This will open way for immediate setting of elections. I believe that failure of Congress to include appropriation in this year's bill, because of this delay in setting election date, for which local boards are in no way responsible, will jeopardize efforts to provide Santa Barbara area with adequate water supply, which it so urgently needs and which is matter of life or death to this community.

NORRIS MONTGOMERY,
Mayor of Santa Barbara.

The PRESIDING OFFICER. The clerk will state the next amendment passed over.

The next amendment passed over was, on page 51, line 14, after the name "Colorado", to strike out "$18,275,000" and insert "$20,172,750."

Mr. MURRAY. Mr. President, I have an amendment on the desk which I should like to call up.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Montana.

The CHIEF CLERK. In the committee amendment, on page 51, lines 14 and 15, it is proposed to insert a comma after "$20,172,750," and to add the words "including funds for construction of the Brighton, Valmont, Flatiron, Fort Collins, Greeley Tap, and the Estes-Valmont transmission lines."

Mr. MURRAY. Mr. President, I urge the Senate to approve this amendment. It involves a very important and a very unique project. It is of great importance to the people in that area, which is largely an agricultural area. This project would capture the water on the western slopes of the mountains and carry it through tunnels and deliver it where it is greatly needed. The money is required to construct a transmission line which interconnects with the power plant and supplies water to municipalities and to the REA in that area. I think it is very important. Without any further discussion, I submit it to the Senate. I reserve the remainder of my time in case there be any objection.

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. What is the parliamentary situation?

The PRESIDING OFFICER. There is a committee amendment before the Senate, and an amendment offered by the Senator from Montana.

Mr. MILLIKIN. Are we voting upon the amendments as they come up?

The PRESIDING OFFICER. The amendment has just been submitted by the Senator from Montana.

Mr. MILLIKIN. Mr. President, I should like to make a few remarks on the subject. As nearly as I can figure from the data given to me, there will not be any Big Thompson power to serve the line which the Senator from Montana has mentioned until late in 1951 or possibly in 1952. So that we are not confronted with an amendment which will serve to expedite the generation of power. The distances covered by the lines are short. Either or both of them could be built in a few months, long before the power is ready. The basic question, of course, is who should build the lines. The Public Service Co. of Colorado has offered to build a line from Estes Park to Valmont. At Valmont is located one of its great steam generating plants.

As to the other line mentioned, it is a line which, in rough, duplicates existing lines of the public-service company. That company has offered to take all the power from the Big Thompson project which would serve the lines mentioned by the distinguished Senator from Montana. It has offered to wheel that power to preference customers, municipalities, and REA's, for a wheeling charge of one and a quarter mills. I am not technically qualified to say whether that is a fair rate. It seems to me, in the light of what power consumers pay for power, it probably is a fair rate. In any event, this whole arrangement, whatever contract the Public Service Co. of Colorado may make with the Department of the Interior, so far as taking power at the bus bar is concerned, and whatever contracts it may make as to wheeling charges, will be subject to two or three vetoes. If the offered contracts as to prices to be paid for power at the bus bar or as to wheeling charges or other features are not fair they will be subject to the veto of the Secretary of the Interior, the Senate Appropriations Committee, and the Senate of the United States.

In view of the fact that the company is willing to negotiate what it believes to be a fair arrangement, and in view of the fact that there is time to negotiate without any harm to anyone, I believe we can let our final decision on this matter go over until next year.

The committee report suggested that by the first of the year a contract should be made along the lines of the Texas contract. I have skimmed the Texas contract. It may not be applicable in detail to the particular situation we are discussing. As I interpret the Texas contract, so far as the particular question before the Senate is concerned, it merely says, "Here you have Government power, and the necessity for disposing of Government power. Here you have existing private transmission lines. Integrate your business. Get together, if you can, on a fair basis of cooperation."

I am heartily in favor of that principle, and I assume that that was what was in the mind of the Committee on Appropriations when it suggested that a contract along the lines of the Texas contract should be attempted to be negotiated.

I should like to say a few words about my own philosophy in these power matters. I believe, first of all, that we cannot allow any situation to develop anywhere which will bottle up the Government power which will be generated and is being generated at the dams which we have built and which we are going to build through the West and at other places. Secondly, I do not believe that that power should be used for unfair competition with existing private enterprise. I think we always have it within our power—the Secretary of the Interior, the Appropriations Committees, the Senate itself—to see that the arrangements are fair. And if fair arrangements are not offered we can always build public transmission lines.

Let me illustrate, so far as my personal vote is concerned, how these principles have been applied. I have been an ardent supporter of appropriations for a number of REA lines in Colorado. There the private utilities did not enter the fields to be served. If they will not enter fields which should be served, then they might as well face the fact that the Government will enter those fields. They did not enter those fields. They did not serve those fields. Those fields needed service. REA served them, and I have been glad to appear before the Committee on Appropriations to urge appropriations for those lines.

We had a situation—and it is covered by the pending bill—over on the western slope of Colorado concerning the so-called Oak Creek line. A private utility company is in that area. The Senators from Colorado received complaint after complaint that the service was inadequate. Personally I have let it be known again and again in the years past that if they did not adequately serve their community, give fair service at fair prices, I would be advocating a Government line, and this year I appeared before the Committee on Appropriations and asked for an appropriation, and the appropriation is in the pending bill.

We had a similar situation at Gunnison, over on the western slope. It is in a sort of no man's land so far as power is concerned. The town is a small town, which has bonded itself as much as it can. It was in sore need of power, and the same situation was true as to an REA which is near the town of Gunnison.

The Western Colorado Power Co. of Colorado did not get in there. The need for the power was there. Representatives of the town of Gunnison and of the REA came here and asked the Committee on Appropriations for an appropriation for a public power transmission line, and I was glad to support the request.

After the matter had been presented to the Committee on Appropriations, the Western Colorado Power Co. made an offer to the REA, to the town of Gunnison, and to the C. F. & I. Co., with regard to the power needs for a mining company which would be along the line. The offer, I understand, was acceptable to the REA. It was acceptable to the C. F. & I., but at the time the proposition was before the Committee on Appropriations, it had not been made acceptable to the city. So I was glad to urge a token appropriation so as not to leave the town of Gunnison helpless in the bargaining to follow. Personally, I hope the town of Gunnison can make a satisfactory deal with the private power company.

The end point is that we are going to sell the power we generate on these public projects. The end point, as I see it, is that we should integrate and coordinate the sale of that power with existing utilities, where they give adequate service at a fair rate.

I repeat, so far as the particular project under discussion is concerned, the utility company has agreed to buy all the power. We have no question there of any utility being in position to bottle up the power we generate. The Public Service Co. has agreed to buy all the power. It will take it into its own system. It will firm it up with its own steam plants. It will wheel it to the municipalities and to the REA organizations which want service. It will wheel it at an agreed-upon wheeling charge. We do not have the complications in this simple problem before us which have existed in other situations.

I wish to say, further, that there have been questions, as is the case everywhere, arising out of quarrels between the utility companies and municipalities which have their own municipally owned power. Some of the differences have become very bitter. I have heard the charge of bad faith, that we could not depend on what the companies tell us. It is charged they will say they are going to build a line from Estes Park to Valmont; but will they? They say they are going to supply these municipalities, and the REA and the preferential customers, but will they?

The answer to that question is simple, so far as I am concerned. If they do not, they will have Government power in there, and if I happen to be a Member of this body, I will be voting for it. It is just that simple. So far as I am concerned there will be no breach of faith in the case of any of these promises or in any of these assurances. The companies will either keep their promises, they will serve the people at fair rates, they will do it in timely fashion, they will do it adequately, or there will be public power in there, and I will be voting for it. It is just that simple.

Mr. President, I am not worried at all about these things being done. I think the Public Service Co. of Colorado, if it has a grain of sense in its head, by the first of the year will have offered con-

tracts so fair that no one could challenge them. If they do not, it will be too bad. They will be opening up a hornet's nest of trouble for themselves, and I think they realize it, and I think everybody else realizes it.

Mr. President, we have the simple question of whether we should build a line from a Government-owned power-generating plant to a power-generating plant of Public Service Co. of Colorado, which the company agrees to build on its own account. Imagine the absurdity of our building a transmission line for a privately owned utility company that is willing to build its own line to the source of power. That is what one of the lines concerns. That is the Estes-Valmont line.

The other line, as I said before, duplicates existing facilities. I have heard it said that those existing facilities are not adequate. If they are not adequate, they will be made adequate rapidly, or I will be here urging a public line. It is just that simple.

Mr. President, I reserve the remainder of my time. I do not know that I care to say more at the moment.

Mr. MURRAY. Mr. President, I appreciate the remarks made by the able Senator from Colorado, but my understanding of the situation is that while there is a line there, it is inadequate, and a new line must be built. I understand that the Public Service Co. offers to build that line and charge one and a quarter mills per kilowatt-hour for wheeling the power. When that cost is figured out, it is found that it will result in an annual additional cost to the preferred customers or the Bureau of $95,000. It is my understanding that when that point was raised the Public Service Co. suggested that that charge should be borne by the Bureau instead of by the preferred customers.

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

Mr. MURRAY. I yield.

Mr. MILLIKIN. As I read the testimony, the Public Service Co. quite correctly said, "Assuming that the wheeling charge is a fair one, we are indifferent who pays it. If the preferred customer does not wish to pay it, it is agreeable for the Bureau to pay it."

The basic question, as I suggest, is whether the charge is fair. I am inclined to believe it is, but frankly I am not qualified to say. There will, however, be plenty of time to ransack all those questions before the question of surplus power at the bus-bar develops. We will not have any power there until the end of 1951 or some time in 1952. In the meantime, the Public Service Co. will either succeed in making contracts which will be satisfactory to the Secretary of the Interior, to the Appropriations Committee, and to the Senate, or there will be public power transmission lines.

Mr. MURRAY. It is not necessary that work be commenced on the project immediately after the appropriation is made. If the Public Service Co. of Colorado could then get in contact with the Bureau and enter into an agreement, it would not be necessary to begin the work. But I believe the lines should be constructed in order to have them available when the power becomes available. It seems to me construction should be begun, without unreasonable delay in order to accomplish that purpose.

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

Mr. MURRAY. I yield.

Mr. MILLIKIN. The junior Senator from Colorado wants that power connected up as soon as it is developed. He wants it to be put to good use as soon as it is developed. As I said at the outset of my remarks, the distances are short. The lines can be built in a few months, and we have a couple of years ahead of us. There is no use making these large appropriations for lines long before they can be used. The point, it seems to me, is to give an opportunity to work out a simple wheeling system, unattended by the complications that have been in many of the other pictures which have come before us. As I said to the Senator before, if fair arrangements can not be entered into, then, if I am around here the Senator will find me supporting public power transmission lines.

Mr. MURRAY. Mr. President, all I wish to say in response to that statement by the able Senator from Colorado is that if the appropriation is made it then puts the bureau in a better position to negotiate this matter and enter into an agreement to have the line constructed. Already the only offer that has been made by the Public Service Co. has been a wheeling charge of 1¼ mills. That is regarded as an excessive charge, and will saddle an additional burden on the preferred customers of $95,000 annually. That would not be a fair or reasonable charge.

The only other offer made by the Public Service Co. was to have the Bureau of Reclamation carry that burden. If the appropriation is made, if funds are available, and then negotiations are carried on, and an agreement is reached upon the matter, the time can then be provided very well. It seems to me nothing can be lost, however, by making the appropriation and having the money available for the purpose of constructing these lines so as to have the lines ready to deliver the power, because there is a great and immediate need for it, as I understand. I understand that many communities and municipalities and many REA's are waiting for the power, and are deprived of it now. Therefore I think we should act on this matter now, and give both parties an opportunity to negotiate an agreement later on.

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

Mr. MURRAY. I yield.

Mr. MILLIKIN. Let us assume there is a shortage of power. That is something which is in sharp issue, but for the purpose of discussion, let us assume the power cannot be obtained until the generators are in operation on the Big Thompson project, and that will not be until some time late in 1951 or in 1952. So no one is being deprived of power which they can get at the Big Thompson at the present moment, or for some time to come. So far as the charges are concerned, they go against the project. There is no free ride in here for anyone. To the extent that someone has to pay the carrying charge there is that much less charge on the project.

Mr. MURRAY. I submit the matter, Mr. President.

The PRESIDING OFFICER. Does the Senator from Montana yield the floor?

Mr. MURRAY. Yes.

Mr. JOHNSON of Colorado. Mr. President, in spite of the many papers which I have before me, I shall take but a very few moments to discuss the proposal which is before us at the present time, the amendment offered by the senior Senator from Montana to the pending bill (H. R. 3838). We are discussing the Colorado-Big Thompson irrigation project. I find myself in a position about halfway between my colleague, the junior Senator from Colorado [Mr. MILLIKIN], and the Senator from Montana [Mr. MURRAY]. I am going to propose a compromise. As with all compromises, no one is going to be pleased. If that should be the case, it would make me think it was a good compromise. When everyone is pleased on one side or the other, a good job is really not being done. So I am sure the compromise is not going to please everyone.

I want first to say, however, I am in complete agreement with my colleague in his statement that where the private power company has had an opportunity to build a line, and for whatever cause, has failed to build it, when the power is available and the people are ready to be served, then the Government is forced to build the line. I am in complete agreement with his position with respect to that matter.

Returning to the proposal under discussion, I do not know whether Senators can see the map at my left, but my proposal is that the amendment of the Senator from Montana be modified so that the transmission lines to be built will include the lines shown on the map, from Flatiron, by way of Longmont and Valmont to Brighton; that the segment from Estes Park to Valmont be not approved; and that the segment from Flatiron by way of Fort Collins to a point on the Reclamation Bureau's transmission lines to the north be not included; so that the lines which I am indicating on the map would be eliminated. The line from the power station of the Reclamation Bureau would be built to Brighton. At Brighton there are a great many reclamation projects which will receive power and service at the end of that line. I know that next year, if the line from Flatiron to Brighton is now built, we shall next year be called upon to build the line from Brighton to Brush, as indicated on the map. There is no argument made by anyone, so far as I know, that there should not be a duplicate line built from Greeley to Brush, because Brush is going to be more or less a center of distribution, and there should be more than one line between Greeley and Brush. The Public Service Company, I think, agrees with that, and everyone who has studied

the matter agrees with it. The only question is whether it shall be built, as indicated on the map, about 3 miles from this line, or whether it shall be built in such a direction that it will serve reclamation or REA projects in this area where there is considerable pumping and where there are REA projects all along the route. That is the only question. But that is something we are not considering today. If my proposal is approved, next year we shall have an application to build a Big Thompson line from Brighton to Brush, along the points I am indicating on the map.

A few days ago I took the matter up with the Reclamation Bureau. I asked this question: "If you could not comply with all the requests made to the Appropriations Committee, which would you deem the most important?"

The Bureau indicated that the most important was the line which I have shown from Flatiron by way of Longmont and Valmont to Brighton. The following is the Bureau's language:

In the Senate committee report on the fiscal year 1950 appropriation bill for the Department of the Interior, it recommended disallowance of an item of $661,000 for the Brighton-Valmont (Leynor)-Flatiron-Fort Collins-Greeley Tap 115-kilovolt transmission line, and also an item of $108,000 for the Estes-Valmont transmission line.

The first-mentioned line can be divided into two parts: One from Brighton to Flatiron and the other from Flatiron to Greeley Tap.

They have divided it up into two parts. The part from Estes to Valmont is independent. The authorization in the report shows that it is independent, because $108,000 is set aside for that segment and $661,000 for the rest of the segments.

The line from Brighton to Flatiron is the most important to the Bureau of the lines disallowed.

The Bureau considers it essential that within 3 years a second circuit be constructed to Brush, Colo. The loads in that area have grown so rapidly that the present single circuit now extending to Brush will be inadequate to supply the requirements after 3 years. The area traversed by the existing line is particularly susceptible to bad ice storms and also subject at times to severe lightning. From an operation standpoint, it is very desirable that the two circuits proposed to run to Brush have a geographic separation of some distance to reduce the chance that both circuits may be involved at one time in damage from storms. The Bureau has, therefore, proposed to run this second line from Brighton to Brush. This will not only secure the desired physical separation, but as indicated on page 2588 of the Senate hearings, the cost to the United States will be nearly $100,000 annually less than the plan suggested by the Public Service Co. of Colorado. The Bureau proposes in its 1951 budget to seek funds for the Brighton-to-Brush line.

I repeat, Mr. President, that the line from Brighton to Flatiron is the most important, to the Bureau, of the lines disallowed. That is the burden of what I am trying to say to the Senate. I ask unanimous consent that the remainder of the Bureau's statement be printed in the RECORD at this point.

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

The Flatiron-Greeley Tap section of line is proposed to strengthen the connection with the power sources in Wyoming and, incidentally, to be so located that Fort Collins can ultimately secure service from the line. This line should be constructed at an early date, but it is not so urgent as the line to Brighton.

The Estes-Valmont transmission line will be required to provide capacity needed to take out the energy which is generated from the power plants on the east slope of the Rocky Mountains. About 150,000 kilowatts will be installed in these plants and ultimately not less than three lines must be constructed to carry this much capacity. This line should properly be constructed by the Bureau of Reclamation since it will be an important link in the backbone of the transmission system, and for full flexibility in connection with operation and maintenance, should be completely under the control of the Bureau at all times. If the line was constructed by the Public Service Co., not only would a large portion of the plant output be confined to sale at the power plant bus bar, but a very large degree of control by the Bureau in coordinating its transmission line operation so as to get the most out of its hydro developments in both Wyoming and Colorado would be lost.

The line traverses rough, mountainous country with no present or probable requirement for a costly substation which would be required to serve any potential customers along the way. It is considered by the Bureau to form primarily the needed strong transmission line tie to connect with its other proposed line south of Longmont, and incidentally, to provide a means for delivering power to the Public Service Co. of Colorado.

For informational purposes there is attached a map which has been marked in colors to indicate the physical relations between these various lines.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the reply from the Public Service Co. of Colorado to the Bureau's arguments may be printed in the RECORD at this point. The company, of course, does not agree with my argument or with the arguments of the Bureau with respect to this particular line.

There being no objection, the reply of the Public Service Co. of Colorado was ordered to be printed in the RECORD, as follows:

COMMENTS ON BUREAU OF RECLAMATION STATEMENT WITH REFERENCE TO SENATE REPORT ON THE 1950 APPROPRIATION BILL

With reference to the most recent statement of the Bureau of Reclamation by Mr. McPhail attempting to justify Bureau transmission lines in northern Colorado, I wish to point out that this statement presents no new arguments that have not heretofore been presented and answered fully by us. The comments prepared by this company under date of June 22, 1949, completely refuted the Bureau's prepared statement which was filed by Mr. McPhail with the Senate subcommittee during its June hearings on the Interior Department appropriation bill and apply with equal force to this newest statement of Mr. McPhail.

In the most recent statement Mr. McPhail said, "The area traversed by the existing line (Greeley-Brush) is particularly susceptible to bad ice storms." Operating records of various utilities in this area indicate that there have been some ice storms in northeastern Colorado. These records, however, indicate that the area to the south of the present line and through which the proposed line would be built is at a higher elevation than the present line which runs more or less down the Platte River Valley and, therefore, is more subject to ice conditions than the route of the present line. Our own experience is that large conductor, high-voltage transmission lines when built to the heavy loading standards of the national electric safety code are not likely to suffer much damage from these storms. The answer to the icing condition is one of the type of construction rather than moving into the proposed area which is even more susceptible to these conditions than the area now traversed. As to separation between circuits necessary to obtain a reasonable degree of continuity of service during lightning storms, experience indicates indicates that a separation of 2 or 3 miles between circuits is ample.

It is very interesting to note that in its previous plans the Bureau recognized this engineering fact and proposed that the second circuit extend from the Bureau switching station at Greeley to Brush parallel to to the existing circuit at some nominal distance of separation. This plan had considerable merit from the standpoint of patroling and maintenance. Only one glance at the map in the back of the folder prepared by the company is necessary to see what a devious route the Bureau is now proposing in extending the second circuit by way of Longmont, Valmont, and Brighton to get to Brush.

The plain fact in the case is that the Bureau's original plan, which contemplated the second parallel circuit from Greeley to Brush, also proposed a loop circuit in northern Colorado which exactly duplicated the company's existing transmission loop in this area. In order to try and secure some semblance of not duplicating the company's northern Colorado system, the Bureau then hit upon the plan of saying that this line to Longmont and Brighton was not a duplication of a portion of the company's loop, but was a part of a second circuit to Brush. An obvious weakness of this story is the fact that this line is also supposed to interconnect with the company at Valmont and supply power to the company at this point. On May 13, 1947, Mr. Avery A. Batson, regional director of region 7 of the Bureau, wrote to this company stating that in the year 1953 the Bureau expected to make available 90,000 kilowatts of firm capacity to this company at any time, including the hours of 7 a. m. to 11 p. m., and in addition 47,000 kilowatts of nonfirm on peak capacity. There can be no doubt that it was proposed to supply the vast majority of this power to the company at Valmont. That being the case, it is obvious that a second circuit extending from Flatiron to Longmont to Valmont to Brighton and thence to Brush would have all of its carrying capacity used up in supplying Longmont, Valmont, and Brighton, and would certainly have no appreciable capacity left to supply what the Bureau forecasts as a very large load in the Brush area. The only logical way to get power to Brush to meet the Bureau's expected load at that point is to follow their original plan with a direct line from Flatiron.

It is also interesting to note with respect to the Flatiron-Greeley Tap section of the proposed line, the Bureau themselves admit that the sale of power to Fort Collins is not imminent. Here again we see that the Bureau is designing their system along political lines rather than engineering lines. Sound engineering would indicate that the Bureau should proceed with its original proposal of two circuits from Flatiron to its Greeley switching station, and two circuits eastward from Greeley to Brush. The Bureau already

has in existence a substantial 115-kilovolt tie running north from the Greeley switching station to Cheyenne to interconnect with its Wyoming system. Other interconnections are under construction from Sterling northward to the Wyoming system.

The proposed company line from Valmont to Flatiron plus a double circuit from Flatiron to Brush with delivery points to the company system at Loveland and Greeley, as well as a western-slope delivery point at Dillon, will provide ample transmission capacity for the project.

The statement by the Bureau that the Estes-Valmont transmission line would be a part of its backbone transmission system is simply amazing. All previous conceptions of the Big Thompson system have indicated that its backbone transmission system was from Flatiron to Greeley to Brush and from Greeley to Cheyenne. How could a Valmont-Estes Park or Valmont-Flatiron line be anything but an outlet to the Public Service Co. system? That's the sole purpose of such a line.

Its statement that the operation and maintenance of this line should be completely under the control of the Bureau at all times is hard to understand. The Public Service Co. has the organization to properly operate and maintain this line and all the Bureau need do is to effectuate delivery at the project itself and have no concern for delivery at Valmont.

Certainly the taxpayers and the water users would be better off if the company were to construct, operate and maintain this line. The company does not stand to profit by the construction of this line because, if it is able to buy power at a lower rate, it is publicly committed to pass on any savings to its consumers under the supervision of the local regulatory authorities.

J. E. LOISEAU.

AUGUST 1, 1949.

Mr. JOHNSON of Colorado. Mr. President, I desire to read into the RECORD a telegram from J. E. Loiseau, President of the Public Service Co. of Colorado. It is as follows:

DENVER, COLO., *Aug. 22, 1949*

Hon. EDWIN C. JOHNSON,
The United States Senate,
Senate Office Building, Washington, D. C.

Have just wired members of subcommittee on Interior of appropriations as follows: "Supplementing my testimony before your committee, we stand ready to negotiate contract with Secretary of Interior on Big Thompson power on the basic principles found in contract between Southwestern Power Administration and Texas Power & Light Co., as set forth on page 14 of committee report. This proposal of committee exemplifies type of cooperation that is highly essential.—J. E. Loiseau."

J. E. LOISEAU,
President, Public Service Co. of Colorado.

Mr. JOHNSON of Colorado. Mr. President, I should like to ask the Senator from Montana [Mr. MURRAY] if he will modify his amendment so that it will read:

"including funds for the construction of the Brighton to Flat Iron transmission line," striking out "Valmont-Fort Collins-Greeley tap and the Estes-Valmont transmission line."

Mr. MURRAY. I will accept the suggestion of the Senator from Colorado.

The VICE PRESIDENT. The Senator from Montana modifies his amendment accordingly.

The question is on agreeing to the modified amendment to the committee amendment.

The modified amendment to the amendment was agreed to.

The amendment as amended was agreed to.

STATE-OWNED INDUSTRIES IN NORTH DAKOTA

Mr. LANGER. Mr. President, a few days ago during the debate on the Kem amendment to the ECA appropriation bill, which amendment was adopted, the question came up as to whether State-owned industries, which some Senators might possibly denominate as being on the verge of socialism, have paid for themselves in the State of North Dakota. At that time I did not have the accurate figures, but I gave the Senate the approximate figures. I wrote to an official of North Dakota, and I have in my hand a telegram sent to me by Wallace E. Warner, attorney general of the State of North Dakota, which gives the present condition of the various State-owned industries. The telegram is dated August 23, and is as follows:

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.:

Capital structure Bank of North Dakota As of August 22, 1949, including original capital investment $2,000,000; undivided profits account $2,097,442.13; reserve for contingencies $740,216.89; reserve for bond depreciation $1,527,621.47; reserved for North Dakota veterans compensation bond sinking fund $1,000,000; making total capital account $7,365,280.49, with the last three reserves being built up by periodic transfers from the bank's undivided profits account. In addition to the $1,000,000 reserved for the veterans bond sinking fund, $500,000 was taken out of bank's undivided profits account on July 1, 1949, and paid over to State treasurer for credit to veterans bond sinking fund. Also during the late 1930's the bank used $1,229,241.92 of its undivided profits account to purchase North Dakota real estate series bonds on open market paying premiums for same of this amount and then turning them over to State treasurer at par for cancellation. Cancellations of these bonds at that time saved the State $5,322,832.14 of interest which these bonds would have drawn had they remained outstanding until their stated maturity dates. Also during the time the bank series bonds were outstanding the bank paid out of its undivided profits account to State treasurer $1,117,318.88 which was used by him to pay interest on the bank series bonds and some of the principal.

So much for the bank, Mr. President. I mention that because the distinguished junior Senator from Missouri stated one day upon the floor of the Senate that he understood these industries are not operated successfully, but that they had been a failure. As a matter of fact, the figures of the bank in North Dakota show that it has been an outstanding and tremendous success in behalf of the taxpayers of the State.

The telegram continues:

Mill and elevator reports for period July 1, 1948, to June 30, 1949, gross profits of $440,128.87. After deducting depreciation of $86,162.77 and reserve $18,977.30 there is a net earning of $334,988.80.

I might say that last year that amount was more than $568,000.

Mill reports cash balance of over $2,000,000 and has close to 1,500,000 bushels stored grains in its terminal. State hail insurance reports reserve as of December 31, 1948, $3,566,000. Fire, tornado fund reports assets as of July 31, 1949, of $2,503,071.64 Workmen's Compensation Bureau reports reserve as of June 30, 1948, of $8,802,465.61. Funds transferred for bonus are $500,000 from mill and elevator and $1,500,000 from Bank of North Dakota.

Regards,

WALLACE E. WARNER.
Attorney General.

Under the law these State-owned industries are operated by the governor, the attorney general, and the commissioner of agriculture and labor of our State. This is a complete answer to any Senator who may have doubt as to whether these industries have been a complete success.

I can understand that some Senator might get a contrary impression because of the fact that the State of North Dakota itself abolished the State-owned creamery. That was done 25 or 26 years ago. We established it and then found that it was not profitable and did not work. Therefore we ourselves abolished it. The same thing was true of the Home Building Association, under which the State of North Dakota engaged in the building of homes for people who applied for them. We found that that was not profitable. We found that it did not offer any criterion for judgment as to the cost of other houses. Therefore we abolished it.

In the matter of building homes, the State lost $333,000. That was a loss which the taxpayers had to make up. Aside from the Home Building Association and the State-operated creamery, the other State industries have been a great success.

ECONOMY IN GOVERNMENT

Mr. DONNELL. Mr. President, earlier in the day I quoted several excerpts from a very interesting statement presented on the floor of the Senate yesterday by the senior Senator from Virginia [Mr. BYRD]. One of the excerpts which I quoted reads as follows:

The committee still stands on this statement and, as the chairman of the committee, I want to express my gratification over the fact that the Secretary of Defense has undertaken this survey for reduction in civilian personnel. This has shown very conclusively that a surplus of employees does exist throughout the entire public service. I hope that other department heads will follow his example.

In the course of the presentation of this and other excerpts I omitted to read that part of the statement which constitutes the statement on which the Senator from Virginia says the committee still stands. The committee to which he refers is the Joint Committee on Reduction of Nonessential Federal Expenditures. So important do I consider this statement to which the Senator referred, namely, that on which the committee still stands, that I take this opportunity to read that statement, which is a very brief

sentence. It is as follows, as set forth in the statement of the Senator from Virginia:

Reports of the Joint Committee on Reduction of Nonessential Federal Expenditures repeatedly have shown that the number of civilian employees of the Federal Government could be reduced by 500,000 without impairment of Government efficiency.

I think the Senator from Virginia is entitled to the commendation of the Senate for so frequently calling to the attention of the United States not only the importance of economy but the practicability of economy. He pointed out in his statement yesterday that—

When Secretary Johnson came into office, he was confronted with the fantastic situation that the armed services employed 895,462 Federal civilian employees as compared to 1,642,790 men in uniform, giving a ratio of more than 1 civilian employee to 2 men in uniform.

Mr. President, it is not my intention to trespass unduly upon the time of the Senate this afternoon, but I believe that a few of the further remarks of the distinguished Senator from Virginia could very profitably be reemphasized. As I have indicated, these remarks were made in the statement which was ordered to be printed in the RECORD yesterday, and which was presented by the Senator from Virginia. Said he in that statement:

Our only hope for solvency is to perform the gigantic task the Federal Government has undertaken with efficiency and economy. This is particularly true with respect to our vast expenditures for national defense. This reduction in civilian employment by the armed services would save approximately $400,000,000 annually. In my judgment, several billion dollars additional could be saved by a thorough overhauling of the defense program, which I sincerely hope Secretary Johnson will undertake.

The warning which the Senator from Virginia gives us in the striking language that "our only hope for solvency is to perform the gigantic task the Federal Government has undertaken with efficiency and economy" is a warning which should not and must not be overlooked by the people of our Nation. Time was, even within the past few years, when it was considered that our Government was impregnable from the standpoint of national solvency. I hope that is still true. Yet this distinguished statesman, whose studies upon the question of the financial condition of our Government and whose observations with respect to the importance and practicability of economy have commanded the admiration of our people, warns us in this strong language unqualifiedly that our only hope for solvency is to perform this task with efficiency and economy.

The Senator from Virginia continues with his warning. He says:

It is ominous to every straight-thinking person that in this day of high prosperity in national income we are in a period of deficit spending. We ended fiscal year 1949 with a deficit of nearly $2,000,000,000. In the first 54 days of the current fiscal year the deficit already has reached $1,700,000,000, or an average of $30,000,000 per day, which means the Federal debt—already above a quarter of a trillion dollars—is increasing every day.

He continues with this language:

It is my sincere hope that this action by Secretary Johnson indicates an appreciation, on the part of the administration of the fiscal dangers which confront our country and the risk of insolvency which we face unless a policy of efficiency and retrenchment is substituted for the waste and extravagance which for so many years has characterized virtually every activity of the Government.

Then comes his expression of exhortation:

I express the hope that all Members of Congress will cooperate to the fullest extent in all measures which may be undertaken to eliminate surplus employment, waste, and inefficiency in the Federal structure. The cost of the Federal Government this year to every man, woman, and child in the country is averaging $300.

Mr. President, I think the Senator from Virginia, as I have indicated, is deserving of the commendation and congratulation of the people of the United States for warning us of this situation and for exhorting his fellow Members of Congress to see to it that, before it is too late, there shall be instituted the policy of economy and efficiency to which the distinguished Senator and statesman from Virginia alludes.

AMENDMENT OF DISPLACED PERSONS ACT OF 1948

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill which I shall read at this time:

Be it enacted, etc., That subsection (b) of section 2 of the Displaced Persons Act of 1948 (Public Law 774, 80th Cong.) is amended by striking out the period at the end of said subsection (b) and inserting in lieu thereof a colon, and by adding after the colon the following: *Provided*, That "displaced person" shall also mean (1) any displaced person or refugee as defined in annex I of the Constitution of the International Refugee Organization, but who is not the concern of the International Refugee Organization solely because of his ethnic origin, and (2) a person of German ethnic origin who was forcibly transferred to Germany or Austria from other countries and who on January 1, 1948, had not been firmly resettled."

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2486) to amend the Displaced Persons Act of 1948, introduced by Mr. LANGER, was read twice by its title and referred to the Committee on the Judiciary.

Mr. LANGER. Mr. President, the bill I have just introduced provides for an amendment to the Displaced Persons Act of 1948. In the course of my remarks I shall explain the purposes of the amendment.

In the course of the last few weeks, Mr. President, the senior Senator from Nevada [Mr. McCARRAN] has been the object of one of the most contemptible conspiracies I have ever witnessed as a United States Senator. As chairman of the subcommittee which is considering displaced-persons proposed legislation, the senior Senator from Nevada has been threatened by powerful cliques that if he does not promptly cause to be reported from his subcommittee certain displaced-persons proposed legislation the subcommittee will be discharged from further consideration of the bills. That threat was recently supplemented by a move within the Senate Committee on the Judiciary to discharge the immigration subcommittee from the further consideration of displaced-persons proposed legislation. I was proud, Mr. President, to be associated in the vote on the matter within the committee with those who defeated the motion.

It is not my purpose today to defend either the senior Senator from Nevada [Mr. McCARRAN] or the action of the subcommittee which is considering the immigration bills, because neither he nor the subcommittee needs defense. His record and the record of the subcommittee are clear. The subcommittee has, over the course of the last several months, been conscientiously and assiduously developing the facts regarding the gigantic problem of displaced persons, and has been attempting to separate facts from fiction. I commend the senior Senator from Nevada and his subcommittee for the courage which he and the subcommittee have displayed in withstanding the terrific pressure of powerful groups who would set themselves up in the place of the Congress of the United States in determining the immigration policy of this Nation. Just one of these groups, Mr. President, has to date registered, under the Lobbying Act, expenditures of over $875,000. These groups have succeeded, Mr. President, in securing the passage of a bill in the House of Representatives. They have stimulated the introduction of a number of bills in the Senate. They have disseminated over the length and breadth of this Nation propaganda which has misled many well-meaning organizations and individuals. They have succeeded in influencing the unprecedented action of certain leaders of both political parties, who would undertake to discharge the subcommittee of the Judiciary Committee which is considering this measure. But, Mr. President, I am proud and grateful they have not succeeded in imposing their will on the senior Senator from Nevada [Mr. McCARRAN] or upon the immigration subcommittee of which he is chairman.

They have charged that the present law is unfair, discriminatory, and unworkable. The facts are, however, Mr. President, that the present law is not unfair, discriminatory, or unworkable, except with respect to the classes of persons against which these groups themselves are attempting to discriminate. I speak, Mr. President, primarily concerning the 12,000,000 persons disastrously affected by the Potsdam Agreement of 1945—an agreement, by the way, which was signed by the President of the United States—according to which over 12,000,000 persons were driven from their homes in eastern Europe, their property was confiscated, and they were forced into Germany and Austria. In addition, Mr. President, under the constitution of the International Refugee Organization, these people are expressly excluded from care, maintenance, and immigration opportunities in other coun-

tries. Why do not these pressure groups that have been spending hundreds of thousands of dollars in attempting to liberalize the present displaced-persons law, speak a word on behalf of these people of German ethnic origin, whose only crime is that they and their families for generations were living in the countries of eastern Europe, where they were an obstacle to the designs of Communist Russia.

In a word, my bill would eliminate discriminations against any displaced person solely because of his ethnic origin.

In the last Congress, I was successful in obtaining to the displaced-persons legislation then pending an amendment providing that a token number of these persons of German ethnic origin might use part of the German-Austrian quotas. That was section 12 of that act.

What has happened? Under my amendment, the total number of visas which should have been available to these people under the German-Austrian quotas is 12,000 a year; but, Mr. President, to date only a little over 300 visas have been issued to this group. Mr. President, all over North Dakota, South Dakota, Minnesota, Wisconsin, Montana, Idaho, and in many other States, there are thousands of citizens of the United States who are of German ethnic origin. They are vitally interested in the welfare of their relatives abroad. Although my amendment, which became a part of the law, provided for the admission of 12,000 persons of German ethnic origin, the State Department has admitted only 300. I hope this matter comes up soon on the floor of the Senate, because we intend to let the American people know who is to blame for Potsdam, who is to blame for having 5,000,000 people of German ethnic origin made slaves. I think the proud records of some of our leaders are going to fall down into the dust.

It is a curious fact, Mr. President, that neither the bill which has passed the House of Representatives nor the many bills which are currently pending in the Senate embrace this group as displaced persons. Although the so-called Celler bill, which has passed the House of Representatives, carries forward the provision of the present law by which I proposed to give token relief to persons of German ethnic origin, the bill does not embrace these people in the general category of displaced persons. Representative CELLER, the sponsor of the bill, in his statement before the House Judiciary Committee, expressed himself as firmly opposed even to the token provision in its entirety. These folks of German ethnic origin who fought Hitler, who fought communism, are barred by the bill, Mr. President.

It is a sordid fact, Mr. President, that these victims of our own outrages at Potsdam are denied even a crust of bread from the huge stock piles of relief supplies contributed by this country through the International Refugee Organization. Every child is taken care of except the children of German ethnic origin. They have been barred ever since the International Refugee Organization was created. To add insult to injury, the proposals pending in the Congress, which I cannot help but feel were directly or indirectly inspired by these pressure groups, would expand the present law to embrace hundreds of thousands of persons, whose only claim to displaced-persons status is that they, together with millions of others, desire to migrate to the United States, while at the same time anyone who has German blood pulsing in his veins is expressly excluded.

In other words, if the bill becomes a law, Eisenhower, Stassen, and other great Americans, some of them great admirals, some of them great generals, and other outstanding Americans, including Wendell Willkie, would have been barred from coming back to this country.

The problem of refugees and displaced persons is of staggering proportions and involves tens of millions of people all over the world who are storming our portals for admission. In dealing with this problem, Mr. President, we must consider our own domestic situation. We must consider problems of housing. We must consider problems of jobs and the unemployment situation. I admire the thorough and conscientious manner in which the senior Senator from Nevada and his subcommittee have been diligently, impartially approaching this problem. They have done a remarkable job for the people of this country. I am confident that the senior Senator from Nevada and his subcommittee will continue to be guided exclusively by the facts and the best interest of the United States of America. Let those who would criticize and condemn the senior Senator from Nevada and his subcommittee study the complicated facts. Let them know what forces were at work which led this Government to agree at Potsdam to the forcible uprooting of millions of innocent people. Let them turn their eyes to the hundreds of thousands of displaced in the Greek civil war. Let them turn their eyes to the hundreds of thousands of persons who were displaced in the Palestine war. Let them turn their eyes to the million of displaced persons in China. Let them turn their eyes to the millions of persons who were displaced in the partition of India. Let them study the facts respecting the ever-increasing influx of people into the United States, both legally and illegally.

The time has come, Mr. President, for the Senate to reassert itself in the eyes of the people of this country and of the world as a body free from the hysteria of pressure groups, free to be guided on the basis of our own honest convictions, free to stand for that which we know is right.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The next amendment passed over will be stated.

The next amendment was, on page 51, line 19, after "(16 U. S. C. 833)", strike out "$1,445,000" and insert "$1,515,200."

Mr. HAYDEN. Mr. President, may I suggest that a unanimous-consent agreement be obtained for limitation of time. Will the Senator from Montana suggest how long Senators may speak?

Mr. MURRAY. I suggest that no Senator speak more than 10 minutes on the amendments.

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

Mr. MURRAY. Mr. President, the purpose of this amendment is to increase the appropriation by $1,300,000 for initiation of construction on the Havre-Shelby transmission line and substations. This is a very important transmission line for our State. It connects with the already existing line which carries power from the Fort Peck plant to Havre, Mont. In that area where the line is to carry power, Shelby is located in a very important agricultural section where the people are not able to secure the power they need for electrification. The line will connect with the Fort Peck-Great Falls 161-kilovolt transmission line, at Havre, Mont.

The Bureau of the Budget, in its estimate of funds required for construction at the Fort Peck Dam during the fiscal year 1950, submitted a request to Congress for $3,000,000, which included funds in the amount of $1,300,000 for construction of the Havre-Shelby transmission line.

The Fort Peck Federal power facility at Glasgow, Mont., was completed about 10 years ago. At the time of its authorization it was provided that the power produced should be available to certain preferred users—municipalities, public bodies, and farm cooperatives. At that time there was a great need for electricity on the farms of Montana, and the farmers looked forward to the beneficent effects of the use of electricity on their farms. The farmers in Montana had gone through a long siege of drought and depression. They needed low-cost power for pumping and for lighting, and making their farm operations more efficient and productive. But they have waited in vain all these years.

It appears that the power from Fort Peck Dam has been largely sold to the Montana Power Co. at a low rate of 2.5 mills per kilowatt-hour. This rate, for which the local utility gets the power while the farmers' needs have been totally ignored, is known as a dump rate. It is fixed on the basis that there is no market for the power, and therefore the utility company gets it at this ridiculous price. This power is resold by the utility company at wholesale rates to farm cooperatives for from 7 to 9.5 mills per kilowatt-hour. The Montana Power Co., of course, has access to this Government power for other purposes and makes handsome profits from the resale of it to its customers. For the year ending June 30, 1949, the Montana Power Co. got 68.2 percent of the power produced at the Fort Peck project.

The private utility opposes the Havre-Shelby transmission line upon the ground that it is a duplication of existing facilities, and that it can serve these REA cooperatives without the need of this facility.

The testimony at the hearings completely refuted this contention. When Mr. Kenneth F. Vernon, regional direction of region No. 6, and other officials of the Bureau of Reclamation, testified at the hearings before the House committee, they showed that the Montana Power Co.'s lines in this area are totally insufficient to serve the loads. The Montana Power Co. conceded that their lines would have to be built up to sufficient carrying capacity to take care of the loads. In other words, they acknowledged that they did not have adequate lines in the area and would not build adequate lines unless they were given control of the power coming from the Fort Peck Government plant. This obviously was a mere subterfuge to block the farmers of Montana from getting this power which the company was getting at a dump rate of 2.5 mills per kilowatt-hour. For this power, which they get at the dump rate of 2.5 mills, they ask the farmers to pay an average of 8.8 mills, or 250 percent more than they pay for it. This is about the worst flim-flam game ever presented.

If the Havre-Shelby line is not built by the Government, these REA cooperatives and municipalities in Montana will be denied their preference rights. They will be forced to obtain power from the Montana Power Co. at high rates and over two very light and presently overloaded 50-kilovolt lines. It is obvious that the private utility is making this proposition for the purpose of blocking the Havre-Shelby line. You will note that the power utility will be under no obligation to do anything if this appropriation is denied. The situation in Montana will be exactly the same as it is today, with the private utility in control, getting the power from Fort Peck at dump rates and refusing to do anything which would permit the farmers and municipalities of Montana to secure their preference rights.

This proposal of the Montana Power Co. is known in the realm of the public-power controversy as a stall or bluff to block action in the Congress, without placing themselves under the slightest obligation.

Mr. President, the Senate should have in mind, as I have already undertaken to explain, that because of the lack of the Havre-Shelby transmission line the Bureau of Reclamation will be compelled to sell large quantities of firm power being generated at Fort Peck to the Montana Power Co. at the dump rate of 2.5 mills per kilowatt-hour. If the Congress appropriates these funds and the Havre-Shelby line is constructed, the Bureau of Reclamation will then be able to sell this Fort Peck power at more than twice the rate it is today receiving from the Montana Power Co. This contributes to the liquidation costs of the Fort Peck project, and, at the same time, carries out the congressional policy of giving preference rights to Montana farmers, municipalities, and public bodies.

It is quite obvious that the Montana Power Co. opposes the construction of this line so that it may continue to get the power from the Fort Peck project at the extremely low dump rate of 2.5 mills per kilowatt-hour, which it can resell at considerable profit. Thus, the sale of this low-cost public power to the farmers at the established Fort Peck rate of 5.4 mills cannot be achieved because of the opposition of the Montana Power Co., and the Bureau of Reclamation will be forced to continue to turn this power over to the Montana Power Co. at the low dump rate of 2.5 mills per kilowatt-hour. The company is thus enabled to resell this power at high profit and deny the farmers of this area the use of electricity on their farms at a much lower rate.

The action of the committee in refusing to provide an appropriation for the construction of this facility was predicated on the representation by the Montana Power Co. that adequate electric service is now being supplied in the area. This is clearly not so. The existing rates of the Montana Power Co. average 20 to 25 percent higher than present Fort Peck project rates for similar service. It is estimated that the REA cooperatives over a 50-year period would save $9,000,000 if, instead of Montana Power Co. rates, they were able to purchase the power at Fort Peck rates.

When this appropriation was before the Senate in 1948, it was conceded by Senators on both sides of the aisle that this was a worthy project and that it should be granted the necessary appropriations and carried to completion. At that time the Senator from Nebraska [Mr. WHERRY], as reported in the CONGRESSIONAL RECORD of August 7, 1948, at page 10170, said:

> I was with the distinguished Senator from Montana at the very place where the proposed dam is to be built * * * I know he can stand here and make a good case for building the Hungry Horse Dam faster than has been contemplated in the program. I know the transmission lines should be built. The farmers want them. They want them in my State and in every other State. The only question is how fast we should proceed.

Other able Senators on the Appropriations Committee expressed themselves to similar effect.

The Senator from Tennessee [Mr. MCKELLAR] said, as reported in the RECORD of August 7, 1948, at page 10170:

> I am extremely interested in the projects in the West. I think they should be built, and as rapidly as we can build them. I want to vote for measures along that line.

The only reason why this project was not approved at that time was that the Appropriations Committee had agreed to hold down the appropriations for that year, with the understanding that in the following years favorable action would be taken.

Testimony both in the House hearings and in the Senate hearings refutes the idea that there is any actual paralleling of existing lines.

As I have said, during all these years the farmers in this area have been unable to get that power and it is being sold at the present time at a dump price to the local utility, at 2.5 mills per kilowatt. So that the private utility has a practical monopoly of the power coming from the Fort Peck project. The proposed line is to make the power available to the farmers. I certainly cannot see any reason why that should be objected to.

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

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

Mr. HILL. As I understand, Congress once before appropriated the money for this line, but it was not feasible at that time to build the line, and what the Senator desires is to carry out what Congress has alreay agreed upon and appropriated for.

Mr. MURRAY. That is exactly correct. The result is that if we do not get this line, the Montana Power Co. will maintain a monopoly of the power that comes from the Fort Peck project. It seems to me it is only fair and reasonable that this line should be allowed to go in, because otherwise the farmers in that area will not have the power, in a very important section of our State, and the little amount of money which the power utility would make as a result of keeping them out is very insignificant in comparison with their total business in the State of Montana.

Mr. President, I suggest that the amendment should be accepted. I reserve the remainder of my time.

Mr. HAYDEN. Mr. President, the situation with respect to the transmission line, briefly, as I understand, is that Congress at one time appropriated the money to build it. The appropriation was made available until expended. The money was not used, and I remember distinctly one of the witnesses from Montana saying he would like to shoot somebody in the Reclamation Service because when they had money to build the line they did not build it.

The appropriation lapsed, or was lost by rescission. The budget estimate came up this year for an appropriation to build the line. The House declined to appropriate the money. What the Senator from Montana seeks to do is to add to the bill a sum of money sufficient to build the transmission line. Is that correct?

Mr. MURRAY. That is correct.

Mr. HAYDEN. Does the junior Senator from Montana desire to discuss the amendment, or shall we vote now?

Mr. ECTON. I should like to say a few words on it.

Mr. HAYDEN. Very well. The Senator may proceed.

The VICE PRESIDENT. The senior Senator from Montana has not actually offered his amendment.

Mr. MURRAY. I understood the amendment was read by the clerk.

The VICE PRESIDENT. The amendment to the committee amendment was not read by the clerk.

Mr. MURRAY. I ask that the amendment proposed by me be read by the clerk.

The VICE PRESIDENT. The clerk will state the amendment to the amendment.

The CHIEF CLERK. On page 51, lines 19 and 20 in committee amendment, it is proposed to change the amount to be inserted as the appropriation for Fort Peck project in Montana from $1,515,200 to $2,815,200.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Montana

[Mr. MURRAY] to the amendment of the committee.

Mr. ECTON. Mr. President, as I understand, the question now is on agreeing to the amendment offered by my colleague.

The VICE PRESIDENT. The coming vote will be on his amendment to the committee amendment.

Mr. ECTON. Mr. President, I merely wish to say that the Senate is not in a very economy-minded mood, I know. The truth is that I have always felt that the people in northern Montana years ago were led to believe that they were going to have a Federal power line in that community, and money was appropriated for it. I have heard some of them express a certain amount of disgust with the Reclamation Bureau because they did not go ahead and build the line when the money was appropriated. I can see how they have felt disappointed.

On the other hand, I am also convinced that they would have been willing to go ahead and make the best of the situation, and receive some benefit from the low-cost power at Fort Peck, if their contract had not been interfered with by certain Government officials. I am not referring to Mr. Wickard. I think Mr. Wickard, as the head of the REA, has honestly tried to do a good job, and he would have signed the contract between the Marias REA and the Montana Power Co. last fall if a certain amount of outside pressure had not been put on him. I do not know that; it is my own opinion.

Mr. President, there is one thing I wish to say which I think should be in the RECORD. The report has gone out that the Montana Power Co. has an absolute monopoly of the Fort Peck power, and that they get it for 2.5 mills and resell it to the farmers at 9.5 mills. That is not a fact.

Mr. MURRAY. Mr. President, will my colleague yield?

Mr. ECTON. I yield to the Senator from Montana.

Mr. MURRAY. I agree with my colleague, he is perfectly right, it is not an absolute monopoly. They get 68.2 percent of all the power from the project, so we could not call it an absolute monopoly.

Mr. ECTON. The truth is that the power company has a contract with the Federal Government to take power from the Fort Peck dam which is nothing more nor less than dump power. The Government does not guarantee, under the contract, to deliver any specified amount of power. The only time when the Montana Power Co. has used Fort Peck power in the State of Montana has been in cases of emergency, due to extreme cold, or where the lines of the company have broken down because of storms or other emergency.

I wish to refer to the contract entered into between the United States Government and the Montana Power Co. dated July 1, 1943. The contract specifically provides that the company shall have transmission line connections with the systems of other companies. That means that the Montana Power Co. is merely a transmission company or a wheeling company.

Paragraph 5 (a) of the contract, so far as the Government obligation is concerned, reads:

> The United States will make available to the company all the energy which can be delivered after first providing for certain other requirements.

Those requirements are set out in item 3, as follows:

> The energy requirements for other present or future customers of the United States, including irrigation pumping by the United States.

So the contract clearly shows that it is only surplus or dump power that the Montana Power Co. receives at this 2.5 mill rate, and I think my colleague will agree with that.

Mr. MURRAY. I agree with that, and I agree for this reason, that it is a dump rate because the power company cannot sell it at any other place. It has no lines to deliver it to preferred customers.

Mr. ECTON. In other words, it would be wasted.

Mr. MURRAY. If we put the line in, it might be sold to the rural cooperatives and municipalities in this area we are seeking to supply with electricity.

Mr. ECTON. That may be true.

Mr. MURRAY. So long as the line is not built, it will continue to be surplus or dump power, sold at a dump rate to the power utility for the rest of eternity.

Mr. ECTON. The point I am making is that that dump rate power is not used in the State of Montana. Many people do not appreciate that.

Mr. MURRAY. Why is it not used in the State of Montana?

Mr. ECTON. For the simple reason that——

Mr. MURRAY. I think it is not material anyway.

Mr. ECTON. Yes it is material.

Mr. MURRAY. So far as the farmers in Montana are concerned it does not make any difference whether it is used in Jerusalem, or in the State of Washington, or in any other place. They are not getting the power there to which they are entitled under the preference provisions of the Fort Peck law.

Mr. ECTON. That is true; but what I am getting at is that the Montana Power Co. has been accused of getting this electricity for 2½ mills and then turning around and selling it for 9 mills.

Mr. MURRAY. We do not accuse them of that. We state that is the fact. It is not an accusation. It is just a simple statement of fact. It is true they buy it for 2½ mills and sell it for what they can get for it. That is private enterprise. No one can complain about that.

Mr. ECTON. Yesterday there came up on the floor the suggestion that we had a power shortage in Montana.

Mr. MURRAY. Yes.

Mr. ECTON. The Montana Power Co. has never used any Fort Peck power in Montana, except in the case of extreme emergency. Under the contract they have with the Federal Government, this power is wheeled to the Idaho Power Co. The Montana Power Co. has a contract with that company for the use of it.

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

Mr. ECTON. I yield.

Mr. MURRAY. The Senator is entirely mistaken on that point. I introduced in the RECORD yesterday a complete explanation of the matter. The Montana Power Co. only delivers power into the Bonneville pool during peak periods. It seems that the difference in time between the State of Montana and the State of Washington makes it possible for Montana to sell power during a brief period each day and deliver it into the Bonneville pool in the State of Washington. That is the only power they deliver there, and it is only, as I say, at peak periods.

Mr. ECTON. I refer to a paragraph in the contract which provides:

> The company agrees to receive at said delivery point all the energy over and above the output of its own power plant which it can dispose of for the following purposes:
>
> (1) Energy required by its own customers in Montana.
>
> (2) Energy which can be sold to the Utah Power & Light Co. under present or future power contracts.
>
> (3) Energy which can be sold to the Washington Water Power Co. under present and future contracts.

This shows that the company buys Fort Peck power only when it is necessary to supply its own customers or when it can sell power to the Utah or Washington companies mentioned above.

I desire to refer the Senator to the Federal Power Commission report on the Montana Power Co., Form No. 1. It shows that sales to the Washington Water Power Co. each year have exceeded purchases from Fort Peck. The Montana Power Co. does not make any profit on that power. It has a wheeling arrangement. It receives a trifling sum for the cost of transportation. That is all it makes out of the Fort Peck power.

For 1948 this information appears on pages 72 and 73 and on pages 84 and 85 of the Federal Power Commission report.

The VICE PRESIDENT. The time of the junior Senator from Montana has expired.

The question is on agreeing to the amendment offered by the senior Senator from Montana [Mr. MURRAY] to the committee amendment on page 51, line 19.

Mr. HAYDEN. Mr. President, I should like to state my own feeling about this matter. The fact that the Reclamation Service at one time had the money to build the line and failed to build it, and the fact that although there was a budget estimate for it at this session the House of Representatives has not allowed it, brings about such a situation that I cannot guarantee what will happen with respect to the matter when the bill goes to conference, but I am willing to take it to conference at this time to see what we can do about it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Montana [Mr. MURRAY] to the committee amendment on page 51, line 9.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The Secretary will state the next committee amendment passed over.

Mr. FERGUSON. Mr. President, before the next committee amendment is stated, I wonder if I can ask unanimous consent to have an amendment considered.

A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. FERGUSON. Have all the committee amendments been acted upon?

The VICE PRESIDENT. No. There are still two or three more committee amendments to be acted upon.

Mr. HAYDEN. There are two more committee amendments to be acted upon.

Mr. FERGUSON. Will it require much time to consider them?

Mr. HAYDEN. I doubt that it will.

Mr. FERGUSON. Very well, I shall wait until action upon them is taken.

The VICE PRESIDENT. The Secretary will state the next committee amendment passed over.

The next amendment of the committee was on page 53, line 9, after the word "development" to strike out "$73,822,500", and insert "$81,668,560."

Mr. HAYDEN. Mr. President, that amendment was kept open in order that the Senator from Montana [Mr. MURRAY] might offer an amendment dealing with the Yellowtail Dam, to which, I will say frankly, I am opposed.

Mr. MURRAY. Mr. President, I offer an amendment to the committee amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 53, line 9, it is proposed to strike out "$81,668,560" and insert in lieu thereof "$82,168,560, of which $500,000 shall be used to commence construction of the Yellowtail Dam and power plant on the Hardin unit."

Mr. HAYDEN. Mr. President, my objection to the amendment to the committee amendment is that, as I understand the situation, there has been no definite understanding with the Indians on whose reservation this dam is to be located, as to what compensation they shall receive for the use of their lands. Mr. Robert Yellowtail, a representative of the tribe, appeared before the committee and asserted that until there was some definite understanding, the tribal council had instructed him to oppose an appropriation of money for this purpose. The dam site is a very valuable one, and undoubtedly it will be developed. Unless the Senator from Montana has later information, I shall oppose the adoption of the amendment, in view of the fact that there has been no definite agreement as to compensation to the Indians.

Mr. MURRAY. Mr. President, a definite agreement has not yet been arrived at, but the project is ready to go forward to construction. Already some money has been spent in preparing for commencement of the work. It seems to me we should take definite action on a project of this character, which is so important, in a locality where there is a shortage of power. The area is growing in population very rapidly, and there is great need for power, and the sooner we can begin construction of the dam, the better. We are asking for only a small amount.

Mr. HAYDEN. The Senator does not have a budget estimate for the appropriation.

Mr. MURRAY. It is my understanding that a budget estimate was prepared some time ago.

Mr. HAYDEN. No budget estimate was presented to the committee, and objection was raised on the part of the Indians. It is my thought that if between now and next year the Indian difficulty can be ironed out and a budget estimate is submitted, I shall be very happy to support an appropriation for this purpose, but at the present time I do not see how, as chairman of the subcommittee, I can accept the amendment.

Mr. MURRAY. Mr. President, I withdraw my amendment.

The VICE PRESIDENT. The Senator from Montana [Mr. MURRAY] withdraws his amendment.

The question is on agreeing to the committee amendment on page 53, line 9.

The amendment was agreed to.

The VICE PRESIDENT. The next committee amendment passed over will be stated.

The CHIEF CLERK. On page 88, line 14 insert the words——

Mr. HILL. Just a moment. There is a committee amendment on page 54, beginning on line 13, which has not been acted on.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 54, line 13, after the word "Congress", it is proposed to insert the following proviso: *"Provided further,* That no part of this appropriation shall be available or used to maintain or operate Canyon Ferry Reservoir at a higher maximum normal pool elevation than 3,766 feet, unless and until new land in Broadwater County, Montana, equal in acreage to the irrigated land to be inundated in Canyon Ferry Reservoir above elevation of 3,766 feet is provided with facilities for irrigation; or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana."

Mr. HILL. Mr. President, I think this amendment is clearly subject to a point of order, because it is a limitation on an appropriation which is subject to and dependent upon a contingency However, I withhold the point of order for the present, with the idea of moving to strike out certain language in keeping with previous action of the Senate.

I move to strike out, on page 54, line 21, after the semicolon, the words "or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana."

What this amendment does is to strike out a limitation with reference to the construction of transmission lines in connection with the Canyon Ferry project. The amendment which I offer to strike out those words is in keeping, as I see it, with the action of the Senate in half a dozen different cases. We have voted to strike out such limitations on transmission lines.

Mr. HAYDEN. Mr. President, I have one suggestion to make, which is very important. We should also strike out the semicolon.

Mr. HILL. I am delighted to strike out the semicolon. I modify my amendment so as to strike out the semicolon and insert in lieu thereof a period, and strike out the words after the semicolon, down to the bottom of page 54. My amendment has been printed, and I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Alabama will be stated.

The LEGISLATIVE CLERK. On page 54, in the committee amendment in lines 13 to 22, it is proposed to delete the semicolon and the following words in lines 21, 22, and 23 "or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana."

Mr. ECTON. Mr. President, it seems to me that the Senator takes in too many lines.

Mr. HILL. I do not think so. I am merely seeking to strike out the tail of the proviso.

Mr. ECTON. As the amendment was stated, it referred to the language beginning in line 13.

Mr. HILL. The committee amendment starts with the language in line 13.

The VICE PRESIDENT. The Senator from Alabama is proposing to amend the committee amendment.

Mr. HILL. I am seeking to amend the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. HILL] to the committee amendment on page 54, line 21.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HAYDEN. Mr. President, at the request of the Senator from Washington [Mr. MAGNUSON] the committee amendment on page 88, line 14, was passed over.

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

The LEGISLATIVE CLERK. On page 88, after line 13, it is proposed to insert "together with the unobligated balance of the appropriation under this head in the Interior Department Appropriation Act, 1949."

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

The amendment was agreed to.

The VICE PRESIDENT. Does that conclude the committee amendments?

Mr. HAYDEN. That concludes the committee amendments.

The VICE PRESIDENT. The bill is open to further amendment.

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

The VICE PRESIDENT. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. On page 87, at the beginning of line 23, it is proposed to strike out "$510,000" and insert "$530,000."

Mr. MAGNUSON. Mr. President, this amendment involves the addition of $20,000 to the appropriation for the Economic Research Branch in connection with commercial fisheries.

Mr. JOHNSON of Colorado. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Colorado. I notice that the amendment offered by the Senator from Washington is on page 87. Will it be possible to offer amendments from the floor relating to pages before page 87?

The VICE PRESIDENT. Any portion of the text of the House bill which has not been affected by committee amendments may be amended.

Mr. MAGNUSON. Mr. President, this amendment would increase by $20,000 the amount in the bill for the Economic Research Branch of the commercial fisheries section.

The importance of this amendment far exceeds the $20,000 increase involved. The $20,000 is urgently needed by the Economic Research Branch of the commercial fisheries section. The $510,000 allowed by the committee contains an item of $21,970 for economic research work.

This appropriation of $21,970 is just sufficient to pay for two economists, clerical and stenographical asistance, and material expenses. Included in this amount is $600 for travel expenses; $300 for each of the two economists. These are the only economists in the Federal Government engaged in full-time economic research on all economic problems of the Nation's fishery industries.

At present the two economists are fully occupied in administering the Fishery Cooperative Marketing Act and preparing reports for departmental and congressional purposes and for use of other agencies of the Federal Government. Examples of their work are a report to the Joint Committee of the Economic Report: assistance to State Department, Tariff Commission, and Department of Commerce with regard to reports which were requested from them by congressional resolutions; ad hoc investigations arising from requests of Senators and Representatives—for example, an investigation of the import-export situation requested by the Subcommittee on Fisheries of the House Merchant Marine and Fisheries Committee; an investigation of the question of employment for distressed fishermen of Virginia, requested by Representative BLAND; an investigation of extension of credit facilities to fishermen requested by Senator MCGRATH; an investigation of financing of fishermen ruined by disasters of nature, requested by the Senator from Maine [Mr. BREWSTER], an investigation of special tariff problems with respect to halibut, requested by Delegate BARTLETT, as well as many others. In addition economic studies were undertaken for the purpose of assisting the industry in pending rate cases before the Interstate Commerce Commission, despite the fact that no organization exists similar to the organization of the Department of Agriculture to assist agricultural industries in rate cases as a result of its authority under the Agricultural Adjustment Act of 1938. However, this assistance in rate cases could be given only in very limited form and due to lack of travel funds not one of the economists could appear as witness in an important hearing in Seattle, affecting a case against 44 railroads, wherein the industry was attempting to obtain more equitable freight rates on fresh and frozen fishery products.

I may add that we have long neglected our position in world fisheries. For example, when we appear at a world fisheries conference we are usually represented by some inadequate staff clerk or economist, or someone from the Fish and Wildlife Service, whereas other countries are usually represented by a Minister of Fisheries, a Cabinet member, or at least an under-Cabinet member. In all such conferences, although we have been doing fairly well, I do not believe that we have had enough data or have been sufficiently prepared. We have not been represented by men at the proper policy level, who could speak with some authority in the conferences. The purpose of this appropriation is to lay the foundation for many international agreements and conferences with other nations in fishery matters, and to provide a small addition to the staff to do the work.

With only $21,000, this agency has not only been giving the State Department all the data it must have for the conferences to which I have referred, but it is constantly making reports to the Tariff Commission in connection with reciprocal trade agreements involving fish, and to the Department of Commerce in connection with reports requested by congressional resolutions.

I could go on and on. The Department of Agriculture, under the AAA of 1938, requires certain work. There is plenty of work piling up. The agency contends that with $21,970 it cannot do the work. In this day and age, when we are attempting to adjust world trade and enter into world agreements on fishery matters, it is important to have an adequate staff to support the State Department or whatever other representatives we may have. For example, in the next 2 years this agency must find basic data for price maintenance and economic adjustment.

The greatest need for economic research in the field of fisheries which under present conditions cannot be acted upon concerns the following matters, the importance of which is evident to all those who have observed the improvement of the economic conditions of the farmer.

I. BASIC DATA FOR PRICE MAINTENANCE AND ECONOMIC ADJUSTMENT

There are about 242 species of commercial fish and shellfish used in the United States. No historical price series are available on the wholesaler's, manufacturer's, distributor's, or retailer's level. No historical price series are available on goods purchased by fishermen as, for example, boots, tools, gear, or engines. For a great number of years parity ratios of both series would have to be established to recognize the predominate or desirable relationship of prices paid and received by fishermen. This type of research is a prerequisite to the establishment of any fishery economic stabilization program by the Federal Government.

II. COMPARISON OF FISH FOOD AND OTHER FOOD PRICES

No historical comparisons are available to show the prices of certain fishery products in their relationship to prices of competitive food products. Research has not yet found whether there exists a definite relationship and if not what other factors—for example, national income, per capita income, imports or exports—influence price movements of fishery products. No one knows whether the subsidization of farm products has an adverse effect on fish prices and the income of the fishery industries.

III. COSTS OF PRODUCTION AND DISTRIBUTION

Present discussions on international trade make it imperative to give to those who discuss this subject-matter material on which to form their opinions. Costs of production in recent years have greatly changed in domestic production as well as foreign production. Already such changes in the costs of production have eliminated large industries of Pacific coast, such as the rockfish fillet industry, which a few years ago seemed to be promising. Since obviously in the coming years many changes in our foreign trade will take place, constant reports on production and distribution costs seem to be necessary.

IV. STUDIES OF MARGINS BETWEEN PRODUCERS AND CONSUMERS OF FISHERY PRODUCTS

While the over-all income resulting from fishery products at the ex-vessel level was estimated on several occasions by the economists of the Fish and Wild Life Service, no appraisals were made of the actual amount of money which goes into the pocket of the fisherman. A study should be made to show how much of the consumer's dollar goes to the fishermen, to processing labor, to the vessel owner, to the manufacturer, and to the distributor. Margins may be different in different areas, times, and types of businesses. A better pattern of fish distribution could be based on such studies as well as a better relocation of fishery industries, which would lead to savings in the production and distribution of fishery products.

V. CONSUMPTION STUDIES

While the Department of Agriculture, especially its Bureau of Agricultural Economics, constantly collects data on agricultural food consumption, similar research studies undertaken by the Bureau of Human Nutrition and Home Economics of the Department of Agriculture and by the Department of Labor show the need for special consideration of fishery products and also the need of wider and more constant activity in this field by fishery economists. At present sporadic

data are on hand to estimate the consumption of fish, giving due consideration to the loss in handling which occurs from the vessel to the consumer's dining table. Without such consumption studies it is difficult to foster fishery trade, especially in areas of underconsumption of fishery products.

VI. INVESTMENT STUDIES

No data at all on the estimated value of investments in the fishery industries are available in the United States. It therefore cannot be estimated whether the return from the fishery industries is sufficient to justify investment in the industry. That other countries put great emphasis on investment studies may be seen from the fact that the Canadian Provinces publish month by month changes in the value of investments, the acquisition of new gear, or similar changes in investment devoted to the production or distribution of fishery products. Furthermore data of this type are always of great help in determining sound taxation policies on the part of the Government.

VII. STUDIES ON MARKETING AGREEMENTS

As experience teaches, in agriculture betterment of economic conditions, especially in marketing of food products so as to adjust the supply of products to the demand, may be obtained through voluntary agreements or marketing orders. However, such agreements need a great deal of preparation and preparatory studies should be made to determine whether the success which has been attained in other fields may be attained by the fishery industries. If it is found that they may be applied to fisheries, there is a need to determine effective methods for promulgation and administration of these programs through the Federal Government.

VIII. STUDIES ON SOCIAL CONDITIONS IN THE FISHERY INDUSTRIES

The fishery industries suffer in many parts of the country because of the seasonal character of their work. Studies are desired and already have been suggested by some of the Federal Reserve banks to find out how to guarantee the fishermen's families a more stable year-round income and how to stabilize economic conditions in the respective area as a whole. For that purpose studies should be undertaken to determine how to implement fisheries work by home work or supplemental work in other industries. Studies should also extend to the comparison of social conditions in the fishery industries and agricultural industries, for example, relative degree of electrification, sanitation, and so forth.

Mr. President, I shall not burden the Senate further. The increase of $20,000 means much more than the figures represent. I think it would be a wise investment for this country in our fisheries.

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

Mr. MAGNUSON. I yield.

Mr. HAYDEN. The amount carried in the bill is the budget estimate. The Senator's amendment would provide for an additional $20,000, above the budget estimate. I am perfectly willing to take the amendment to conference, but, of course, I cannot guarantee what will happen to it there, inasmuch as it is above the estimate of the Budget Bureau.

Mr. MAGNUSON. I appreciate that. I may say to the Senator that at the time when the budget estimates were submitted, this little agency had certain work which it was doing. But since that time, as the Senator knows, there have been entered into several international agreements which will definitely affect the amount of work to be done along this line. The other day the Senate ratified three treaties relating to the tuna fishery and other fisheries. The ratification of those three treaties alone would justify the making of this increase, for those treaties were not in existence when the budget estimates were made.

This industry is the eighth leading industry in the United States. Only recently it has been represented on a fairly reasonable policy level in the State Department or similar departments of other countries, whereas the work carried on by other countries in this connection has been handled by Ministers or Cabinet members. However, in the United States this industry has been handled only in the Fish and Wildlife Service. The Hoover Commission report recommending the transfer of the Bureau of Fisheries to the Department of Commerce certainly should be adopted. The Bureau of Fisheries has no relationship to the Conservation Service.

Mr. President, we have sorely neglected this industry. It has been an orphan. All other agricultural and food-producing industries in the United States have rightfully received a great deal of consideration. I am sure this industry should receive more consideration than it has thus far, and that this amendment, to provide this additional amount of money for the purpose just stated, should be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

Mr. FERGUSON. Mr. President, I shall propose an amendment which will make available to the Fish and Wildlife Service an additional $256,000 in the fiscal year 1950 to prosecute a program for the eradication or control of the sea lamprey, which is rapidly decimating Great Lakes fishing.

A study program was first authorized by the joint resolution of August 8, 1946, Public Law 672. It contained an appropriation authorization of $20,000 annually, and that amount has been appropriated, although it has been found to be grossly inadequate.

Public Law 249 of the Eighty-first Congress, approved August 18, 1949, increases that authorization $359,000 for the first year and $216,000 per annum thereafter. I received this information this morning from the Fish and Wildlife Service.

Justifications for 1950 appropriations under Public Law 249, I am informed, have only this morning reached the Bureau of the Budget, since the law was so recently passed. The amount contained in this justification is $256,000, the amount provided in this amendment. This amount would be employed for the services of field personnel, in the amount of approximately $65,000; for necessary vessels and other equipment, in the amount of approximately $167,200; and for other necessary items, including contractual services, travel, rent, and supplies.

The need for an eradication campaign against the sea lamprey in the Great Lakes is most urgent. The economically important fishing industry in the Great Lakes, as well as the game fishing, is in grave danger. For instance, lake trout catches in the Lakes have dropped from an annual yield of 1,720,000 pounds to less than 5,000 pounds last year. The Fish and Wildlife Service states that no known factor other than sea lamprey depredations can account for the complete collapse of this fishing.

At this point, Mr. President, I should like to insert in the RECORD, as a part of my remarks, a Department of the Interior Fish and Wildlife Service release of August 9, 1949, entitled "Destructive Sea Lampreys Continue to Increase in Great Lakes." I ask unanimous consent for that purpose.

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

DESTRUCTIVE SEA LAMPREYS CONTINUE TO INCREASE IN GREAT LAKES

Destruction of the Great Lakes fishing industry—the Nation's richest source of fresh water fish for commerce and recreation—is threatened unless an effective control of the sea lamprey is developed within the next few years, Albert M. Day, Director of the Fish and Wildlife Service, Department of the Interior, said today.

In a report to Secretary of the Interior J. A. Krug, Day said that the lamprey is continuing to increase at an alarming rate, and already Lake Huron trout, hardest hit by the attack, has practically disappeared from the commercial catch. The total United States and Canadian commercial production of fish from the Great Lakes is around 100,000,000 pounds annually. More than 5,000 United States fishermen and 2,000 boats are normally engaged in the industry.

The sea lamprey is an eel-shaped parasite with a suction cup mouth, which sucks the blood of lake fishes, leaving them either dead or so badly scarred that it is almost impossible for commercial fishermen to dispose of them.

The sea lamprey problem was first brought before Congress in a hearing held in Washington in June 1946. Concerned over the threat to the $12,000,000-a-year Great Lakes fishing industry, Congress passed Public Law 672 to engage in a program for the control of the lamprey, in conjunction with bordering States and other cooperators.

A Great Lakes sea lamprey committee was formed, consisting of representatives from Wisconsin, Minnesota, Pennsylvania, Indiana, Illinois, Ohio, New York, the Province of Ontario, and the United States Fish and Wildlife Service. Dr. John Van Oosten, of Ann Arbor, Mich., chief of the Service's Great Lakes Fishery Investigations, was elected chairman. This international committee drew up a research program and field investigations were started.

From 1895 to 1935 lake trout production was quite steady in the United States waters of Lake Huron, averaging 1,720,000 pounds per year. From 1936 to 1939 the yield dropped to 1,345,000 pounds. In 1940 the take fell below 1,000,000 pounds and continued to fall in each succeeding year until it reached a

new record low in 1948 of less than 5,000 pounds. A similar fate befell lake trout in the Canadian waters of Huron. No known factor other than sea lamprey depredations can account for this complete collapse of this fishery.

Lake Michigan trout is facing the same situation. From 1879 to 1945 the average annual take was somewhat over 6,000,000 pounds. In 1946 it dropped to less than 4,000,000, in 1947 to less than 2,500,000, and in 1948 to a little more than 1,000,000 pounds, or one-sixth of the normal catch.

In Lake Superior the trout yield has not yet been noticeably affected by the lamprey but biologists predict that unless the parasite can be controlled, Superior trout will face extermination in a few years.

The lake trout is a popular "fighting" fish which reaches a large size. "Deep-sea" sport trolling for it has expanded greatly in the last decade. It has been estimated that economically the sport fisheries of the Great Lakes are on a par with commercial operations.

Now that the lake trout is so reduced in abundance, the sea lamprey is beginning to attack other species of fish such as the whitefish, walleyes, herring, chubs, black bass, suckers, perch, bullheads, and catfish. This shifting of hosts by the parasite is unfortunate, say Service biologists, for not only do the sea lampreys divert their attacks to other species but fishermen must likewise change their fishing habits. In Lake Michigan, gill net fishermen who formerly set nets for trout must now fish almost entirely for chubs and whitefish. These diverted attacks by both sea lampreys and fishermen place a heavy drain on all of the more valuable Great Lakes species of fish and threaten the existence of the entire industry.

So far no satisfactory solution has yet been found to the problem of control. Weirs and traps were found to be effective in certain streams, but such methods are expensive, are slow in exterminating a run, and are generally not applicable in many of the streams where spawning lampreys enter. At the present it appears that a combination of methods must be employed to eradicate or control the pest in most streams, and efforts must be concentrated on major runs. Certain fundamental questions have already been answered by research men but others must await further investigations.

During the 1949 season the spawning run of lampreys trapped by a two-way weir on the Ocqueoc River in northern Michigan amounted to nearly 15,000 on July 18, when the run was largely completed. This is twice the 1948 estimate and two and one-half times the 1947 estimate, according to Mr. Day.

The Ocqueoc weir was constructed by the Service in 1947 to trap adult lampreys on their upstream spawning migration and young lampreys on their way to Lake Huron to begin the parasitic phase of their life. It is operated by personnel of the Michigan Department of Conservation.

Evidence of how rapidly the sea lamprey is spreading is contained in numerous reports received by the Service. The presence of mature or spawning sea lampreys has been verified in 92 streams in Michigan, and reliably reported in 18 others. Lampreys have also become established in two inland lakes, Burt and Mullet, and were present in Lake Charlevoix and Pentwater Lake.

A similar situation exists on the Wisconsin shore of Lake Michigan. Reports received by the Service from the Wisconsin Conservation Department, which operates a weir on Hibbard Creek (Door Peninsula), reveal that lampreys are on the increase there. In the Kewaunee and Michicott Rivers, the 1949 runs were extremely large although neither river had previously had an important run.

A considerable number of lampreys have invaded Indiana streams, the Service has been advised, sizable run having entered the Little Calumet River in late May.

Commercial fishermen report that the lampreys are becoming more abundant in both Lake Huron and Lake Michigan. "Unprecedented concentrations" were observed in northwestern Lake Huron and the Straits of Mackinac in the fall of 1948.

Dr. Frank W. Jobes, fishery research biologist for the Service at Ann Arbor, Mich., reported: "From September 21 to October 9, 1948, we found large-mesh gill nets—the standard gear for the capture of lake trout—being fished only at the ports of Charlevoix, Northport, and Leland, Mich., and Waukegan, Ill. Only 529 lake trout were found in the catches of 29 gangs of nets."

On the Wisconsin shore of Lake Michigan gill-net fishing for lake trout has been almost entirely abandoned, and the catches of trout in pound nets are only a small fraction of those of former years.

The lamprey is not native to the upper four Great Lakes. Stocks now found in these waters are undoubtedly the progeny of lampreys that passed through the Welland Canal into Lake Erie, where they were reported off Merlin, Ontario, in 1921, and at Sandusky, Ohio, in 1927. The lamprey reached the St. Clair River by 1930 and was in Lake Michigan off Milwaukee by 1936. In 1937 a large spawning run was observed in the Ocqueoc River. The first specimens from the United States waters of Lake Superior were reported from the western end in 1946. Now present in all of the Great Lakes, the parasite is most abundant in Huron, Michigan, and Ontario, where it is found down to depths as great as 65 fathoms.

It has been discovered that sea lampreys cannot be utilized for the market. Preliminary analyses indicate that both their vitamin-A potency and oil yield are much too low for commercial exploitation. It is possible that some lampreys can be used for reduction purposes. A small quantity can be sold to biological supply houses. Cooking tests failed because of the soft body of the lamprey and its extreme susceptibility to fungus infection. A Canadian canning test, however, has shown some promise of success.

Mr. FERGUSON. Mr. President, I am sure that if this amendment is adopted by the Senate and is taken to conference, by the time the item is approved by the conference committee, or at least by the time the item is finally approved by the Congress, there will be a budget estimate for it. If the matter were not so urgent, I would naturally not request that the amendment be taken to conference, because there is not yet a budget estimate for it. On the other hand, although careful scrutiny should be given to any matter for which there is no budget estimate or for which the amount proposed exceeds the amount of the budget estimate, yet obviously there are certain matters as to which the Congress should take action as I now request. I am sure that this is one.

Mr. HAYDEN. Mr. President, the Senator from Michigan has presented an unusual situation, in that the new law was passed on August 18, 1949, and also the Senator has been assured that a budget estimate is on the way.

Mr. FERGUSON. Yes.

Mr. HAYDEN. Under those circumstances, I shall be glad to take the amendment to conference.

Mr. FERGUSON. Naturally, Mr. President, no one can promise that a budget estimate will come through, but I feel sure that one will. The request for it reached the Director of the Budget only today.

So, Mr. President, I shall ask that on page 86, in line 20, after the word "resources," the remainder of that line and the text in lines 21, 22, and a part of line 23 be stricken out, and that the following be substituted in lieu thereof:

not to exceed $276,000 to carry out the provisions of the joint resolution of August 8, 1946, Public Law 672, as amended by section 3 of the act of August 18, 1949, Public Law 249.

That would be the first amendment.

Mr. HAYDEN. Mr. President, may the amendment be acted on now?

The PRESIDING OFFICER. The amendment will have to be offered and stated before it can be put to a vote.

Mr. FERGUSON. Mr. President, I offer the amendment and send it to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 86, in line 20, after the word "resources," it is proposed to strike out "including not to exceed $20,000 to investigate and eradicate the predatory sea lampreys of the Great Lakes as authorized by joint resolution of August 8, 1946, Public Law 672" and insert, in lieu thereof "including not to exceed $276,000 to carry out the provisions of the joint resolution of August 8, 1946, Public Law 672, as amended by section 3 of the act of August 18, 1949, Public Law 249."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. HAYDEN. Mr. President, I will accept the amendment. I hope it will be adopted.

The amendment was agreed to.

Mr. HAYDEN. The Senator will have to move now to reconsider the committee amendment on page 87, line 6.

Mr. FERGUSON. Mr. President, as this item of $276,000 is to be included in a lump-sum item, on page 87, line 6, I move to reconsider the committee amendment at that point which strikes out "$1,250,000" and insert "$1,290,000." Twenty thousand dollars has been taken out and $276,000 is to be put in. That makes the difference in the figure.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to reconsider.

The motion was agreed to.

Mr. FERGUSON. Mr. President, I now offer an amendment in lieu of the committee figure of $1,290,000, appearing on page 87, line 6, to insert $1,546,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. FERGUSON. Mr. President, on page 93, lines 21 to 23, I move that the figure of "64" be stricken out and that the figure "71" be inserted. It is a necessary change.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to amend.

The motion was agreed to.

Mr. FERGUSON. Mr. President, there is one other item which I wish to take up at this time. Day before yesterday, the Senator from Michigan suggested he would make a motion on behalf of himself and the Senator from New Hampshire to recommit this bill. It looked at that time as if the amendments to the bill were going to be in a large sum, and that the bill should be recommitted in order that there might be made a reduction of at least 5 percent below the budget estimates. Since then, I have calculated the amounts involved in the amendments. I find that the floor amendments have increased the appropriation of cash from $4,189,746, plus the amount which was just now approved, which would make $4,425,746, and the contract authority is increased $3,065,095. The cash appropriation is now 4.8 percent below the budget, instead of 5.4 percent, as it was when the bill came from the committee. I have just now talked to the able Senator in charge of the bill, the chairman of the subcommittee. I have asked him privately, and I should like to ask him now on the floor, whether, if the motion to recommit is not taken up, the matter will receive his very careful attention so that the question may be thrashed out in conference rather than on the floor.

Mr. HAYDEN. I am very glad to give the Senator that assurance, because I am sure it is an issue which will be before the conferees. We shall have to consider it, and it should be considered, as the Senator has suggested.

Mr. FERGUSON. Mr. President, I may say it happened, I think, in this way, which ought to be stated for the record. Appropriations for power lines were not allowed by the committee under the program set forth in the committee. Unbudgeted items and other items went into the bill. So when the bill comes to the Senate, and the Senate reverses the committee's stand, we then find ourselves with an increase in the bill. I think that clearly states what has happened.

Mr. HAYDEN. That is a correct statement.

Mr. FERGUSON. In the interest of economy, I think it should receive the very careful attention of the committee. With that in mind, and with the statement of the able Senator, it is not my desire to press the motion to reconsider at this time. I think the same thing can be accomplished through the conference committee that could be accomplished here in the Senate.

Mr. McCARTHY. Mr. President, I send to the desk an amendment, and ask that it be stated.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 24, line 24, it is proposed to strike out "$31,450" and insert "$48,450."

Mr. McCARTHY. Mr. President, I especially call this matter to the attention of the senior Senator from Arizona. I sincerely hope he will accept the amendment. While there is but a very small amount involved, only $17,000, it represents a very important item. It is for improvement of the public school system of the Menominee Indian Reservation in Wisconsin. Specifically, it is for structural improvements to meet the safety and ventilation requirements of the Wisconsin public school system, for the installation of a stoker and automatic controls in the heating system, and for the addition of new classrooms. I have had much information from the tribal council. It is a very conservative group. They have made no unreasonable requests to date. They are firmly convinced the item of $17,000 is absolutely necessary. I sincerely hope the Senator will accept the amendment.

Mr. HAYDEN. Mr. President, inasmuch as, in my opinion, the very best way to advance the welfare of Indian children is to have them attend the public school, the Senator's amendment has my sympathy. I shall be glad to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 26, lines 7 and 8, it is proposed to strike out "$2,750,000" and insert "$2,800,000."

Mr. McCARTHY. Mr. President, this is an amendment providing an additional $50,000 for repairs to the roads in the Menominee Reservation, making a total of $90,000. It is a matter concerning which I have much personal knowledge. The roads on the reservation are in rather bad shape. I wonder whether the Senator from Arizona will accept the amendment?

Mr. HAYDEN. I shall be glad to accept the amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I call up an amendment which is on the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 80, following line 10, it is proposed to insert a new paragraph as follows:

Travel Division: For expenses necessary in carrying out the act of July 19, 1940 (16 U. S. C. 18), including personal services in the District of Columbia: Participation by the Travel Division in domestic and international expositions and conferences dealing with travel, and printing and binding, $63,600.

Mr. JOHNSON of Colorado. Mr. President, immediately following World War I, almost every nation in the world, except the United States, established a national travel office for the purpose of promoting travel to and within their respective countries. The United States was, and is, the prime objective of the travel advertising campaigns of these foreign countries.

The American people are great travelers, both at home and abroad, but we could not seem to get interested in conducting an aggressive campaign to attract foreign visitors to our country or in furnishing any aid or assistance to our own vast domestic travel industry. As a result of this situation we had, all through the 1930's an unfavorable trade balance, due to travel, of several hundred million dollars each year.

In 1939, the United States was host to the First Inter-American Travel Congress. This occasion served to emphasize the fact that we were the only one of the 21 nations in the Western Hemisphere that did not have an official travel office.

To remedy this situation, there was enacted by the Congress, the Travel Act of July 19, 1940, under the terms of which, the Secretary of the Interior was authorized and directed, through the National Park Service, to promote and develop travel to and within the United States, its Territories and possessions.

The Secretary accordingly established the United States Travel Division. It was placed within the National Park Service as the law requires. Its functions, however, are by no means confined to the promotion of travel to the national parks, but apply to all types of travel and all travel objectives. The act specifies that the Government's travel activities shall not compete with or duplicate the work of State, regional, and private travel organizations. It also grants authority for annual appropriations not to exceed $100,000.

Operating under the provisions of the Travel Act of 1940, the United States Travel Division has done a splendid job of assisting our great travel industry in maintaining a high level of travel in this country, and in interesting people in other countries in visiting the United States.

Section 3 of the 1940 act provides for an advisory committee on travel promotion. This has been organized and is functioning. It includes top-rank executives of the American Hotel Association, the Association of American Railroads, the National Association of Motor Bus Operators, the Air Transport Association, the National Federation of American Shipping, the American Automobile Association, and representatives of Government departments and agencies having an interest in travel. In addition, special collaborators representing the National Association of Travel Officials, the American Society of Travel Agents, and the International Association of Convention Bureaus have been appointed to supplement the advisory committee. All programs and policies of the United States Travel Division have been carefully devised and reviewed by these great national travel associations and hence the work of the Travel Division has their unqualified support.

The authorized amount of $100,000 has never been appropriated in any one year. The Travel Division was, in fact, suspended during the war. In fiscal year 1948, $75,000 was appropriated. In fiscal year 1949, $62,000 was appropriated. Nevertheless, a highly skilled staff has been developed. The quality and quantity of the work it has done has won the highest praise of the traveling public and travel organizations throughout the world.

In the budget for the fiscal year 1950, the sum of $63,600 was recommended. However, the House Committee on Appropriations eliminated this small item from the Interior appropriation bill. Up to this time attempts to reinstate the item in the bill have not been successful. The purpose of my amendment is to restore this small sum for this useful agency. Its program is of great assistance to my State and to every other State and Territory in the Nation and to countless business enterprises large and small which depend in whole or in part on the tourist trade for their support.

In almost every State, travel ranks first, second, or third as a source of income. Leading travel officials estimate that $12,000,000,000 was spent on interstate travel alone last year, and that at least an equal sum was spent on local travel by local people. According to these estimates travel is a $24,000,000,000 industry and ranks third among all revenue-producing activities. It is outranked only by all manufacturing and all retail and wholesale trade. In view of the millions of dollars appropriated annually by the Congress to aid other industries, it seems to me that we will be doing a grave injustice to the travel business to deny it the extremely modest sum of $63,600 with which to conduct the one office in the Government dedicated to the aid of our third most important revenue-producing activity.

Mr. President, the United States Travel Division is not merely an information office, although it does assist thousands of persons in finding the best sources of information regarding travel matters.

What is more important is that it provides the hotels, resorts, auto clubs, oil companies, restaurants, motor courts, public transportation companies, travel agents, and the many other enterprises that service travelers with the means of getting together to work out mutual problems. It gives these important travel interests a voice in governmental meetings and international conferences on travel matters which the officials of the Travel Division attend. This is of particular importance, at this time, when there is such intense rivalry by all nations to attract United States tourists. After all, United States tourists are the source of support for our own hotels and resorts. If too many of them are diverted to foreign countries, our third greatest source of national income will suffer. Surely, our travel organizations should be given a chance to get together for the advancement of their fundamental interests if the cost to our Government is only $63,600.

Although our travel business is prospering at present, it is faced with many threats and problems which it will be in a stronger position to cope with if it has this helpful office within the Government to aid it.

One of the important tasks of the Travel Division is the promotion of travel from foreign countries to this country. The governments of all nations maintain federal travel offices for the purpose of promoting travel to their respective countries. The travel industry in the United States, based on this international precedent, has a right to expect this Government to do a similar job in bringing in tourists from other countries for the benefit of our hotels, resorts, and transportation lines. The United States Travel Division is authorized to do this job and will do it if given the funds.

It is true that economic conditions in many lands are not favorable to intensive campaigns for the promotion of travel to the United States of America. But there is a considerable volume of travel from other countries and it is increasing daily. There is an intense interest abroad in travel to the United States of America and a big demand for accurate information concerning the travel attractions and travel conditions in this country. A central Government agency such as the United States Travel Division is required to furnish concise and impartial information of this type. We need this office to maintain the competitive position of the United States in world travel circles.

I believe you know that our Government, through the Economic Cooperation Administration, is engaged in promoting travel from the United States of America to the European nations cooperating under the Marshall plan. This plan has merit, if it is pursued as a temporary expedient, and if it is handled in such manner as to do the least possible damage to our domestic travel business. One thing is certain, however, and that is that we must not adopt a policy through which travel away from the United States is encouraged by the Government while travel to and within the United States is dealt a body blow through the elimination of the United States Travel Division.

As world economic conditions improve, the need for the United States Travel Division will increase. The United States has never been a host Nation. Our people are great world travelers, but even in the best travel years in prewar days we did not play host to any substantial number of foreign visitors. We must alter this situation as rapidly as conditions will permit. We spend millions, and rightly so, on our Voice of America program trying to tell other people what we are like here in the United States of America. But one visitor who comes and sees with his own eyes, and returns to tell his neighbors, is worth more than a thousand books, or a hundred radio programs. And it will always be good sense to get as much foreign travel as we can just as a matter of good business and to partially offset the unfavorable trade balance caused by the heavy travel of our citizens overseas.

The United States Travel Division has a big job to do in helping to prepare us to be a good host Nation. We need attractive printed material about the travel attractions of the whole United States. We need better welcoming techniques at our ports of entry. We need to help our foreign visitors get around over our country economically and pleasurably in spite of language differences and other difficulties. We need to help our overseas steamship and air lines get the names of prospective travelers coming to the United States of America, which we can do through a proper travel promotion campaign.

Last year, the House of Representatives passed a bill changing the status of the United States Travel Division from that of a Division in the National Park Service to a separate bureau in the Department of the Interior. The House bill did not reach the Senate in time for consideration, but I believe this was desirable legislation. Our Federal travel office should be given a distinct identity either as a separate bureau or as a division of the Office of the Secretary of the Interior. This would assure more careful hearings before congressional committees for the travel office than it now gets as a small part of the National Park Service. The need for more careful consideration by the Congress of travel matters is painfully apparent in the situation under discussion today.

Legislation similar to that just referred to has been introduced in the present Congress as H. R. 4321 and H. R. 4204. A similar bill will soon be introduced in the Senate.

I urge, therefore, that my amendment providing for the continuation of the United States Travel Division be approved. This will keep this thoroughly worth-while work intact pending the final outcome of the proposed legislation just referred to.

The modest sums of money spent through the United States Travel Division are an investment, not an expense. Every dollar so spent will come back to the State and Federal Treasuries many times over through the help we will give to thousands of business firms, large and small, in keeping up a healthy flow of travel to and within the United States of America.

I repeat, whether you know it or not, travel is the first, second, or third largest industry in your State. The travel officials in your State know the United States Travel Division and endorse its work. The need for economy is strong, but it is false economy, indeed, to eliminate the tiny appropriation of this small but helpful office while millions are furnished for countless enterprises the value of whose contributions to the Nation's welfare are much more difficult to demonstrate. I know, for example, of an instance in which $100,000 was quickly appropriated for the purpose of paying the expenses for a trip around the country of a group of delegates to an international conference. Does it make sense to do this, and then refuse $63,600 for an agency whose regular business it is to attract visitors to the United States of America from all over the world?

It is my firm belief that if we terminate the work of this useful office through the lack of an appropriation, it will only be a short time before some other provision will have to be made for a Federal travel office. Travel has become too important an enterprise to be denied the representation it needs in the Federal Government. There would therefore be no gain, only loss in terminating the services of the highly skilled and thoroughly respected staff of the United States Travel Division. And if a new office is established, there is a strong probability that it will be done on a much more costly and elaborate scale than under the present arrangement.

I sincerely urge that every Member give his strong support to the measure I have introduced. When we seek economy, let us concentrate on those activities where millions, or billions, are concerned rather than extinguishing a small, useful organization whose total budget is literally not even a drop in the proverbial bucket.

The Senate committee did not see fit to add to this appropriation. I do not know whether it was presented to the committee, but I know there is great interest in the Senate and in the Congress with reference to this matter. The purpose of my amendment is to restore this small sum for this useful agency. The program is of great assistance to my State and to every other State and Territory of the Nation, and to countless business enterprises, large and small, which depend, in whole or in part on the tourist trade for their support.

Mr. HAYDEN. I cannot guarantee that the House will reverse itself, but I shall be glad to accept the amendment and take the consequences.

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

Mr. JOHNSON of Colorado. First, I want to thank the Senator in charge of the bill. He says that he does not know whether he can persuade the House. I know how persuasive he is, and I am sure he will not have the slightest difficulty in persuading the House to accept an amendment having the merits which this amendment has.

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

Mr. JOHNSON of Colorado. I yield the floor.

Mr. FULBRIGHT. Mr. President, I happen to know something about this particular agency, and I know that the man in charge of it is a very excellent man. The agency contributes a great deal to the growth of travel throughout this country and abroad. I hope the chairman of the subcommittee will urge the acceptance by the House of the item referred to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, that completes the amendments.

The PRESIDING OFFICER. If there are no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

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

Mr. DOUGLAS. Mr. President, I send to the desk a motion and ask that it be read by the clerk.

The PRESIDING OFFICER. The clerk will read the motion of the Senator from Illinois.

The legislative clerk read, as follows:

I move that House bill 3838 be recommitted to the Committee on Appropriations with instructions to reconsider the amounts provided therein, for budgeted and nonbudgeted items, and to report the same back to the Senate with the sums of money in appropriations and contract authorizations to be the same as the sums passed by the House of Representatives, with the exception of the amounts provided for by the Senate on page 51, line 20.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I should like to point out, if I may, what will happen in connection with this bill. The House provided for a total appropriation of $536,000,000. The bill as reported to the Senate provided for $590,700,000. We have also increased the amount of cash appropriations, on the floor of the Senate, by somewhere between $4,000,000 and $5,000,000. In addition, I should like to invite attention to the fact that the contract authorizations, which amounted to $41,000,000 as the bill passed the House, have been increased to $70,000,000, which is an increase of $29,000,000. There have been between $3,000,000 and $4,000,000 in contract authorizations provided for on the floor of the Senate. We have, therefore, increased appropriations and contract authorizations about $90,000,000 as compared with the figure approved by the House.

I should also like to point out that the financial situation of the country is very difficult. I hold in my hand the fiscal statement as of the 22d of this month. In the 53 days which have elapsed since the beginning of the fiscal year, we have taken in $140,000,000 less than we took in last year, but we have spent $664,000,000 more than we spent last year. Last year at this time, the deficit, so far as current operations were concerned, amounted to $838,000,000. The deficit for these 53 days of operations amounts to $1,642,000,000.

It is my considered judgment that if we continue at the rate we are going, the deficit for 1949–50 will be more than $6,000,000,000 and may possibly rise to $7,000,000,000. We are at a very crucial point of decision.

The proposal I make would save all the public-power projects, because they are included in the House appropriation bill. It would also save the Fort Peck transmission line. The RECORD will show that I voted with that group of Senators favoring every public-power proposal which came before the Senate in this bill, but I think the Senate committee has increased the total sums far above what they should have been, in view of the financial situation of the Nation. Here is an opportunity to save approximately $54,000,000 in cash and approximately $33,000,000 in contract authorizations, or a total of very close to $90,000,000.

So I hope, Mr. President, the motion will be agreed to. In view of the fact that 62 Senators signed the resolution asking the President to cut the budget from 5 to 10 percent, I am sure that those 62 Senators, and possibly others, will join with me in voting to cut the Interior Department appropriation by the amount mentioned.

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

Mr. DOUGLAS. I yield.

Mr. WILLIAMS. I notice, in reading the motion, that the Senator made an exception. Will he explain that exception?

Mr. DOUGLAS. The exception was the Fort Peck transmission line. I happen to believe in public power. My criticism of the committee was that in operating on the patient it operated on the jugular vein and did not go into the abdomen. In fact, it increased the abdomen. The committee operated on the jugular vein of the transmission line. I want to restore the jugular vein, but I want to reduce the excess fat around the belly.

Mr. HAYDEN. Mr. President, the Senator from Illinois has made an excellent argument, except that his facts are not correct.

Mr. DOUGLAS. I am sorry.

Mr. HAYDEN. The Senator from Illinois completely overlooked the fact that with respect to all construction items in the bill—and they are a major portion of it—the House of Representatives arbitrarily reduced the amount of the budget estimate by 15 percent. If that had been the final judgment we could not quarrel with it, but after having done so, they stated they took that action on the assumption that the price of material and labor might go down, but if that did not happen, then the Reclamation Service and other agencies of the Interior Department were cordially invited to return to Congress and Congress would make up the difference. These are the words:

If this proves impossible—

That is, the 15-percent cut—

the committee intends to recommend approval of such additional funds as are shown to be required to finance items of construction proposed in the budget unless specifically hereafter denied.

The Senate committee made diligent inquiry as to what contracts were outstanding, where construction work was going on, and where a firm commitment had been made by the Congress to pay the cost of construction.

We put in every dollar that was required for them. As to the other items, we cut them down by 10 percent. What we want to do when we go to conference is to say to the House of Representatives, "This is the amount of money we expect to see expended by the Interior Department next year," and we do not want to leave it wide open that they may come back next spring with an invitation for deficiencies.

Of course we would not be fooling ourselves, but we should not deceive the public by saying we are making cuts when we know the effect of the cuts will be that the agencies will be compelled to return next spring and ask for more money. So the proper procedure is to make honest appropriations, as the Senate committee recommended, agree with the House as best we can upon them, and then stick to what we do. In that way we are not deceiving the public and not deceiving anybody, not even deceiving ourselves.

Mr. DOUGLAS. Mr. President, I thank the very able Senator from Arizona for his statement, which seemed to me to supplement, not correct, my facts.

I would like to point out, however, that the appropriation by the Senate is less than 5 percent below the amount recommended by the budget estimate, despite the fact that there has been a fall of 8 percent in prices, and despite the fact that the financial situation of the country is very much worse than it was in December, when the budget was framed.

The budget was drawn in December, when we assumed that we were in prosperity, and were in prosperity. We are now in a recession. We are faced with a budget deficit of six or seven billion dollars for the coming year. And I think this is a time when we should observe the utmost economy, and practice what we preach in the Senate. We should be willing to do the job of economizing ourselves and not pass it on to the Executive.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois that the bill be recommitted.

Mr. WILLIAMS. Mr. President, I shall support the motion of the Senator from Illinois, because I agree with him that if we are to cut the budget, this is the place to do it, and that we should not pass the responsibility on to the President.

However, I do not agree with the Senator altogether since I do not approve of his exception. Once more we have here the example of a Senator willing to cut the budget 5 percent except in those items which are close to his heart. I think that if we send the bill back, we should send it back with instructions to cut it even as to items which appeal to us personally. I do not believe we should make any exceptions.

While we are talking about the budget estimates, let me say that the bill as it was reported to the Senate represented an increase of $126,284,549 over what was appropriated for the same Department last year, or an increase of 27.1 percent. Even if we cut 5 percent, we will still have an increase of 22 percent over last year's expenditures in this one Department, not counting the additions made on the floor of the Senate today.

Again I say I shall support the motion of the Senator from Illinois, reluctantly, however, because I think we are going to find he will lose the votes of many Senators, because each Senator is going to have in the bill certain projects which are important to his own State, and if he supports the motion he is going to feel, "I am voting to cut appropriations for projects which I favor, and the project of every other Senator except the one that is close to the heart of the Senator who made the motion." I think the Senator from Illinois would have gotten many more votes if he had not made the exception, and I think he will agree with me that the way to get his motion agreed to is to cut all items.

Mr. President, this is not the only appropriation bill that has been increased substantially over last year. In order that the record may be complete, I have a chart which I wish to place in the RECORD before the vote is taken.

There are in all 11 major appropriation bills, and the record of the Senate up to this time is that we have increased the amounts in the bills by over $4,000,000,000. I ask unanimous consent at this time that a summary of the bills be printed in the RECORD.

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

Summary of appropriation bills

Bill and number	Appropriation, fiscal 1949	Appropriation, fiscal 1950	Amount of increase or decrease	Percent increase or decrease
District of Columbia (H. R. 3082)	$99,729,483	$102,754,447	+$3,024,964	+3.0
Treasury and Post Office (H. R. 3083)	2,244,727,680	3,090,528,904	+845,801,224	+37.7
Labor-Federal Security (H. R. 3333)	1,866,053,700	2,387,799,885	+521,746,185	+27.9
Civil functions (H. R. 3734)	641,575,666	[1] 751,440,690	+109,865,024	+17.0
Agriculture (H. R. 3997)	577,546,953	715,601,607	+138,054,654	+23.9
State, Justice, Commerce (H. R. 4016)	511,129,662	677,972,102	+166,842,440	+32.4
Legislative (H. R. 5060)	56,140,401	62,262,110	+6,121,709	+10.7
Independent offices (H. R. 4177)	[2] 6,825,581,463 [3] 7,791,870,751	[1] 7,663,429,323	+837,847,860	+12.2
Total	12,822,485,008	15,451,789,068	+2,629,304,060	+20.6

[1] Passed by Senate and now in conference.
[2] Original appropriation; does not include supplemental and deficiency appropriations.
[3] Includes supplemental and deficiency appropriations; not included in total.

Appropriation bills to be acted upon

Bill and number	Appropriation, fiscal 1949	Appropriation, fiscal 1950 [1]	Amount of increase or decrease	Percent increase or decrease
Interior (H. R. 3838)	$464,401,362	$590,685,911	+$126,284,549	+27.1
National military (H. R. 4146)	10,454,477,413	12,731,834,478	+2,277,357,065	+21.7
Foreign aid (H. R. 4830)	6,599,282,000	5,647,724,000	−951,558,000	−14.4
Total	17,518,160,775	18,970,244,389	+1,452,083,614	+8.9

[1] Amounts recommended by Senate committee.

Mr. HAYDEN. Mr. President, for the information of the Senator I may say that there was an addition on the floor of the Senate of approximately $4,576,346 in the Interior Department bill.

Mr. WILLIAMS. I thank the Senator. The only appropriation we cut this year, as compared with last year, was the foreign-aid appropriation, House bill 4830. The amount of this decrease was $951,558,000, as reported to the Senate, although we did write in on the floor of the Senate a contract authorization of $150,000,000, and wrote in an extra $74,000,000 appropriation for the first 3 months of the year, which cut the savings down to around $700,000,000.

The net result is that we are spending over $4,000,000,000 more this year than we did last year for the same 11 executive departments.

We have just one more major appropriation bill on the Senate calendar, the national military bill, and much has been said about the billion dollar cut in this bill below the budget estimate, and it is true there is such a cut below the budget estimate. But I call your attention to the fact that the military appropriation bill on the calendar calls for an appropriation of $12,731,834,478, or $2,277,357,065 more than was appropriated last year for the same department.

So when Secretary Johnson boasts of the $1,000,000,000 he is saving, and I congratulate him on that saving, let us be frank and admit that we will still be spending around $2,000,000,000 more for our Military Establishment than we spent last year.

Mr. President, these bills can therefore stand some cuts, and if we cut them only 5 percent, our Government is still going to be spending more than our income. The only way we are going to make any substantial cuts is by saying we will take cuts in our own State projects or on projects close to our own hearts.

As I have said, I shall support the motion of the Senator from Illinois, but rather reluctantly. I would have supported it with enthusiasm if he had agreed to cut his own pet project. I have been voting consistently against these increases because it is my opinion that an unbalanced budget at this time offers the greatest threat to our form of government.

Unless we do drastically cut our Government expenditures the American people had just as well stop talking about any tax reduction. On the contrary if we continue this rate of reckless spending another 12 months we are going to be confronted with an inevitable tax increase; and a tax increase large enough to support our current rate of expenditures and still balance the budget will shake the very foundations of our free-enterprise system. I hope the Senator will withdraw his exception.

Mr. DOUGLAS. Mr. President, I accept the suggestion of the Senator from Delaware, and strike out the exception in my amendment, so that the amendment would leave the sums the same as those passed by the House of Representatives.

Mr. WILLIAMS. I thank the Senator.

Mr. HUMPHREY. Mr. President, I should like to make an observation. Some of us who have been on the floor of the Senate while the bill has been under consideration, at least have been here part of the time, have heard the amendments read page by page and line by line, and repeatedly I have heard the Presiding Officer ask the Members of the Senate, "Is there objection?" I have heard that "Is there objection?" not

once, but 50 to 100 times, during the consideration of the bill. And there was no objection. In the sense that these increases, as they came along, were not objected to by any Member of the Senate, they have been approved. So, no matter how we may vote, I think it is a justified observation that those who up until this moment have had opportunity to hear the amendments read, and to hear the Presiding Officer ask whether there was any objection, have raised no objection. It is our duty to be here, and if there are any objections which we wish to register, we should make them known. To come along at this hour and say, "Let us recommit the bill; let us go back to the House figures," I do not think is the way to proceed. I might say that if I had felt as the Senator from Michigan felt, when the first amendment came up, on page 2, line 16, "Contingent expenses, Department of the Interior," raising the appropriation from $190,000 to $217,500, I would have said, "I object."

So, Mr. President, I cannot support the motion, because I have had the good fortune to be interested in the debates, I have heard the clerk read the amendments one by one, I have heard the Presiding Officer ask the Senator from Minnesota, as a Member of this honorable body, "Is there objection?" and I have not raised my voice in objection, so I cannot support a motion which is equivalent to saying that somehow or other I was not doing my duty.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DOUGLAS] to recommit the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. A quorum is present.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois [Mr. DOUGLAS], as modified, to recommit the bill to the Committee on Appropriations.

The motion was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

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

The bill (H. R. 3833) was read the third time and passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. O'MAHONEY, Mr. WHERRY, and Mr. GURNEY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 973. An act to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia; and

S. 2146. An act to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality.

The message also announced that the House had passed a bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes, in which it requested the concurrence of the Senate.

JOINT COMMITTEE TO ATTEND FINAL ENCAMPMENT OF THE GRAND ARMY OF THE REPUBLIC

Mr. DOUGLAS. Mr. President, out of order, I ask unanimous consent for the present consideration of House Concurrent Resolution 102, authorizing the House and the Senate to appoint a joint committee to attend the final encampment of the Grand Army of the Republic. Since that encampment is to begin on the 28th of August, it is essential to have action on the resolution taken promptly.

The PRESIDING OFFICER. The concurrent resolution will be read.

The concurrent resolution (H. Con. Res. 102) was read, as follows:

Resolved, etc., That there is hereby created a joint committee which shall be composed of five Members of the Senate to be appointed by the President of the Senate, and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman from among its members.

SEC. 2. The joint committee shall represent the Congress at the Eighty-third and Final National Encampment of the Grand Army of the Republic, to be held at Indianapolis, Ind., from August 28 to September 1, 1949.

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

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

Mr. HAYDEN. Mr. President, House Concurrent Resolution 103 was recently reported by me from the Committee on Rules and Administration. It is a subsequent concurrent resolution, passed by the House of Representatives, covering the expenses in connection with the concurrent resolution just adopted by the Senate. I ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be read.

The concurrent resolution (H. Con. Res. 103) was read, as follows:

Resolved, etc., That the expenses of the joint committee created pursuant to House Concurrent Resolution 102, not to exceed $5,000, shall be paid by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of the disbursements so made.

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

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

BIRTHDAY CONGRATULATIONS TO FORMER VICE PRESIDENT CHARLES G. DAWES

Mr. WHERRY. Mr. President, in this hour when fiscal and economic affairs fall so heavily as a burden upon a world still searching for recovery from the effects of war it seems to me most fitting that the Senate of the United States pay honor and extend birthday greetings to a man who has well served both his country and the world in past moments of economic duress.

On Saturday, August 27, the distinguished former Vice President of the United States, Charles Gates Dawes, will observe his eighty-fourth birthday in his home city of Chicago. It is well known to all Members of the Senate that General Dawes gave distinguished and devoted service to his country as the father and first Director of the Federal Bureau of the Budget, as one of the founders and first head of the Reconstruction Finance Corporation, as a key member of the Military Establishment during the First World War, as Ambassador to Great Britain, as head of the Reparations Commission after World War I and originator of the Dawes plan, as one of the Nation's outstanding commercial bankers and authorities on finance, and as Vice President of the United States.

We who live in Nebraska feel a particular kinship with this distinguished American, for it was to Lincoln, Nebr., that he came in 1887 to establish himself in the practice of law following his graduation from law school in his native State of Ohio. He remained as a practicing lawyer in Nebraska until 1894, when he transferred his residence to Illinois and quickly advanced up the ladder to fame.

Some of his most notable friendships among famous public figures developed during those pleasant years that he was a Nebraskan. Without regard to his personal politics he there formed lasting friendships with William Jennings Bryan; General of the Armies John J. Pershing; one-time Secretary of Agriculture J. Sterling Morton and others.

It seems to me now most fitting that the Senate, over which he once presided,

take this occasion to extend birthday greetings and felicitations to General Dawes on the occasion of his eighty-fourth anniversary and direct the Secretary of the Senate to so advise Mr. Dawes. To that end, I submit to the Senate an appropriate resolution and ask unanimous consent for its immediate consideration. I am honored to send to the desk the resolution.

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

The resolution (S. Res. 161) was read, as follows:

Resolved, That the Senate of the United States extends most cordial greetings and felicitations to the Honorable Charles Gates Dawes, on the occasion of his eighty-fourth birthday, August 27, 1949, for during a long and distinguished career he has served his country in a most conspicuous and devoted manner as a financial expert, as a soldier, as a diplomat, and as Vice President of the United States and President of this august body.

Resolved, That the Secretary of the Senate transmit a copy of this resolution to General Dawes.

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

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

WEAKNESS OF THE MARSHALL PLAN AND SOLUTION FOR PRESENT CONFUSION AND CHAOS IN EUROPE

Mr. FULBRIGHT. Mr. President, on last Wednesday, August 24, that admirable newspaper the New York Times, noted for its accurate, but stodgy understatement, carried two extremely important and timely items in its editorial page, an editorial and an article.

The article by Anne O'Hare McCormick, points out the weakness of the Marshall plan and the editorial describes the proper solution to the present confusion and chaos in Europe.

Mr. President, I desire especially to call the attention of the policy makers of our Department of State to these articles. For more than 2 years several of us in this body have endeavored to persuade the Department of State to recognize that dollars alone are not enough to solve the problems of Europe. We have pleaded with the Department to have just a scintilla of imagination and originality in their plans. In particular we have urged them to suggest to the Europeans that political and economic unification is essential to their recovery.

The opportunity to begin the process of unification has been neglected, but it is possible that with strenuous efforts it may not be too late. Certainly it is still preferable to try it than to follow blindly a policy doomed to failure.

Since neither the Department nor the Senate has been impressed by the arguments heretofore made on this floor, I wish to quote part of the article by Mrs. McCormick:

The immediate point is that in trying to fill the void the United States has given more money than counsel. The American reporter who has interviewed governments since the aid program got under way has heard few echoes of the complaints of American dictation or interference that form the staple of Communist propaganda and are now echoed in the more irresponsible Labor circles in England. But times without number, the American has heard complaints that we don't interfere enough. Over and over again, in conversations with Government officials—very much off the record—one listens to questions like this: "Why don't you impose conditions with your gifts?" "Why don't you insist on measures of real cooperation?" "Why don't you use your power to force us to do things we should do, need to do, and have not the political courage to do on our own."

Mr. President, I regard it as one of the greatest tragedies of our history that, although our people were willing and able to pay the taxes and give the necessary goods to a stricken Europe, our leaders lacked the foresight and wisdom to supply the vision necessary to make our material aid effective. As has been so well said, "Where there is no vision the people perish."

Mr. President, this miscarriage of a magnificent idea and of an unprecedented generosity has many unforeseeable consequences, but one of those consequences is a hesitancy on the part of some of us in following too quickly the more recent proposals of our leaders. I have reference to the military assistance program.

One reads a great deal in the press about the difficulties the program is encountering in the Congress. It is said that our bipartisan policy is breaking down. Mr. President, as a Democrat and as one who has without exception supported the official foreign policy of this Government for 7 years, I submit that there is more than partisanship involved in the present difficulties of the official policy. The simple fact is that having observed the operation of the ECA very closely since its beginning, I as a member of the majority party, need some reassurance about the wisdom of the policy to be followed in the MAP before I am willing to accept the total proposal of the Government.

Last spring I was disposed to withdraw my support of the ECA because of the failure of our Government to promote the unification of Europe. Finally, and very reluctantly, I did support it, with the hope that something would happen this year to change our policy. It is just barely possible that the statesmen now meeting in Strasbourg in the Council of Europe may bring about that change.

In any case, Mr. President, I wish to make it clear that my reluctance to accept the MAP of the Government in the terms submitted is to a very great extent influenced by my disappointment in the policy followed by the Government in administering the Marshall plan. Nothing dampens one's enthusiasm for a new program more than the failure of the old program.

Mr. President, I ask unanimous consent to insert in the RECORD at this point, as a part of my remarks, an excerpt from the article by Mrs. McCormick and the editorial from the New York Times entitled "For European Unity." I also ask that an Associated Press dispatch from Strasbourg commenting on the ECA be inserted.

There being no objection, the excerpt from the article and the editorial and dispatch were ordered to be printed in the RECORD, as follows:

[From the New York Times of August 24, 1949]

THE BIG QUESTION OF DIVIDING THE DOLLARS

(By Anne O'Hare McCormick)

* * * * *

QUESTIONING AMERICAN POLICY

The immediate point is that in trying to fill the void the United States has given more money than counsel. The American reporter who has interviewed governments since the aid program got under way has heard few echoes of the complaints of American dictation or interference that form the staple of Communist propaganda and are now echoed in the more irresponsible Labor circles in England. But times without number the American has heard complaints that we don't interfere enough. Over and over again, in conversations with government officials—very much off the record—one listens to questions like this: "Why don't you impose conditions with your gifts? Why don't you insist on measures of real cooperation? Why don't you use your power to force us to do things we should do, need to do, and have not the political courage to do on our own?"

Of course the United States cannot force the beneficiaries of the Marshall plan. The most it can do is to support a policy on which they agree. This is what it has done so far in relation to OEEC. The members will have to work out a division of dollars among themselves. The British will receive help, but on their own plan of salvation.

Yet we alone have power to meet the crisis, and we are just beginning to realize that it cannot be met with small measures of temporary palliatives, or without the concerted all-out effort of every people in the western world. The great problem is how to distribute responsibility without dollars, how to evoke in our partners the sense of community of purpose which will inspire them to work together, with different means, for the same end. The shock of discovering that the Marshall plan is not enough puts upon all the nations involved the duty of doing not less but more.

[From the New York Times for August 24, 1949]

FOR EUROPEAN UNITY

Next to the trumpet call for European unity sounded by Winston Churchill, the most urgent and compelling demand to the same effect has been voiced at the Strasbourg meeting of the Council of Europe by Paul Reynaud of France. As wartime Premier M. Reynaud urged and obtained from the British War Cabinet headed by Mr. Churchill a declaration proposing an indissoluble union between France and Britain, for which he was ready to fight to the last. This proposal was made in the hour of France's agony, when Hitler's armies were already in Paris, and it came too late to avert France's downfall. Now Europe is again living under the shadow of another conqueror whose fifth columns are gnawing at the foundations of the free world. And again M. Reynaud and Mr. Churchill join forces to urge an indissoluble union, not only of France and Britain but of all free European nations—before it is again too late.

But whereas Mr. Churchill invokes the ancient glories of Europe, M. Reynaud rests his plea on the inexorable facts of Europe's economic life. Europe, he points out, is living from hand to mouth, first by means of loans, then grants, and now Marshall aid. But that aid is being administered by representatives of individual governments pursuing selfish national policies, with the result that Europe is following a dead-end

street, which, moreover, comes to an end in 1952. M. Reynaud warns that unless the situation is remedied by that time Europe will face an economic crisis which might result in victory for Stalin.

The remedy he proposes is a European federation with a real European legislature directly elected by the European peoples and able to establish a large trading area with a single currency and a mass market capable of supporting mass production according to the most economic methods and in the most economic locations. He freely admits that this would ultimately mean a sacrifice of national sovereignty, but he stresses that this must happen if Europe is to survive in freedom. There is a place, he declares, for a unified Europe standing between the two giants of America and Russia, but there is no such place for a mosaic of independent states.

This plea came fittingly on the eve of today's ceremonies in Washington, at which President Truman will formally put into effect the North Atlantic Treaty, designed to unite the defensive resources of the Atlantic community, of which European military unification and economic stability are essential parts. The difficulties which these projects face are illustrated anew both in Washington, where primarily conservative elements oppose military aid, and in Strasbourg, where primarily socialistic spokesmen oppose economic unification, except on their terms. But the opposition in both cases might well heed M. Reynaud's warning that the proponents of unity are not ahead of the times; rather that the times are ahead of them. And time does not wait.

[From the Washington Post of August 25, 1949]

END DISUNITY BY 1952 OR FACE ECONOMIC RUIN, POSSIBLY WAR, EUROPEAN NATIONS ARE WARNED

STRASBOURG, FRANCE, August 24.—The European Consultative Assembly wound up its economic debate today with the generally expressed conviction that the Marshall plan is being frittered away and disaster impends.

No one disputed warnings from Socialists, Conservatives, and middle-of-the-roaders that if Europe cannot remedy its economic disunity before the end of the European Recovery Program in 1952 she is in for an economic collapse, social upheavals, and perhaps war.

There was general agreement that two world wars fought in Europe, the rise of the United States and the industrialization of agricultural countries overseas had totally changed the continent's economic position in the world.

Statements that little long-range constructive work is being done under the Marshall plan also went unchallenged.

United States aid has been praised as generous and wise. But criticism has been turned upon representatives of the Marshall-plan countries themselves. It has been charged that these representatives in the Organization for European Economic Cooperation have not been able to submerge national interests in behalf of Europe's welfare.

Former French Premier Paul Reynaud yesterday urged that a real European parliament be elected by direct suffrage with power to knock together the conflicting economies.

One resolution introduced today by Winston Churchill's European movement declared that "unless immediate steps are taken to promote a European economic union, there must inevitably be a European economic collapse involving a catastrophic decline in the standard of living of the European peoples and social disturbances endangering their democratic way of life."

Another resolution proposed by French Socialist Andre Philip said the economic unification of Europe is the only way of avoiding "a social crisis of extreme gravity."

British Laborites, however, cautioned against the union of collapse specter raised by these resolutions. They said an economic union stripping tariff protection from some industries would throw great numbers of people out of work and the medicine would be worse than the disease.

Britain's Laborites generally advise a go-slow, take-a-good-look policy toward proposals to unite planned and free economies.

The real battle will come over the Churchill-backed resolution in the committee on economic affairs, probably in about 10 days. As introduced, it bore 46 signatures from among the 101 delegates from 12 countries.

Lord Layton, a British Liberal, predicted the British pound would be devalued soon, and urged that other European currencies be devalued in concert.

He also urged that the Bretton Woods agreement, which he said provided for orderly monetary adjustments by moving from one fixed point to another, be shelved.

He urged that the agreement be laid aside temporarily to allow certain currencies to go free for a time in order that they should find their natural level.

THIRD DEFICIENCY APPROPRIATIONS

Mr. McKELLAR. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 5300, a bill making appropriations to supply deficiencies in certain appropriations for the fiscal year 1949, and for other purposes.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I wish to say to the Senate that this bill certainly will not take more than a few minutes to dispose of. It is unanimously reported by the committee. This is the third deficiency appropriation bill, the third deficiency bill we have had before us this year.

The amount of the bill as passed by the House was $127,000,000. The Senate committee has voted to add $9,000,000, making a total of $136,000,000. That is $48,000,000 less than the amount of the budget estimates which were sent to the two Houses.

The report is unanimous. It seems to me that the bill should be passed in a very few minutes. So far as I know, there is no opposition of any kind to it by any Member. I have not heard of any opposition to it.

Therefore, Mr. President, at this time I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered; and the Secretary will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Legislative branch," on page 1, after line 7, to insert:

SENATE

CONTINGENT EXPENSES OF THE SENATE

Effective July 1, 1949, the basic salary of the research assistant to the majority leader authorized by Senate Resolution No. 158, agreed to December 9, 1941, hereby is increased from $6,000 to $7,320 per annum.

The amendment was agreed to.

The next amendment was, on page 2, after line 2, to insert:

Miscellaneous items: For an additional amount for miscellaneous items, exclusive of labor, fiscal year 1949, $152,108.

The amendment was agreed to.

The next amendment was, on page 2, after line 5, to insert:

Folding documents: For an additional amount for folding speeches and pamphlets at a basic rate not exceeding $1 per thousand, fiscal year 1949, $2,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 8, to insert:

Stationery: For an additional allowance for stationery of $200 for each Senator and the President of the Senate, for the first session of the Eighty-first Congress, $19,400, to remain available until December 31, 1949.

The amendment was agreed to.

The next amendment was, on page 2, after line 12, to insert:

Joint Committee on Printing: For an additional amount for the Joint Committee on Printing for travel and subsistence expenses at rates provided by law for Senate committees, fiscal year 1950, $4,500.

The amendment was agreed to.

The next amendment was, on page 3, after line 6, to insert:

CAPITOL POLICE

Capitol Police Board: For an additional amount to enable the Clerk of the House of Representatives to reimburse the government of the District of Columbia for the salary of one Metropolitan policeman assigned to the Capitol Police Board to provide additional protection for the Capitol Buildings and Grounds, fiscal year 1950, $3,754.51.

The amendment was agreed to.

The next amendment was, on page 3, after line 17, to insert:

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

Preparation of rules for civil procedure: For expenses of the Supreme Court incident to proposed amendments or additions to the Rules for Civil Procedure for the district courts of the United States pursuant to title 28, United States Code, S. 2072, including personal services in the District of Columbia and printing and binding, to be expended as the Chief Justice in his discretion may approve, including such per diem allowance in lieu of actual expenses for subsistence at rates to be fixed by him not to exceed $10 per day, $5,000, to remain available until June 30, 1950.

The amendment was agreed to.

The next amendment was, under the heading "Independent offices—Commission on Renovation of the Executive Mansion," on page 5, line 18, after the figures "$50,000", to insert "to be disbursed by the Chief Disbursing Officer, Division of Disbursements, United States Treasury."

The amendment was agreed to.

The next amendment was, under the subhead "Social Security Administration—Grants to States for unemployment compensation and employment service administration," on page 7, line 25, after the numerals "1950", to strike out "$300,000" and insert "$392,850."

The amendment was agreed to.

The next amendment was, on page 8, after line 4, to insert:

GENERAL SERVICES ADMINISTRATION

PUBLIC BUILDINGS ADMINISTRATION

Site for public building at Omaha, Nebr.: For an additional amount for the acquisition of a site for a public building at Omaha, Nebr., as authorized by the acts of March 25, 1948 (Public Laws 455, 456, and 457), $150,000, to remain available until June 30, 1950.

The amendment was agreed to.

The next amendment was, on page 8, after line 11, to insert:

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

Salaries and expenses

For an additional amount for "Salaries and expenses," fiscal year 1950, $75,000.

The amendment was agreed to.

The next amendment was, on page 8, after line 16, to insert:

ALASKA HOUSING

For purchase of obligations of the Alaska Housing Authority, as authorized by section 3 of the Alaska Housing Act (Public Law 52, approved April 23, 1949), fiscal year 1950, $10,000,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the subhead "Motor Carrier Claims Commission—Salaries and expenses," on page 9, line 4, after "(5 U. S. C. 55a)", to insert "fiscal year."

The amendment was agreed to.

The next amendment was, on page 10, after line 11, to strike out:

SURPLUS PROPERTY DISPOSAL

For all necessary expenses of the Treasury Department in liquidating the affairs of the War Assets Administration in accordance with the provisions under this head in the Supplemental Independent Offices Appropriation Act, 1949 (Public Law 862, Eightieth Congress), as amended by the Act of February 21, 1949 (Public Law 7, Eighty-first Congress), $3,500,000: *Provided*, That not less than $2,500,000 of the foregoing amount shall be available for accrued annual leave of employees of the War Assets Administration.

The amendment was agreed to.

The next amendment was, on page 10, after line 21, to strike out:

For all necessary expenses of the Reconstruction Finance Corporation in connection with property transferred to such Corporation in accordance with the provisions under this head in the Supplemental Independent Offices Appropriation Act, 1949 (Public Law 862, Eightieth Congress), as amended by the act of February 21, 1949 (Public Law 7, 81st Cong.), $4,000,000.

The amendment was agreed to.

The next amendment was, on page 11, in line 9, after "501),", to insert "fiscal year."

The amendment was agreed to.

The next amendment was, under the subhead "United States Maritime Commission—Vessel operating functions," on page 11, line 12, after the word "receipts", to strike out the colon and the following additional proviso: *"Provided further*, That no part of the foregoing appropriation shall be available for surveys and inspections of vessels by the American Bureau of Shipping."

The amendment was agreed to.

The next amendment was, on page 11, after line 15, to strike out:

No additional vessels shall be allocated under charter, nor shall any vessel be continued under charter by reason of any extension of chartering authority beyond June 30, 1949, unless the charterer shall agree that the Commission shall have no obligation upon redelivery to accept or pay for consumable stores, bunkers, and slop-chest items, except with respect to such minimum amounts of bunkers as the Commission considers advisable to be retained on the vessel and that prior to such redelivery all consumable stores, slop-chest items, and bunkers over and above such minimums shall be removed from the vessel by the charterer at his own expense.

The amendment was agreed to.

The next amendment was, under the subhead "War Claims Commission—Administrative expenses," on page 12, line 16, before the word "to", to strike out "$281,250" and insert "$350,000", and in line 18, after the numerals "1948", to strike out the colon and the following proviso: *"Provided*, That no part of the foregoing appropriation shall be available for carrying out the provisions of section 8 of said War Claims Act of 1948."

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture—Bureau of Entomology and Plant Quarantine—Salaries and expenses—Citrus blackfly," on page 14, line 9, after the word "pest", to strike out "$175,000" and insert "$205,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce—Office of the Secretary—Liquidation of war agencies transferred to Commerce," on page 14, line 21, after "(5 U. S. C. 55a)", to strike out "$15,000" and insert "$40,000", and in line 22, after the amendment just above stated, to strike out the comma and "to be available for payment of accrued annual leave only."

The amendment was agreed to.

The next amendment was, at the top of page 18, to insert:

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Corps of Engineers

Flood Control, General

For the completion of interior drainage facilities at Mandan, N. Dak., as a part of the local flood-protection project authorized by the Flood Control Act of 1946 (Public Law 526, 79th Cong., 2d sess.), fiscal year 1950, $76,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department—Office of the Secretary," on page 20, after line 20, to insert:

PERSONAL OR PROPERTY DAMAGE CLAIMS

For an additional amount for personal property damage claims, $40,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 18, to insert:

COAST GUARD

RESERVE TRAINING

For pay, allowances, clothing, transportation, and subsistence, as authorized by law for personnel of the Coast Guard Reserve on active duty undergoing training or performing drills or equivalent duty, and for regular or reserve personnel on active duty engaged primarily in administration of the reserve training program (including transportation of dependents and household effects); personal services at the seat of government; expenses of recruiting; printing and binding; purchase of not to exceed 22 passenger motor vehicles; maintenance, operation, and repair of aircraft; and other expenses necessary for the reserve training program; fiscal year 1950, $3,000,000: *Provided*, That rates for drill pay shall not exceed those prescribed by or pursuant to law for the Naval Reserve.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Claims for damages, audited claims, and judgments," on page 22, in line 19, after the words "set forth in", to insert "Senate Document Numbered 96, and"; line 21, after the word "Congress", to strike out "$4,553,922.31" and insert "$7,664,035.07."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. SALTONSTALL. Mr. President, for the sake of the RECORD, I should like to ask the chairman of the committee a question in connection with the appropriation to the Department of Agriculture in the amount of $34,000,000 for the eradication of the foot and mouth disease. I have no objection to that item; I realize its importance. I wish to ask whether it includes any authority to build the laboratory, with respect to the location of which there is so much contention.

Mr. McKELLAR. So far as I am informed and believe, it does not.

Mr. SALTONSTALL. So the appropriation will leave that problem still before the Senate, for another session; will it?

Mr. McKELLAR. It leaves it as it is.

Mr. SALTONSTALL. I thank the Senator.

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

Mr. McKELLAR. I yield.

Mr. MAGNUSON. I may say to the Senator from Massachusetts that, in connection with that matter, the Senator will recall that we provided, I believe, $500,000 for the Secretary of Agriculture to make a survey and also to determine the site. It is my understanding that he did appoint such a group, and that it has made the survey, and that it has made its report to the Secretary of Agriculture. About 10 days or 2 weeks ago the Secretary of Agriculture anounced that he would release the report and would make selection of the site on the following noon. Certain matters came up in the interval; and on

the following noon the Secretary postponed the decision. The matter is still pending in the Department. But I suspect that all the facts are in, and that as of the present date the Secretary of Agriculture himself is somewhat unready to make the decision as to the site.

Mr. SALTONSTALL. But no appropriation is available for building the laboratory, even if the site is selected. Is that correct?

Mr. MAGNUSON. I do not know what would be done with the $34,000,000. I was going to ask the Senator from Tennessee about that.

Mr. McKELLAR. This is to pay for cattle that were slaughtered in Mexico. It has nothing to do with the proposal which has just been referred to by the Senators.

Mr. SALTONSTALL. I thank the Senator.

Mr. McKELLAR. Mr. President, by the direction of the committee, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, after line 7, under the heading "Funds appropriated to the President," it is proposed to add a new item, as follows:

ASSISTANCE TO THE REPUBLIC OF KOREA

For expenses necessary to continue assistance to the Republic of Korea during the period July 1 to September 15, 1949, at the same rate and under the same terms and conditions as in the fiscal year 1949, pending the enactment of legislation outlining the terms and conditions under which further assistance is to be rendered, $30,000,000, of which not to exceed $375,000 shall be available for administrative expenses: *Provided,* That all obligations incurred during the period between August 15, 1949, and the date of enactment of this act in anticipation of such appropriation and authority are hereby ratified and confirmed if in accordance with the terms thereof: *Provided further,* That the funds appropriated pursuant to the joint resolution of June 30, 1949 (Public Law 154), as amended by the joint resolution of August 1, 1949 (Public Law 196), for assistance to the Republic of Korea, shall be charged to this appropriation.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

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

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5 in line 11, it is proposed to strike out the word "approved" and insert in lieu thereof "received."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

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

The VICE PRESIDENT The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, in line 18, it is proposed to strike out "fiscal year 1950" and insert in lieu thereof "fiscal year 1949, to remain available until June 30, 1950."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

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

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, in line 20, after the word "Treasury," it is proposed to insert *"Provided,* That this appropriation shall be available from and including April 14, 1949. All obligations incurred during the period between April 14, 1949, and the date of the enactment of this act in anticipation of such appropriation are hereby ratified and confirmed."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

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

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, in line 4, before the period, it is proposed to insert the following: "and shall be available for cooperation with the United States Immigration and Naturalization Service and the Secretary of State in negotiating and carrying out agreements relating to the employment of foreign agricultural workers, subject to the immigration laws and when necessary to supplement the domestic labor force."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

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

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 4, it is proposed to insert a new paragraph, as follows:

SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

The first proviso under this head in the Federal Security Agency Appropriation Act, 1950, is amended to read as follows: *"Provided,* That of the amount herein made available for expenditure, not more than $50,000 may be expended without regard to section 322 of the act of June 30, 1932, as amended (40 U. S. C. 278a), for alterations, repairs, and improvements to the buildings occupied by the Bureau of Old-Age and Survivors Insurance in Baltimore, Md., and vicinity, of which amount not more than $15,000 shall be available for alterations, repairs, and equipment for an employee cafeteria or cafeterias, and the total amount made available in this proviso, except such part as may be necessary for incidental expenses of the Bureau of Old-Age and Survivors Insurance, may be transferred to the Public Buildings Administration, General Services Administration, for such purposes."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, after line 11, it is proposed to insert:

SECURITIES AND EXCHANGE COMMISSION

For an additional amount for "Salaries and expenses," fiscal year 1950, $220,000.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which I ask to have stated. It is a committee amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert a new paragraph, as follows:

GENERAL SERVICES ADMINISTRATION

SURPLUS PROPERTY DISPOSAL

Salaries and expenses: For expenses necessary for carrying out the provisions of the Federal Property and Administrative Services Act of 1949 (Public Law 152, approved June 30, 1949), relating to excess and surplus property, including personal services in the District of Columbia; allocations to Government agencies for services rendered in connection with care and handling or disposal of property declared surplus prior to July 1, 1948; not to exceed $5,000 for payment of claims pursuant to law (28 U. S. C. 2672); not to exceed $14,000 for a health-service program as authorized by law (5 U. S. C. 150); printing and binding; expenses of attendance at meetings concerned with the purposes of this appropriation; acquisition of real property and interests therein, necessary in connection with care and handling or disposal of property; payments to States or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus by Government corporations; appraisers at rates of pay or fees not to exceed those usual for similar services; and advances of funds to cashiers and collection officials, upon furnishing bond; fiscal year 1950, $22,500,000: *Provided,* That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations which such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation: *Provided further,* That in addition to the amount hereinbefore appropriated, and notwithstanding the provisions of any other law, not to exceed $4,000,000 of the proceeds of the disposal of surplus property subject to a "national security clause" as defined in the National Industrial Reserve Act of 1948 (50 U. S. C. 451), or as imposed pursuant to the act of August 5, 1947 (10 U. S. C. 1270, 34 U. S. C. 522 (a)), or deductions from proceeds otherwise collectible as a result of the disposal of such property, shall be available for such costs of renovation, restoration, rehabilitation, improvement, and repair of industrial facilities as may be contracted for during the fiscal year 1950 if required for purposes of national defense or for the protection of the public or of private property from the effects of the operation of such facilities: *Provided further,* That appropriations to the War Assets Administration for the fiscal year 1947 shall remain available for expenditure during fiscal year 1950 for obligations incurred during the fiscal year 1947 in respect to industry agents' contracts: *Provided further,* That not to exceed $762,000 of the appropriations to the War Assets Administration for the fiscal year 1949 shall remain available for accumulated or accrued leave paid after June 30, 1949, to employees of the War Assets Administration separated or furloughed on or before that date.

Mr. SALTONSTALL. Mr. President, I should like to ask the chairman of the committee about the amendment. I do not remember any action taken on it in committee. Did the committee vote on the amendment?

Mr. ELLENDER. It did.

Mr. McKELLAR. That is correct.

Mr. SALTONSTALL. Will the Senator be willing to explain it again?

Mr. ELLENDER. Mr. President, in the period between the passage of the pending bill by the House and its consideration by the Appropriations Committee of the Senate, the legislative position of the War Assets Administration and the surplus-property disposal program was changed. Public Law 152, Eighty-first Congress, the "Federal Property and Administrative Services Act of 1949" was enacted, providing for the abolition of the War Assets Administration and the transfer of its property, personnel, functions, records, and accounts to the General Services Administration on July 1, 1949.

The major purpose of Public Law 152 is to provide a uniform system of property management and supply for the entire Federal Government. To this end the functions of the property management and disposal agencies of the Government were transferred to the General Services Administration. Since the War Assets Administration had a considerable inventory of surplus property, requiring management and disposal activities, the remaining functions of that Administration also were transferred to the General Services Administration.

Appropriations for fiscal year 1950 necessary to carry on all functions transferred to the General Services Administration, except those of the War Assets Administration, have been approved by the Senate. This appropriation will provide funds for liquidation of the functions transferred from the War Assets Administration and also make available funds for the new functions concerned with property utilization and disposal of surpluses.

The third deficiency appropriation bill, as approved by the House, appropriated funds to the Treasury Department for the liquidation of the War Assets Administration and to the Reconstruction Finance Corporation for the management of surplus real property. This action was in accordance with the provisions of Public Law 862, Eightieth Congress, which was then in effect but which has been repealed since that time by Public Law 152. This situation was brought to the attention of the House by Representative HOLIFIELD and Representative WHITTINGTON at the time H. R. 5300 was introduced on the House floor. The CONGRESSIONAL RECORD of June 24, 1949, beginning on page 8395, contains the following statements of Representative RABAUT, the manager of the bill, and Representative McCORMACK, majority leader:

Mr. RABAUT. The gentleman is correct in that statement. I know that the point which has been raised here is very proper, now that it has been raised. We did not recognize it at the time we wrote the bill because the two actions were going on simultaneously, the action in our committee and the other committee, but inasmuch as the gentleman has raised the point and has so well explained it, as has the gentleman from Mississippi, I think this will constitute due notice to the other body to make the proper correction when it goes to that body before we vote on the bill again.

Mr. McCORMACK. In other words, if the conference report on the bill that is about to be reported establishing a new agency is agreed to, then, of course, it is just ridiculous to have this provision here because we have a new agency absorbing the War Assets Administration.

Mr. RABAUT. I wish to commend the gentleman on the alertness in bringing it to our attention. As I said before, two things were happening simultaneously in two different functions of Congress. The gentleman having raised this point on the floor here places the other body on due notice that the changes should be taken care of and the committee is on notice. So, if it is not done originally by the Senate, certainly in conference it will be done between the two bodies.

The Senate Appropriations Committee has corrected this situation by the introduction of new appropriation language which will make the funds herein recommended available to the General Services Administration for the liquidation of the functions previously performed by the War Assets Administration. This appropriation will provide, also, for the execution of those new responsibilities assigned to the General Services Administration by Public Law 152, which are concerned with the disposition of all excess and surplus Government property.

The $7,500,000, as approved by the House in H. R. 5300, is not sufficient to provide guards, fire protection, and minimum stand-by maintenance for the surplus real property now in inventory. No personnel can be retained to complete the disposal of the $1,400,000,000 inventory of surplus real property; to supervise maintenance of properties and to manage leaseholds; or to collect moneys due from accounts receivable and rents. No funds or personnel would be available for disposal of the $380,000,000 inventory of aircraft components and parts. Thus, the appropriation of only $7,500,000 would require immediate termination of the war surplus disposal program before it is completed. Furthermore, it would provide no funds for the new responsibilities of the General Services Administration.

The Senate Committee on Appropriations has carefully reviewed the request of the General Services Administration for these appropriated funds and recommends approval of $22,500,000. This sum will permit the continued rapid liquidation of war surplus and, in addition, will provide for the new responsibilities of the Administration in connection with property utilization, surveys, and control of inventory levels. No other funds are appropriated for these new functions and it is the belief of the committee that the appropriation of $22,500,000 is the most practical way to provide these funds.

The Government has obtained a total income of $4,220,000,000 from the disposal of war surplus through June 30, 1949. Expenses of operation during the period totalled $970,000,000, leaving a net income to the Government of $3,250,000,000. The disposal operation in the fiscal year 1950 for which $22,500,000 is recommended will obtain for the Government a total income of $119,000,000 and a net income of $96,500,000 after deducting expenses of operation. It is the belief of the committee that it is in the best interest of the Government to continue these operations as planned in the fiscal year 1950, in order that the Government may receive the maximum income possible from its war surplus. It is recognized that this can be accomplished only by the appropriation of sufficient funds to permit such operations to be conducted on a businesslike basis.

In other words, Mr. President, there is no money left with which to completely liquidate the assets of the War Assets Administration. They have on hand today almost $2,000,000,000 worth of property. This amount is to be used in order to complete liquidation of the surplus war assets.

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

Mr. ELLENDER. I yield for a question.

Mr. SCHOEPPEL. Does this appropriation contemplate adding a large number of new employees?

Mr. ELLENDER. Absolutely not.

Mr. President, I ask to have placed in my remarks at this point the justification of the estimate.

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

JUSTIFICATION OF ESTIMATE

The estimate of $22,500,000 requested for fiscal 1950 may be summarized by the following major items of expenses shown here in total and by activity:

Personal services	Total	Property management	Disposal	Inventory control and reconciliation	Executive direction
Regular salaries	$6,552,000	$2,477,000	$1,875,000	$1,692,000	$508,000
Regular salaries, protection and maintenance at site	726,000	726,000			
Terminal leave	1,095,000	343,000	412,000	281,000	59,000
Subtotal	8,373,000	3,546,000	2,287,000	1,973,000	567,000
Aircraft and aircraft parts and components	5,954,000	2,404,000	3,550,000		
Protection and maintenance of real property	3,296,000	3,296,000			
Taxes	1,587,000	1,587,000			
Administration costs	1,530,000	623,000	405,000	391,000	111,000
Plant clearance	540,000	540,000			
Miscellaneous contractual disposal costs	530,000		530,000		
Other agencies	690,000	78,000	612,000		
Total	22,500,000	12,074,000	7,384,000	2,364,000	678,000

The $8,373,000 requested for personal services is based on a continuing reduction in staff as surplus inventories are reduced. During the fiscal year 1950, this reduction will total 61 percent from a beginning employment of 2,550 to only 1,000 on June 30,

1950. Through this reduction in force, there will result a fixed obligation for terminal leave in the amount of $1,095,000. Employment of guards, firemen, and maintenance crews to be stationed at the site of real property will require an additional $726,000. The remainder of the personal services estimate amounting to $6,552,000 will provide for an average force of 1,433 employees for the conduct of the programs herein outlined.

PROPERTY MANAGEMENT

Of the above-listed major items of expense to be incurred during fiscal year 1950, a total of $12,074,000 is necessary for property-management activities. Of this total, $3,546,000 is required for employment of personnel, including terminal leave. This will provide for an average employment of 242 guards, firemen, and maintenance crews to be located at real property sites, for the protection of such properties from fire, theft, vandalism, etc. It will also provide for an average employment of 557 employees to be engaged in the over-all property-management functions. With $700,000,000 of property under long-term leases, property-management employees must make inspections, authorize special repairs and improvements, collect rental payments, and adjust or renegotiate leases as required. There are 54 variable leases, that is, the amount of rental is based upon a factor such as production, occupancy, use, or net sales. In such cases property-management employees must maintain close supervision to insure receipt of appropriate rental as well as be responsible for the productive operation of the plants under these leases. In addition, this group of employees will be required to prescribe standards of maintenance, direct crews at site, and to supervise as well as modify and renegotiate interim occupancy permits as necessary. Employees assigned to this activity will also be engaged in collection of interest in the amount of approximately $6,000,000 covering the interest returns on real property mortgages with balances due in excess of $190,000,000. This operation will involve periodic inspection of the properties together with collection of regular principal and intefest payments.

Contracts for protection and maintenance of real property in inventory and real property maintained for multiple-tenancy purposes will cost $3,296,000. This includes the cost of contracts for protection and maintenance services at surplus facilities, the cost of purchasing and transportation of oil and coal for heating and power, and the cost of utilities in such facilities. Because it is not always economical or feasible to maintain a staff of civil-servce employees covering all of the mechanical trades required in each plant, experience has demonstrated the need for contracts with industrial firms qualified to render these services. It is planned to continue with contractor operations during fiscal 1950 in a large number of real property facilities, particularly plants containing substantial quantities of production equipment and machine tools.

The cost of property management activities includes $1,587,000 for payments of sums in lieu of taxes. These funds will pay sums in lieu of taxes of State, county, and local jurisdictions on properties declared surplus by the Reconstruction Finance Corporation.

Funds in the amount of $623,000 are required for administrative costs of the property management program. This will provide for such items as office rent, equipment rental, transportation of things, travel, printing and binding, and supplies.

A total of $540,000 is required for plant clearance. This represents the net cost of removing personal property such as heavy production machinery and special purpose equipment from real property facilities, in those cases where such personality is to be disposed of separately. It is anticipated that personal property acquired at a cost of $50,000,000 will be removed from real property facilities during the fiscal year.

The conduct of the property management program in the fiscal year 1950 is necessary to protect the capital investment of the Government in the many plants which are in the surplus inventories and to carry out the duties of the Government as a lessor and a mortgagee. In addition to accomplishing these objectives property management activities will bring to the Government during fiscal 1950 a gross return of $36,000,000 in lease income and in interest on mortgages. After deducting the cost of this program of $12,074,000 the net return to the Government for property management activities will be approximately $24,000,000.

DISPOSAL ACTIVITY

As of July 1, 1949, there remained to be finally disposed of $1,829,000,000 of war surplus property. The total includes $1,394,000,000 of real property; $380,000,000 of aircraft components and parts; $20,000,000 of aircraft; and $35,000,000 of agricultural lands and institutional type real property assigned to other disposal agencies. Of the total inventory, $1,090,000,000 is available for sale and $739,000,000 is on lease.

Sales and transfers in the fiscal year 1950 are expected to total $1,058,000,000 at acquisition cost, of which $472,000,000 will be by sale, and $586,000,000 by transfer without reimbursement, donation, scrapping, or other disposal action. We will obtain, largely from sales and leases, a gross realization of $119,000,000 during the year. With operating costs of $22,500,000, or only 19 percent of our gross return, the net return to the Government will be $96,500,000 for all operations in fiscal 1950. This represents a net return of 20.2 percent of the acquisition cost of property sold.

Of the above listed major items of expense to be incurred during fiscal year 1950, a total of $3,222,000 is necessary for disposal activity, exclusive of other agency costs and costs of the aircraft and component program. Of this sum $2,287,000 is for personal services costs, including terminal leave. This will provide for an average of 401 man-years during fiscal year 1950 to perform all of the functions incident to disposal operations, including disposal planning, appraisal, advertising, sales planning and negotiation, documentation, etc.

Administrative costs will require $405,000 to provide for such items as office rent, equipment rental, transportation of things, travel, printing and binding, and supplies and materials as necessary for disposal operations.

A total of $530,000 is incorporated as a major item of expense for miscellaneous contractual disposal costs. It includes $237,000 for advertising: $150,000 for brokers' fees in the disposal of real properties; $72,000 for reimbursement to the Department of the Interior in connection with real property disposals in accordance with Public Law 616; and $71,000 for appraisal and consultant services.

As a result of the disposal action projected for fiscal year 1950, surplus inventories will be reduced to $771,000,000 by June 30, 1950. This will include $761,000,000 of real property; $9,000,000 of aircraft; and $1,000,000 of institutional type real property. Of the total inventory of $771,000,000 remaining on June 30, 1950, $563,000,000 of such property will be on long-term lease.

AIRCRAFT AND AIRCRAFT COMPONENTS PROGRAM

As was indicated under disposal activity, the aircraft inventory will be reduced from $20,000,000 to $9,000,000 during fiscal year 1950, and the aircraft components inventory of $380,000,000 million will be totally liquidated.

In connection with the disposal of our inventory of aircraft components, the National Defense Establishment has advised us of the need for an additional $100,000,000 of such materials for the defense purposes of this country and to meet the potential requirements of the impending foreign military assistance program. In compliance with this request and based on the determination that it represents the best interests of the Government, a program has been developed to retain the needed portions of the aircraft components inventory until rescreened by the armed forces and their requirements fulfilled. Meanwhile, as the screening progresses we will continue with the sale of this inventory to commercial buyers and with the disposal by scrap and salvage methods of those items in the inventory which are obsolete and those which are available in long supply.

This matter has been reduced to a joint memorandum of understanding between the War Assets Administration and the National Defense Establishment. Final liquidation of the total inventory is provided for by June 30, 1950.

The cost of carrying out the aircraft components program represents $5,950,000 and will provide funds to reimburse agents for services rendered to the Government in the in- and out-handling and storage of aircraft components while the withdrawal and scrapping operations are being completed. It provides also for necessary expenses of out-shipment of items withdrawn by the National Military Establishment. In addition, $4,000 will be required to provide for contractual protection and maintenance of aircraft returned to inventory by lease cancellations pending transfer to the armed services.

INVENTORY CONTROL AND RECONCILIATION

This activity comprises the normal function of inventory of property and the records of accounts receivable and reconciliation of inaccuracies in prior inventories together with the records retirement program providing for sorting, classifying, and storage of surplus property records.

Of the total of $2,364,000 requested, $1,973,000 will permit an average employment of 364 for the year. The only additional expenses are the normal costs of rents, utilities, travel, communications, etc.

EXECUTIVE DIRECTION AND ADMINISTRATION

All of the normal policy, administration, supervision, and planning and budgeting functions of any Government agency are included in this item.

Requirements for personal services total $567,000 of the total of $678,000 for this item. This will permit an average employment of 110 for the year. The remaining costs consist of pro rata share of rents and utilities, communication, travel, supplies, etc.

OTHER DISPOSAL AND SERVICE AGENCIES

One of the major items in the budget estimate for the surplus disposal program for fiscal 1950 is the $690,000 to be transferred to other agencies. Five hundred and twenty thousand dollars of this amount is required for the Farm Credit Administration to permit them to complete during the fiscal year the disposal of the remaining 260,000 acres of agricultural land. Ninety-two thousand dollars is required to reimburse the Office of Education for advice and assistance in the disposal of surplus property to educational institutions. Eighteen thousand dollars is necessary to cover costs of care and handling and litigation expenses to complete disposal of the Torney General Hospital, Palm Springs, Calif., by December 31, 1949. The remaining $60,000 is to be transferred to the Bureau of Reclamation as directed by Public Law 478, Seventy-ninth

Congress, and Public Laws 247 and 841, Eightieth Congress, to provide for maintenance of reclamation projects at Tule Lake, Heart Mountain, and Yuma Air Base.

SPECIAL REHABILITATION FUND

The appropriation language which has been submitted requests that $4,000,000 of our $119,000,000 income from surplus disposal operations in the fiscal year 1950 be made available for the purpose of protecting the capital investment of surplus plants which are subject to the national security clause and which constitutes a part of the Nation's system of national defense.

This fund will enable the general services administration to meet unforseen and more or less imminent emergency situations necessitating rehabilitation and repair work in such industrial facilities as may be required for national defense or to protect public or private property from the effects of the operation of these facilities.

I believe that it is consistent with normal business practice to set up such a fund which will enable emergency situations to be met by expenditures out of income. It is possible that no portion of these funds will be used. However, we can reasonably anticipate the need for such work occurring during the year. As an example of the type of work for which the $4,000,000 may be required, it may be necessary during the year to reline the blast furnace at the Republic Steel Corporation plant, Cleveland, Ohio. This major repair item will account for approximately $400,000 of the $4,000,000 for which authority to expend has been requested. I can outline a few other examples of potential costs which may be necessary to prevent loss of capital investment in national defense plants.

The Bohn Aluminum & Brass Co., Adrian, Mich.

A total of $263,550 for the renovation and rehabilitation of approximately $7,500,000 worth of aluminum extrusion tool, machinery, and equipment.

The Sun Shipbuilding Corp., Chester, Pa.

The expenditure of $127,000 for the renovation and repair of roofs, the processing of large Gantry cranes with rust inhibitives to arrest deterioration.

The Scullin Steel (south plant), St. Louis, Mo.

The rehabilitation of structural members, roofs, boiler plant, and the application of rust inhibitives to machinery may require the sum of $180,000.

CONCLUSION

Since the passage of Public Law 152, I have reviewed closely the budget estimate originally prepared by the War Assets Administration and I am convinced that the request for $22,500,000 plus the authority to expend $4,000,000 from profits to protect capital investment, is sound and justified. I want to take this opportunity to thank the committee again for the opportunity of discussing this program. With the assistance of the few members of my staff who are present we will attempt to answer any questions you may have or to furnish any further information that may be desired.

The VICE PRESIDENT. The question is on agreeing to amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, between lines 2 and 3, it is proposed to insert the following:

REPAIR OF VESSELS IN NATIONAL DEFENSE RESERVE

For repair of 134 vessels in the national defense reserve pursuant to section 11 (a) of the Merchant Ship Sales Act of 1946 (60 Stat. 41), fiscal year 1950, $25,000,000; of which not more than $804,630 shall be available for administrative expenses and not more than $75,370 shall be available for operation of warehouses.

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

Mr. MAGNUSON. I yield.

Mr. TAFT. Will the Senator explain the amendment?

Mr. MAGNUSON. I shall attempt to do so.

Mr. TAFT. In particular, I should like to know whether the ships are now being used, whether they are tied up, whether they will ever be used, and what the purpose is of spending $20,000,000 or $25,000,000 on them.

Mr. MAGNUSON. I think I can explain it to the Senator.

Mr. President, I was somewhat reluctant to bring into the discussion of the third deficiency bill the matter of ship-repair items. The subject has been before the Maritime Commission, the Department of Defense, and the Bureau of the Budget for some time. The item itself has been placed in a preferred category, whereby, in my considered opinion, after all the negotiations with the three departments, it should be reported as soon as possible, possibly in the next deficiency bill. But the situation has become so acute, I might say Nation-wide, in the ship-repair industry, and in our shipyards, that many of us interested in the problem deemed it advisable to bring it up at this time.

The amendment proposed has been signed by 24 Senators who were interested in the matter. I have spoken to the chairman of the Appropriations Committee and to approximately 30 other Senators, and I am sure that the majority of the Senate, by placing their names on the amendment, would, if I asked for a yea-and-nay vote, support this amendment.

It involves 134 ships which were laid up by the Maritime Commission immediately after the war. Sixty-four of the vessels are on the Atlantic coast, some in the James River, one in the Hudson River, and one at Wilmington, Del. On the Gulf coast 14 are at Mobile and 3 at Beaumont. There are 53 on the Pacific coast. In summary, there are 64 on the Atlantic coast, 17 on the Gulf coast, and 53 on the Pacific coast.

Under the Ship Sales Act of 1946, Congress directed the Maritime Commission as follows, and, I think, rightly so:

The Commission shall place in a national defense reserve such vessels owned by it as, after consultation with the Secretary of War and Secretary of the Navy—

That would now be the Secretary of Defense—

it deems should be retained for national defense. Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense. A vessel placed in such reserve shall in no case be used for commercial operation.

In other words, we said to the Maritime Commission, having learned by cold, hard, bitter experience after World War I, when we permitted our merchant marine to go completely to pot, that they should do something to maintain a portion of the merchant marine for the purpose of national defense. In the Ship Sales Act of 1946 we directed the Commission to do this in the terms which I have read. We did not say, "You may do it"; we said, "You shall do it."

After consultation with the various branches of the service, the Maritime Commission, after World War II, decided that 134 of these ships should be specified and set out for that purpose. They did not have sufficient funds to put the ships in the right kind of "moth ball" preservative, as the Navy has done with high-cost combat ships, but they were placed in various storage places throughout the United States at that time. They have been there for approximately 4½ years, and their repair is long overdue.

The Secretary of Defense and others interested in the Department of Defense agreed that this should be done. The Maritime Commission agrees and wants it done, but suggested that the funds come out of the Defense Establishment rather than out of the Maritime Commission.

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

Mr. MAGNUSON. I shall be glad to yield.

Mr. CAIN. What purpose will these ships serve if and when they are repaired?

Mr. MAGNUSON. They will not serve any purpose at all except if and when the Defense Establishment wants them. They will be repaired in the proper way. The 134 vessels are selected ships. They will be put back in moth balls.

Mr. CAIN. Is it contemplated that they would constitute a stand-by fleet for emergency service?

Mr. MAGNUSON. That is exactly correct. They are almost quasi-Navy ships. They could be put into operation in the Navy. Their speed is such that they could keep up with task forces.

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

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. In answer to the question of the junior Senator from Washington, I should like to quote a sentence from the letter which the senior Senator from Washington placed in the CONGRESSIONAL RECORD yesterday, at page 12133.

The Joint Chiefs of Staff urged further that a program of similar proportions be carried out on an annual basis, until such time as at least 439 military auxiliary vessels now in the Commission's reserve fleet are placed in condition.

The item referred to will restore 134 of these ships. Is that correct?

Mr. MAGNUSON. I am glad the Senator brought that up. This is supposed to be under the recommendation of the Joint Chiefs of Staff.

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

Mr. MAGNUSON. I yield.

Mr. McKELLAR. As I understand, it has not been recommended by the Department.

Mr. MAGNUSON. It has been recommended by the Maritime Commission and by the Joint Chiefs of Staff.

Mr. McKELLAR. But it has not been recommended by the Bureau of the Budget, has it?

Mr. MAGNUSON. I am coming to that.

Mr. McKELLAR. It was not brought before the House committee or the Senate committee, was it?

Mr. MAGNUSON. The subject was not up at that time. I have a long statement giving the history as between the Maritime Commission and the Department of Defense as to who was to share the expense. The Defense Department recommended it. I have discussed the question with the Budget Bureau on many occasions, and members of my subcommittee have discussed it also. Today I have information from General Fleming. The Budget Bureau said that these ships should be repaired and that the program should be continued, but that the money should be taken out of the defense establishment. The defense establishment, in turn, "passed the buck," so to speak, and said, "No; it should be done by the Maritime Commission." General Fleming, of the Maritime Commission, discussed the matter within the past 2 days with the President of the United States. My information—I do not have anything direct—from General Fleming is that the President said he would ask, in view of the acute situation and the fact that all our shipyards are going down all the time, that the Budget Bureau reconsider not the merits of the expenditure of the money, but whether the money should come out of the Military Establishment or out of the Maritime Commission appropriation.

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

Mr. MAGNUSON. I yield.

Mr. BRIDGES. I wonder why the Senator does not let the matter come before the Senate in the regular manner, after a hearing before the Appropriations Committee, rather than to bring it up on the floor without its having gone through the process of hearing.

Mr. MAGNUSON. I should be glad to do that if I had an opportunity, but in this particular case I must say that in the past 60 days I have been waiting for the Budget Bureau to reconsider the matter, again, not as to the merits, but as to which department should take care of it. Everyone agrees it should be done; everyone agrees it is going to be done and has to be done within the next 12 months. I was hoping that could be straightened out. I was afraid that if I let it go at this time I might lose the opportunity to bring it up. That was also the feeling of some 24 Senators who have signed the amendment with me, and probably of another 25 or 30 Senators who have agreed with me on this matter.

Mr. McKELLAR. Mr. President, I wish to say to the Senator that I am very much in sympathy with anything that will help the national defense, but this matter was examined by the staff of the Committee on Appropriations, and this is the report they make:

1. The Bureau of the Budget has considered and rejected the proposal for the repair of vessels in the National Defense Reserve.

2. On reconsideration the Bureau took the stand that it would not object if the money required for such repair were to be obtained through the National Defense budget since the justification for such work is based on national defense. The Secretary of Defense has objected to such an arrangement because he did not feel that work was of sufficient priority when related to the other items in the National Defense budget.

3. A further reconsideration by the Bureau of the Budget in the form of a staff study of the problem is now on the President's desk for his review and decision. It is not known when he will take action on this study.

4. It is noted that section 11 (a) of the Merchant Ship Sales Act of 1946, which is the authority cited in the proposed amendment, provides for "maintenance and preservation" while the amendment requests money for "repair."

Mr. President, under those circumstances, I am rather hopeful that the Senator will submit the item to the committee, so that first a budget estimate may be obtained, and the President's recommendation obtained, and the committee can decide the matter on the facts. We did not have any facts before us, and that is why the item was not included in the bill as reported.

I have great sympathy with the Senator's idea, and I feel very favorable toward anything for national defense which can be worthily done and properly done and economically done, but under the circumstances it seems to me the Senator could secure what he is after in a much better way, as suggested by the Senator from New Hampshire.

Mr. MAGNUSON. Mr. President, I entirely disagree with what the committee staff says in its conclusions. In the first place, the Budget Bureau never did turn this matter down. I have had many conferences on the subject, and the Budget Bureau never turned it down on its merits. The argument has been as to whether the cost should come out of the defense establishment appropriation, or from the money appropriated for the Maritime Commission. The law says that the duty rests upon the Maritime Commission to do what is sought, after consultation with the Department of Defense. They have complied with that, they have set aside 134 ships, and the Ship Sales Act is just as clear on the point as the English language can make any paragraph. It says they shall do this.

I do not suppose it makes any fundamental difference, in the long run, where the money comes from, it all comes out of the United States Treasury, but the replacement costs of the ships alone would run well over $700,000,000. They cost us $3,000,000 apiece. They are now standing in storage at the places indicated, without any adequate repairs, and it is false economy not to begin as soon as possible to make the repairs, because anyone who knows anything about ships knows that the longer repairs are delayed, the greater they cost.

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

Mr. MAGNUSON. In a moment. I appreciate that this is somewhat out of order, but I do not have any assurance that this may not be the last time, before next year's regular budget, I shall have opportunity to present the matter, and by that time the amount would be increased up to 40 or 45 million dollars. The repairs will have to be made sooner or later.

Mr. BRIDGES. Mr. President, the point I wish to make is, first, that this request, coming at this time, is for a large sum of money. This subject has been discussed month after month. The Senator has heard about it, I have heard about it, we have all heard about it. But it has never been brought before the proper committee of the United States Senate. There is a great deal of sympathy manifested for the merits of the proposition, but it should take its proper course.

Mr. MAGNUSON. It has been brought before the committee. I think the testimony will show that I have sent communications to the committee on the subject.

Mr. McKELLAR. Mr. President, there has been no evidence at all about it before the committee, as I remember. Unquestionably there will be another deficiency bill before the session ends, and my suggestion to the Senator is that he get a budget estimate and come before the committee and give the facts. Then we can go to conference with the facts. We would be helpless otherwise, because we would not have the facts, under the statement the Senator has made.

Mr. MAGNUSON. I know the Senator from Tennessee cannot give me definite assurance, but I wonder if it is his considered opinion that there will be an opportunity, on another supplemental bill, before the session ends.

Mr. McKELLAR. I think unquestionably there will be. Indeed, there is a bill before the committee now.

Mr. MAGNUSON. I am assured I shall have an opportunity now to present this matter in detail to the committee. Is that correct?

Mr. McKELLAR. At any time.

Mr. MAGNUSON. In view of that assurance, and because, as I have said, I have brought the matter up now because of the very serious nature of the situation, I shall withdraw my amendment, in the hope that the problem will have the very active consideration of the members of the committee.

Mr. President, I should like to have printed in the RECORD the remarks I had intended to make, so that all the Members of the Senate will be familiar with the problem.

The VICE PRESIDENT. Is there objection?

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

Mr. President, today 23 other Senators and I offer an amendment to H. R. 5300 (third deficiency bill) calling for $25,000,000 to finance repair of 134 ships in our reserve fleet. I make the announcement and submit sub-

stantiating data at this time so all Senators may know in advance the compelling arguments for this expenditure.

The Ship Sales Act of 1946 states in pertinent part:

"The Commission shall place in a national defense reserve—such vessels owned by it as, after consultation with the Secretary of War and Secretary of Navy, it deems should be retained for national defense. Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense. A vessel placed in such reserve shall in no case be used for commercial operation—."

Here in unequivocal language the Congress directed the Maritime Commission to preserve and maintain in a national defense reserve such ships as it, and the Secretaries of War and Navy, deem essential to our national security. The Congress did not say the Commission may take such action—the Congress said the Commission shall take such action.

The Commission would be derelict in its duty to the Congress and the people if it failed to live up to this mandate. Without funds, however, the Commission is helpless. I propose that we provide the funds it must have to carry out our directive.

Some will ask, "Is this job necessary? Is repair of these ships vital to national security? Could this expenditure be postponed?" Let me give you the facts.

No thoughtful and informed man will deny that we as a Nation have twice risked losing a world war through failure to maintain an adequate reserve of ships, construction facilities and trained personnel. Leading military authorities, who actually faced the problem of fighting World War II, flatly state that lack of ships modified our entire strategy. For instance Admiral Ernest King said in a report dated March 1944:

"Maintenance of the flow of ocean traffic has been, and continues to be, a vital element of all war plans.

"Operating on exterior lines of communication on almost every front, the United Nations have been dependent largely upon maritime transportation. The success of overseas operations, landing attacks, the maintenance of troops abroad and the delivery of war materials to Russia and other allies concerned primarily with land operations has depended to a large extent upon the availability of shipping and the ability to keep it moving. Shipping potentialities have been the major factor—often the controlling factor—in most of the problems with which the Allied High Command has had to deal."

The identical problem in lesser degree, confronted and plagued us in World War I. For months in the recent conflict we fought a defensive war because we lacked the ships to deliver the men, munitions, and matériel. As President Roosevelt stated to Congress in June 1942, "with available cargoes in excess of available ships, loading and routing have become matters of strategic selection among conflicting needs."

Men and nations should learn from experience. Yet here we are, 4 years after the greatest blood bath the world has ever known, with the greatest fleet ever built by a single nation, repeating the same errors which have twice led us to the brink of disaster. A major portion of that greatest fleet is today slowly rusting to destruction. What enemy action failed to accomplish, our own continued neglect will surely achieve.

We speak of our moth-ball fleet. This is a misnomer. Our merchant vessels, many of them auxiliary types, went into reserve status as they came from the high seas—no repairs, no preservatives, and hence no hope or possibility of breaking them out of reserve without major reconditioning.

What has the Maritime Commission done or tried to do to correct the situation? In April 1948 the Commission, through its Vice Chairman, addressed a memorandum to the Bureau of the Budget requesting approval of funds to repair 910 vessels, to be held in a national-defense reserve, as contemplated by the Ship Sales Act of 1946. In June 1948 the Bureau denied the request by saying "the recommended program is of insufficient priority to warrant action being taken at this time."

Subsequently at meetings of the Joint Army, Navy, and Maritime Plans Committee, it was agreed that this matter should be submitted to the Joint Chiefs of Staff for their recommendation as to the urgency of the program. Bureau of the Budget representatives attended at least one of these meetings.

On March 22, 1949, Gen. Omar Bradley, on behalf of the Joint Chiefs of Staff, addressed a restricted memorandum to the Secretary of Defense setting forth their views on the need for undertaking immediate repairs of a limited number of ships of the national-defense reserve. For obvious reasons, I cannot quote the entire Bradley memorandum. I have a copy in my files, however, in the event any Senator would like to read the entire statement.

In effect the general said: "Minimum essential repairs of all vessels at this time is highly desirable. For economic reasons, rather than military, however, a modest program of $25,000,000 initially is recommended, as a matter of high priority and essential to the national security." The Joint Chiefs of Staff urged further that a program of similar proportions be carried out on an annual basis, until such time as at least 439 military auxiliary vessels now in the Commission's reserve fleet are placed in condition.

The Commission estimates that 134 of these 439 vessels can be repaired during fiscal 1950, providing Congress votes the $25,000,000. The Commission pointed out to the Director of the Budget that the scope of the program will be influenced by such other factors as availability, dry docking facilities, and the intent to retain the benefits of a competitive market by not saturating the repair industry.

In part a letter by the Commission addressed to the Director of the Budget on May 5, 1949, reads: "The Commission is fully conscious of its responsibilities under the Merchant Sales Act of 1946, which directs that all vessels placed in the reserve fleet shall be preserved and maintained by the Commission for the purpose of national defense. In keeping with this responsibility, the Commission emphasizes that the proposed repair of only 134 of a total of 439 military auxiliary ships, with no provisions for the repair of other than military auxiliary vessels, is the minimum of repairs which should be accomplished during the fiscal year 1950 on this vital program."

Despite the high priority placed on this program by the Joint Chiefs of Staff and the Maritime Commission, Bureau of the Budget again declined to authorize. In a letter addressed to General Fleming, Commission Chairman, Director Frank Pace stated that whereas the Bureau had not approved the $25,000,000 for expenditures by the Maritime Commission, it would consider authorizing the National Military Establishment to take this amount from its 1950 appropriation. The Director went on to say that since the program has vital national defense features, it should be handled by the Military Establishment. I mention this so Senators will be fully informed on the events preceding the action we now contemplate.

Subsequently, the Secretary of Defense asserted that the National Military Establishment could not divert to this purpose funds it had budgeted for other essential items in fiscal 1950. The door was left open, however, for inclusion of the $25,000,000 in fiscal 1951 estimates.

In my considered judgment action by the Bureau of the Budget, which I have just cited, is wrong on at least three counts. First, we will spend approximately $15,000,000,000 this year for preparedness and national defense. It is shortsighted planning to neglect placing in operating condition the 134 auxiliary-type vessels I have referred to. The hospital, towing, troop ships, and torpedo boat tenders represented in the 134 vessels are indispensable in the event of conflict. Failure to repair them now is to incur the risk of further deterioration and the even worse risk of entering an emergency with inadequate transport facilities.

Second, such action is in direct conflict with the mandatory language contained in the Merchant Ship Sales Act of 1946. I allude again to the pertinent sentence, "Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense." Congress has passed no law transferring responsibility to the National Military Establishment. Until Congress does so, responsibility for repair and reconditioning of vessels in the national defense reserve rests with the Maritime Commission.

Third, if we are going to place under the National Military Establishment every activity closely related to national defense, we will have the military operating in innumerable fields beyond its legitimate jurisdiction. Roads, airports, aircraft factories, shipyards, and many other installations and activities are related to national defense. To the best of my knowledge, no one has proposed that appropriations for these facilities be placed under the jurisdiction of the military.

The Maritime Commission has been severely criticized on many counts. Here is a case, in my considered opinion, where the Commission is eminently correct in the position it has taken. Congress has the ultimate responsibility for deciding what programs shall be financed in any particular year. It cannot and should not permit the Bureau of the Budget or any other administrative office to decide issues for it. To do so is to surrender our constitutional prerogatives to the executive branch. The mere fact that the Bureau has not seen fit to clear this program should not deter Congress from acting upon it.

Just a few words now concerning the location and repair costs of these vessels. I have already stated the list includes transports, hospital ships, cargo attack vessels, attack transports, towing vessels, provision ships, and motor torpedo boat tenders. At the end of my remarks I will include the names, locations, and types of all 134 ships. At this point let me give you a few summary figures.

On the Atlantic coast, 62 of these vessels are berthed in the James River, 1 in the Hudson, and 1 at Wilmington, Del. In the Gulf, 14 are berthed at Mobile, Ala., and 3 at Beaumont, Tex. On the Pacific coast, 34 are berthed in Suisun Bay, Calif., 10 at Astoria, Oreg., and 9 at Olympia, Wash. In summary, 64 are on the Atlantic coast, 17 on the Gulf, and 53 on the Pacific coast.

Now, as to cost—the Commission estimates it will cost on the average $180,000 per vessel to finance needed minimum repairs on the 134 ships. This is for the actual physical repairs themselves—materials, labor and contracts. Administrative expenses, including inspection, warehousing, inventory, etc., will add about $6,500 per vessel.

When built, these ships cost the American people an average of $3,000,000 each. The replacement cost on today's market would be about $5,000,000 per vessel. Our total investment in construction of these 134 ships is about $402,000,000. Replacement costs

would run close to $700,000,000. No prudent businessman with an investment of that magnitude in plant and equipment would be so short-sighted as to neglect essential repairs. We are asking here for a $25,000,000 appropriation to protect a $400,000,000 investment. There is no economy, as I see it, in leaving $400,000,000 unprotected, either from a business standpoint or national security point of view.

There is still another factor which has a bearing on this problem. From January 1947 to May 1949 employment in private shipyards in this country has declined from 152,900 to 80,000, a decrease of 41 percent. This alarming loss of shipbuilding and repair skill has not been uniform throughout the country. In North Atlantic yards employment has decreased 25,400, or 35.6 percent; on the Gulf employment in private shipyards has decreased by 17,500, or 62.5 percent; and on the Pacific Coast by 21,500, or 69.6 percent.

I do not assert that the shipping industry and economy can or should sustain employment at the January 1947 level. I do contend, however, that the drastic loss in trained personnel which has occurred in 2½ years represents a matter of vital concern to the Senate and the country.

The President's Advisory Committee on the Merchant Marine reported in November 1947. Speaking of an adequate merchant marine, the Commission states: "It must be supported by an active shipbuilding and ship-repair industry * * * to insure continued technical progress in ship design and construction and to provide a nucleus of key managerial, technical, and skilled-labor personnel upon which wartime expansion may be built."

Today unemployment in the metal trades is rapidly reaching depression proportions. In the $25,000,000 we are requesting we have a program involving work essential to national security, essential for protection of a $400,000,000 investment, and a program which will arrest the alarming dissipation of shipbuilding personnel, capital, and managerial know-how.

Earlier in these remarks I said that some Senators will ask: "Is this job necessary? Is repair of these ships vital to national security? Could this expenditure be postponed?" The facts I have attempted to give you answer those questions. The answers are: The job is necessary. Repair is vital to national security. The expenditures should not be postponed.

Mr. Chairman, I wish to insert as part of my remarks a table showing the total employment on shipbuilding and repair by region January 1947 through May 1949—a table showing the location and type of ships included in this program, together with a part of the estimates submitted to Bureau of Budget by the United States Maritime Commission as justification for this $25,000,000 repair program. The list of vessels I am including should not be regarded as the final word in every instance on the ships to be repaired. Some adjustments may prove necessary. In the main, however, the list is correct.

I urge every Senator to examine these data. I urge every Senator to support this amendment.

Mr. MORSE. Mr. President, I offer an amendment which I ask to have read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, line 11, it is proposed to strike out "$2,700,000," and insert in lieu thereof "$2,740,000."

Mr. MORSE. Mr. President, the amendment involves a very small sum of money, $40,000, but it is a very important $40,000 to the Federal Mediation and Conciliation Service. I first heard of this problem when I started receiving a considerable number of letters from the west coast, particularly from employers. I shall not take the time of the Senate to read more than one of the letters, but this letter is a very typical one, from an employer who operates in both California and Oregon. The letter reads:

DEAR SENATOR MORSE: We have just learned of the possibility of a cut by the United States Senate in the Federal Mediation and Conciliation Services' forces. We trust this will not happen.

It is our experience, just recently, to have been served and counseled by this fine organization. We operate a sawmill in California and an extensive logging operation in Oregon with offices for it in Lakeview, Oreg. These two companies have had a past record of strife with labor. The Federal Mediation and Conciliation Service has not only done excellent work in dispelling our present problems, but has helped to build a better understanding between this management and the laboring man within our plants. Their service has accomplished this all in a short time. It has meant a great deal to us both in running more efficiently and economically.

We feel that this agency is worthwhile and most deserving of support and further expansion rather than this curtailing.

Please reconsider most carefully and do not act on this proposed cut in the personnel of the Federal Mediation and Conciliation Service.

Yours truly,

THE WILLOW RANCH CO.,
M. L. HANNA,
General Manager and Vice President.

Mr. President, after I received a considerable number of such letters, not only from the west coast but from other sections of the country, I called the Mediation Service and asked them to submit to me on my personal request a memorandum setting forth the effect of the budget cut on the Service. I wish to read the memorandum, because it speaks for itself. One would think that out of a budget of $2,700,000 a $40,000 cut would not be very important, but when we consider the savings the Service has already been forced to make, I think we will see that this $40,000 cut is a very important one. This is what the Service says:

In anticipation of several budget cuts, described below, a provisional reduction in force is now being effected by the Service. How far it will extend depends entirely on the amount of appropriations made available to us by the Congress. The reasons for our having to make this inopportune provisional reduction in force are as follows:

First, the House of Representatives has reduced our request for funds by $40,000 and the Senate Appropriations Committee has not recommended restoration of this cut. The President originally requested an appropriation of $2,740,000 for the Service. This represents a reduction—

This, I say, is of vital importance, Mr. President—

This represents a reduction of $200,000 from the amount appropriated for the Service in the fiscal year 1949. This reduction in funds would not have required any curtailment of the present staff or activities of the Service. The $200,000 reduction is indicative of the extent to which the Service has succeeded in streamlining and economizing its operations. In fact, the Service through reorganization and other economies was able to return $179,000 to the Treasury from the funds appropriated to us last year. The budget submitted for the Service was the minimum required merely to maintain current staff and activities and any cut in any amount must be reflected in an immediate curtailment of expenditures.

I digress from the memorandum to say that if one knew Cy Ching as I know him and knew of his long business experience, he would know that Cy Ching would not send to the Congress any budget request that has any padding or puffing in it. I am satisfied that this memorandum sets forth the clear facts in the situation, and that this $40,000 cut has to be taken out of field personnel, the very personnel that is required in order to meet the needs of the employers who have written to me, as well, of course, as other employers.

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

Mr. MORSE. Permit me to complete reading the memorandum, and then I shall answer any questions concerning it.

Returning to the memorandum which I requested from the Federal Mediation and Conciliation Service, I continue to read as follows:

Secondly, a recent action by the Congress, subsequent to the submission of our budget, has increased the subsistence allowance to travelers without a proportionate increase in appropriations. This action has resulted in a reduction of the available funds for payment of salaries and other necessary expenses by an estimated $50,000. While every effort will be made to effect economies in travel expenditures, it will not be feasible to make sufficient savings to completely offset this loss of funds to the Service. Travel is a very significant item of expenditure in our budget because a conciliator to be effective must be completely mobile. Our commissioners must constantly travel to be available at the scene of labor disputes. It is not possible to curtail travel by keeping our commissioners at their official stations when labor disputes are occurring at locations away from these official stations. An immobilized commissioner of conciliation is not capable of performing his job properly.

Thirdly, the Service is undertaking a provisional reduction in its staff because it is mindful of the discussions now going on in Congress for a 5-percent reduction in all appropriations which we must assume would also affect our agency.

At the present time we have 214 commissioners on our rolls. Provisional separation notices have been issued to 17. In addition, 11 clerical and administrative persons have also been issued provisional separation notices and 5 temporary employees will be dropped at the end of this month. The Service therefore will, if it must live within the reduced appropriation described above, enter the new fiscal year with fewer than 200 commissioners of conciliation on its rolls. When the budget was first presented to Congress the Service did not feel justified in requesting additional funds in view of the unsettled industrial conditions then existing. It is now apparent that labor disputes during the coming year will increase in number and severity. With the reductions in force necessitated by reduced appropriations the Federal Government will have an average of but four men in each State to represent it in all labor disputes which may require Government intervention. Obviously many strikes may occur which could have been averted by Government mediation efforts. The loss to the Government in taxes, the loss of wages to the workers, the loss of production to consumers, and the loss of profits to the owners due to these strikes would appear to render the proposed

reduction in our appropriation a most questionable economy. The reductions in our budget resulting from the House cut, the absorption of higher per diem travel rates, and the possible 5-percent over-all reduction in funds will total $135,000. This would reduce the appropriation for the Service by 8 percent below what the President requested from the Congress.

The Service has anticipated the need for a reduction in staff prior to receiving final word of our budget in order to avoid much deeper slashes in staff at a later date. In doing this we are seeking to benefit from the experience of other agencies, which have been obliged, through delay in effecting necessary reduction in force, to make extremely severe cuts in their staffs during the last few months of the fiscal year in order to avoid an overexpenditure of appropriated funds.

If the Congress restores any portion of our appropriation we will, as required by the regulations, give first consideration to reemploying those employees whose names were reached last on our reduction in force register. It may be anticipated, however, that most conciliators would not be available for reemployment later should it become necessary through reduced appropriation to let them out of the service now. Should the Congress at a later date appropriate additional funds to the Service to bring its strength up to its present level, it would require several years before the Government could train new men to effectively perform mediation work in labor disputes.

Mr. President, the amount is small, but it involves the size of the conciliator staff itself. These men are needed out in the field. They are the fire-prevention department really in the whole field of industrial relations. In view of the previous $200,000 cut, in view of the fine record of economy and efficiency and streamlining which Cy Ching has put into effect in this service, I think my amendment for the additional $40,000, restoring the amount of the original Budget Bureau request, is a most reasonable one, and I hope the chairman of the committee will accept it and take it to conference.

I now yield to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, let me say to the Senator from Oregon that we heard the evidence on this matter in the committee. Many of us had other things brought to our attention besides what we heard officially in the committee. There was an attempt made to discharge individuals in this service in order to put pressure upon the Members of the Senate to restore the cut in the appropriation. That is a very damnable, despicable thing. I do not lay that to Mr. Ching, because I have the same high admiration for him the Senator from Oregon has. But I lay it to some people in the Service. That is one of the reasons why the committee did not act favorably on the request for the additional $40,000. That action was taken not only by Republican members of the committee but by Democratic members of the committee. The distinguished Senator from West Virginia [Mr. KILGORE] was one of those who presented a typical example of what I refer to. If representatives of the Service had come before the committee and presented the matter on its merits it would have received favorable action. The amount involved is small. The Service is a good one. In my opinion the head of the Service is an outstanding man. But I do not believe that he can know what some of his subordinates are doing, and the way they are operating, or otherwise he would dismiss them.

Mr. MORSE. In reply to the Senator from New Hampshire I will say that if such tactics had been used and were used I would feel the way the Senator from New Hampshire feels about it. I have gone into that very matter, to my own satisfaction at least, and I am satisfied that field service men will have to be let out because of the economy cut. I do not approve of any pressure of the type the Senator has mentioned being used on any Senate committee. But my plea this afternoon is that we look into the facts as to whether or not these field releases will be necessary. I have done it. I have complete confidence in Mr. Ching. I am satisfied that he would not be guilty of any such pressure as the Senator from New Hampshire suggests. I want to see retained these field men who are needed in order to help us meet in terms of peaceful procedures of mediation and conciliation the industrial problems of the next year. I am satisfied the $40,000 is needed. It is a small sum, and I think it represents a wise investment in personnel to help us with our industrial problems.

At least I should like to have the item taken to conference so that the conferees may look into it further during the conference stage and see whether or not the situation is as I have described it. If it is—and I know it is—this small amendment should be approved.

Mr. CHAVEZ. Mr. President, I wish to associate myself with the Senator from Oregon in his effort to have the $40,000 item restored. I also wish to associate myself with the Senator from New Hampshire in his attitude toward any attempt which might be made by department representatives to bring pressure on Members of Congress in order to get an increase in appropriations.

Mr. MORSE. So do I.

Mr. CHAVEZ. But this is a different kind of proposal, in my opinion. I have followed the question most carefully.

As I recall, this is the only agency appearing before the Appropriations Committee which returned any money to the Federal Treasury after the appropriations were made.

Mr. MORSE. It returned $179,000.

Mr. CHAVEZ. It returned $179,000. It is the only agency which asked for less money for this year than it had 2 years ago.

There is no question whatsoever about the sincerity of purpose of the Federal Mediation and Conciliation Service. This item involves only $40,000. The Budget estimate was $2,740,000. For some reason unknown to Members of the Senate the House cut it down to $2,700,000. The Senate committee agreed to that reduction.

I have before me a letter dated August 5, 1949, from the Acting Director of the Federal Mediation and Conciliation Service, outlining the position of that agency, as stated by the Senator from Oregon. The letter reads in part as follows:

The budget estimate submitted by this Service for the fiscal year 1950 was $2,740,000. This represented a reduction of $200,000 from the amount appropriated by Congress for the fiscal year 1949. We are able to request this reduced budget because as the result of a reorganization of the Service, and through other economies, the Service is now run on a much more economical basis than previously.

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

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

AUGUST 5, 1949.

Hon. DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR CHAVEZ: It is our understanding that you desire to be informed concerning the budgetary crisis facing the Federal Mediation and Conciliation Service.

The budget estimate submitted by this service for the fiscal year 1950 was $2,740,000. This represented a reduction of $200,000 from the amount appropriated by Congress for the fiscal year 1949. We are able to request this reduced budget because as the result of a reorganization of the service, and through other economies, the service is now run on a much more economical basis than previously. The 1949 appropriation was the first appropriation by the Congress for a full year of operations of this newly created independent agency. The service is proud that it was able to return to the Treasury on June 30, 1949 in excess of $179,000 from the 1949 appropriation.

This year the Service presented a budget which provided for no expansion over the previous year's operations. The budget was only sufficient to permit the Service to continue for another year exactly as it had during the last fiscal year. At the time this budget was presented to the Congress, about January 1, 1949, the future economic picture was unclear and we did not feel justified in requesting funds to allow for any expansion of our staff. The unsettled industrial conditions now prevalent will in all probability increase the demands on this Service beyond those made upon it during the fiscal year 1949. As a matter of fact even at the present time in some sections of the Nation our staff is insufficient to meet the demands made upon it.

Despite our expanded needs at this time we are forced to make immediate preparations for a reduction in our staff. Three factors have forced us to take this drastic action. First the House has voted a reduction of $40,000 in the amount requested and the Senate Appropriations Committee has not seen fit to recommend its restoration. Secondly since our budget estimate was submitted, the Congress has increased the subsistence rates for official travel. This will require the service to absorb unanticipated expenditures of approximately $50,000. Third, the service is taking cognizance of the continued discussions in Congress of a general 5-percent reduction in all appropriations. Should this service be required to forego 5 percent of its appropriation along with all other Government agencies, it would lose an additional $135,000. For these three reasons the service is required at the present time to make a provisional reduction in staff sufficient to enable it to live within a budget which may be reduced more than 8 percent below its minimum requirements.

It is impossible to evaluate the services rendered by this agency in terms of money saved both by the public and the Government. Naturally, if this service has fewer men to perform mediation services in labor disputes, it may be anticipated that an increased number of strikes will occur which might otherwise have been averted. I have never felt that the Government should have a sufficient number of conciliators to intervene in every labor negotiation in the United States. Our staff is only large enough to assist in the settlement of disputes which have a substantial effect on commerce. The appropriation requested by this agency was sufficient to employ 220 commissioners of conciliation. This is an average of a little more than four men for each State of the Union. In my opinion, if each man whom we are about to dismiss from the Government service was to prevent even one strike in the course of his employment next year, the Government would be repaid in large part for his salary through the uninterrupted receipt of pay-roll and other taxes.

In these critical times it would seem to be questionable economy to lose the services of men whose usefulness to the Government lies principally in their ability over the years to develop the confidence of labor and management in them. Should the Congress reduce our appropriation now and later come to see the need for men of this caliber, it would be several years before the Government could train men to adequately perform this work.

Sincerely yours,

HOWARD T. COLVIN,
Acting Director, Federal Mediation and Conciliation Service.

Mr. CHAVEZ. Mr. President, we ask the departments to try to be economical in their own way. We try to have faith in them. This is one agency which has followed our advice; and now it is proposed to punish it to the extent of $40,000.

So far as personnel is concerned, a total of 17 notices have been issued. In my opinion, the real authorities of the Service did not send out such notices in order to put pressure on me. I know that such things have happened. They have happened in connection with appropriations during this session. In the past I have been told, "We are going to close so many offices in New Mexico if a reduction in the appropriation is made." But I cannot believe that this agency did such a thing. I can judge those things. But when we find someone who is honest, let us try to be fair ourselves.

At any rate, a total of 17 notices were sent out. A review of the records indicates that the distribution by States is as follows: New York has three. Pressure could hardly be brought on the Appropriations Committee, because New York has no representative on the Appropriations Committee. There are two in Pennsylvania. Massachusetts has one; North Carolina, one. North Carolina has no representative on the Appropriations Committee.

There is one in Alabama, which has no representative on the Appropriations Committee. Georgia has one, and Indiana has one. So it is hardly fair to say that pressure was being used. There is one in Michigan, one in Missouri, one in Kansas, one in Oklahoma, one in Oregon, and one in Washington, D. C. So they are evenly distributed.

In my opinion, if the Service did not have the money to pay these men, it was necessary to dismiss them. So I associate myself with the Senator from Oregon. I had an amendment prepared to restore this amount. It is only $40,000, but it means a great deal to this particular Service and to the people of the United States. The $40,000 is just as important to that agency as the many millions appropriated for other agencies of the Federal Government. I hope that my good friend from Tennessee will at least take this item to conference.

Mr. MORSE. Mr. President, I submit the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE]. [Putting the question.] The Chair is in doubt.

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

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I withdraw my suggestion of the absence of a quorum, and ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

Mr. GURNEY. Mr. President, turning to page 8 of the bill, there is an item for the Motor Carrier Claims Commission. This Commission was authorized in 1948. The law provides that Commissioners shall be appointed to accept these claims. They could not be appointed in 1948, because money was not made available to pay the Commissioners. Money was not made available until about April of this year; and still the Commissioners were not appointed. That money reverted to the Treasury on June 30, 1949. The next money available for the Commission is contained in this bill, on page 9. Even though there was a continuing resolution making this amount of money available since June 30, the Commissioners have not yet been appointed.

The time limit for filing claims expires on October 2. But there has been no one with whom these motor carriers can file their claims, and possibly there will not be until the Commissioners are appointed. I understand that the Commissioners will be appointed some time during the coming month, or possibly sooner; but after they are appointed, they must take office, and October 2 is rapidly approaching. Therefore, Mr. President, on page 9, in line 4, after the period, I offer as an amendment a new sentence, to read as follows:

The time for filing claims under the act of July 2, 1948, is hereby extended to April 2, 1950.

Mr. McKELLAR. Mr. President, I see no objection.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The bill is open to further amendment. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

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

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 5300) was passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

AMENDMENT OF INSTITUTE OF INTER-AMERICAN AFFAIRS ACT—CONFERENCE REPORT

Mr. McMAHON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the Institute of Inter-American Affairs, created by Public Law 369, Eightieth Congress, shall have—

"(a) Succession until June 30, 1955; and

"(b) Authority, within the limits of funds appropriated or specific contract authorizations hereafter granted to it, to make contracts for periods not to exceed five years and not to extend beyond June 30, 1955, in any case.

"SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums, not to exceed $35,000,000, as may from time to time be necessary to carry on the activities of the Institute during the period ending June 30, 1955, and the appropriations hereby authorized shall be in addition to appropriations pursuant to authorizations granted in Public Law 369, Eightieth Congress."

And the House agree to the same.

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

BRIEN McMAHON,
THEODORE FRANCIS GREEN,
J. W. FULBRIGHT,
ALEXANDER WILEY,
Managers on the Part of the Senate.

JOHN KEE,
JAS. P. RICHARDS,
MIKE MANSFIELD,
ROBERT B. CHIPERFIELD,
DONALD L. JACKSON,
Managers on the Part of the House.

Mr. McMAHON. Mr. President, I ask for the immediate consideration of the report.

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

Mr. McMAHON. I yield.

Mr. KNOWLAND. Is this a unanimous report on the part of the Senate conferees?

Mr. McMAHON. It is, with the exception of the Senator from Massachusetts [Mr. LODGE], who is absent by leave of the Senate. The Senator from Wisconsin [Mr. WILEY] is among the Senate conferees signing the report. It is signed unanimously by the House conferees.

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

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

The VICE PRESIDENT. The Chair would like to observe that he thinks it will be of interest to announce that thus far today the Senate has passed two appropriation bills and has agreed to a conference report.

Mr. McKELLAR. Mr. President, I wish to congratulate the Senate.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the appropriations bill for the Military Establishment, being House bill 4146.

The VICE PRESIDENT. The unfinished business is the minimum-wage bill. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. THOMAS of Oklahoma. Mr. President, the bill now before the Senate embraces or comprises approximately 40 percent of the total appropriations requested by the administration.

In order that I may divest myself of the opportunity of making a statement, I ask unanimous consent to have a statement printed at this point in the RECORD; and, following it, I ask consent to have printed in the RECORD a release by the Secretary of National Defense, under date of August 24. I assume that we shall not have a chance to consider the bill very much tonight. If these two statements can appear in the RECORD, they will show exactly what the bill means.

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

The present bill, H. R. 4146, makes appropriations for the National Military Establishment for the fiscal year 1950. For the first time, as a result of the unification program, this bill contains amounts for the three Departments of the Army, Navy, and Air Force as well as amounts for the Office of the Secretary of Defense, the National Security Council, and the National Security Resources Board.

The total amount of appropriations in the bill as reported to the Senate—exclusive of trust accounts—is $12,731,834,478. This amount is $540,981,322 under the House total of $13,272,815,800 and $517,126,222 under the budget estimate of $13,248,960,700. It is $2,277,357,065 over the amount allowed the Military Establishment for the fiscal year 1949.

In addition to the cash appropriations, the Senate Appropriations Committee recommends a total of $2,058,546,000 in contract authorizations for fiscal year 1950. This is $577,755,000 under the House approved figure of $2,636,301,000 and $17,000,000 under the budget estimate of $2,075,546,000. This is an increase in contract authorization over the $270,000,000 allowed in 1949 of $1,788,546,000, it being remembered that $2,275,000,000 in contract authorizations was allowed in 1949 in a 1948 supplemental appropriation bill.

The committee also acted to rescind $275,000,000 in contract authorizations for stock piling that is contained in Public Law 150, Eighty-first Congress, the Treasury-Post Office Act. I shall speak about that later in my discussion.

Adding the cash appropriations and the contract authorizations together, the Senate committee recommends a total of $14,790,380,478. This amount is $1,118,736,322 under the House-approved total of $15,909,116,800 and $534,126,222 under the budget estimate of $15,324,506,700.

Adding the stock-piling rescission to the savings already indicated, one arrives at a total of $1,393,736,322 over the House-approved military bill and the amount authorized for contracts in Public Law 150.

Before arriving at its decision, the committee heard a great body of testimony from the military, much of which, for obvious reasons, does not appear in the record. The committee was greatly impressed by the earnest resolve of the Secretary of Defense, Mr. Louis Johnson, to effect economies in his organizations during the coming year. It is to be hoped that the three branches of the service will lend their whole-hearted support to his endeavors to bring about a truly unified military establishment which will, at one time, both weld the national defenses into an impregnable whole and bring about needed savings through proper unifying action.

I wish to thank the Secretary of Defense for his cooperation and to wish him success in his resolution.

I also wish to thank the other members of the Senate Committee on Appropriations for the assistance they have rendered on this bill. Although we did not always see eye-to-eye on every issue, the bill as reported is as near as it can be to the unanimous expression of committee thinking and as such merits the sober consideration of the Senate and House of Representatives.

The committee, in attempting to determine the amounts to be recommended for the Military Establishment, was beset by conflicting desires. It wished above all else to provide for the national security from any possible aggressor. At the same time it was not oblivious to the dangers inherent in a tremendously expanded arms-production program that would—in the long run—exhaust our economy at a time when, perhaps 2, 5, 10, 20 years hence it might need the very might which we had dissipated in what might then be obsolete equipment.

This latter consideration runs parallel to the present economic condition of the country, which, despite its tremendous prosperity, has a debt of over $253,000,000,000. We were unable to balance our budget last year and we bid fair to go even more deeply into debt in this present fiscal year. One solution to this—increased taxation—is not considered economically sound at this time, particularly in the face of a probable recession. The only other solution, reduced spending, seemed to the committee the logical alternative. The bill, as presented to you today, provides a maximum of national security within what I believe to be the limits of our economic stability.

The committee made two major revisions of the House-approved version of the bill. First, in nearly every instance it restored items to the budget estimates. In so doing it increased the Department of the Army by approximately $89,000,000 and the Department of the Navy by about $12,000,000 and, at the same time, it decreased the Department of the Air Force by $222,067,000 in cash and $577,755,000 in contract authorization. This, in effect, would reduce the proposed size of the Air Force from the House-approved 58 groups to the President's recommended 48 groups, the number also approved by the Secretary of Defense and the Secretary of the Air Force.

Secondly, the bill provides that the appropriations in the bill be reduced by a total of $433,968,611, such reductions to be made by the Secretary of Defense wherever in his discretion he deems such reductions to be in the best interests of our national security.

The committee did not act capriciously in either of these actions. Repeatedly members of the committee asked the Secretary of Defense, the Joint Chiefs of Staff, and the three Secretaries of the Army, Navy, and Air Force as to their needs. They were unanimous—emphatically unanimous—in supporting the President's budget. Members of the committee even went so far as to remind these witnesses that the Congress was not bound by the budget, that they would give serious consideration to whatever amounts the responsible heads of the various establishments thought advisable, and in each instance these heads, the Secretary of Defense, the Joint Chiefs, and the Secretaries of the three Departments reiterated their adherence to the President's recommendations.

Furthermore, the Secretary of Defense, in his presentation, made the following statement:

"If you give us the bill covering amendments to the National Security Act, I think we can say that without reducing the strength of the Army, Navy, and Air Force, I think we can save about $1,000,000,000 by cutting out wastage, duplication, and by cutting down unnecessary civilian employment."

This commendable attitude, plus investigations by the committee, convinced us that savings could be made in the bill below the budget estimate. Committee action was predicated on this assumption.

In the matter of stock piling, the committee acted to reduce the contract authorizations already made law by $275,000,000. The Second Deficiency Appropriation Act for 1949 (Public Law 119) contained $40,000,000 cash and $270,000,000 contract authorization. The Treasury-Post Office Appropriation Act, 1950, contained $525,000,000 cash (of which $250,000,000 was to liquidate prior contract authorizations) and $250,000,000 contract authorization. The two acts, together, totaled $565,000,000 cash and $520,000,000 contract authorization. The reduction of $275,000,000 in contract authorization still allows for $565,000,000 in cash and $245,000,000 in contract authorization for the fiscal year 1950.

I personally would have wished that the reduction could have been considerably larger. However, it was the conviction of the committee that a rescission of $275,000,000 was proper, and I willingly accede to the committee's wishes. I regard the stock piling of strategic and critical materials as a highly necessary preparation for the eventualities of possible war. I would look with horror at a program so short-sighted as to overlook the failures in the past to provide us with materials of which we have at best a minimum supply. But at the same time it is my measured judgment that there should be limits to our goals if we are to husband our economic and military strength. I regard a full

year's wartime supply of critical materials as sufficient at this time. I say this after careful consideration of our geographic position and that of a possible enemy, of the possibility of subversive elements arising in countries where strategic materials exist, of the deplorable necessity for our continued military preparedness, and of the tension which already exists on the bands of our internal economy.

Several other items might be mentioned briefly. As originally contemplated in the budget and as considered by the House, the bill called for funds and contract authorizations for the building of the supercarrier U. S. S. *United States*. Subsequent to House action, the program was changed, the carrier idea was abandoned, and a conversion program as outlined in the committee report was initiated. Funds for the conversion program were transferred from the proposed appropriation for the large carrier, and previous contract authorizations for the same purpose were made available for the revised program.

Two new programs, one in the Navy for $20,000,000 and one in the Air Force for $50,000,000 cash and contract authorization, were recommended by the committee, to be absorbed in the appropriations recommended in the original budget estimates.

To my way of thinking, the bill as reported accurately reflects our military needs. The Senate Appropriations Committee has always been in the forefront in preparing the Nation for possible conflict. In 1941 it was this committee which, having reviewed the budget estimates and the House action on the military bill, directed the Military Establishment to bring in revised estimates of its needs, estimates which would realistically provide for a greatly augmented Military Defense Establishment. We have never regretted taking the initiative in this action. Should the need again arise, I am sure that the Senate Appropriations Committee will not be found wanting.

On the other hand, and I think I speak for nearly every member of the group, the committee is profoundly desirous of accomplishing economies which will reduce, if not remove, the anti'pated 1950 imbalance in the budget. For substantial savings to be made in the present year's budget, these must come from some phase of military activity. For savings to be made in the budgets of future years, a limitation on the contract authorizations in this year must be considered. In this present bill there is a total of $1,886,000,000 cash to liquidate prior contract authorizations. The committee cannot do other than approve these amounts.

Approximately 35 percent of the total appropriations for the coming year are contained in this bill. This does not include 1 cent of cost of previous wars—the interest on the debt and the veterans programs—nor does it include anything for such large items as that of the Atomic Energy Commission, stock piling of critical materials, the ECA program, and the proposed European arms cost. Viewed in this light it will be seen that the vast preponderance of all appropriations is being supplied to preparation for national defense and to costs of past wars.

I believe that the Senate will not regret its action if it approves the amounts as recommended by the committee in this bill. To those of you who believe we have reduced the Military Establishment too much, I call to your attention that the total cut recommended is only about 3½ percent below the budget estimates, not including, of course, the stock piling rescission. To those of you who do not believe that we have reduced the Military Establishment enough, I again remind you that what we are paying for is national security, an insurance premium on democracy. With the hazards of today in mind, I should not wish to be one who would weaken our safeguards.

SECRETARY JOHNSON ANNOUNCES REDUCTION OF DEFENSE COSTS

A detailed but partial program of economies which should reduce expenditures for national defense by approximately $200,000,000 the first year and when in full effect at a rate of approximately $500,000,000 per year, was announced today by Secretary of Defense Louis Johnson.

The program involves reductions to be achieved in the Army, Navy and Air Force by cutting the numbers of their civilian employees by 135,000, reducing the number of their officers on active duty by 12,073 and by inactivating 51 Army, Naval and Air Force installations and by curtailing a number of additional activities of three services.

The reduction of expenditures will not be felt immediately by the three services but it is expected that the full effect of the program will be felt in the next fiscal year.

Of the total 135,000 civilian job reductions, 41,000 will be carried out by the Army, bringing its total civilian employment down to 336,000 for military and civilian functions, including Rivers and Harbors; 76,000 by the Navy, to a total of 283,000 and 18,000 by the Air Force, to a total of 151,000. Reductions of numbers of officers on active duty will be distributed as follows: Army, 5,787; Navy 3,157; Air Force, 3,129.

It is not contemplated that the civilian positions which become vacant will be filled by military personnel, and a study will be made of service and support type units in each service, with a view to reducing the number of military personnel needed in such units.

September 15 has been set as the date on which inactivation of the Army installations will begin. The installations involved, accompanied by the dates on which they are scheduled to be completely shut down or reduced to a maintenance status, are:

Camp Chaffee, Ark., now being used as a facility for a training division of recruits, to be closed by April 15, 1950; Camp Jackson, S. C., also used for recruit training, July 1, 1950; Camp Kilmer, N. J., now the staging area for the New York port of embarkation, April 1, 1950; Camp Ellis, Ill., now used for National Guard training purposes, December 1, 1949; the Lincoln ordnance depot, Lincoln, Ill., January 1, 1950; the Maynard, Mass., backup area, July 1, 1950; the Nansemond ordnance depot, Nansemond, Va., July 1, 1950; the ordnance section of the Shultz farm, Maryland, Army installation, January 1, 1950; the ordnance subdepot at Susquehanna, Pa., January 1, 1951; the engineer section of the Richmond general depot, Richmond, Va., November 30, 1949; the Yuma engineer testing station, Yuma, Ariz., January 1, 1950; the medical section of the Columbus general depot, Columbus, Ohio, December 31, 1949. The Army ordnance depot at Oyster Point, Va., has already been closed down.

The largest Navy cut-back will be the inactivation of the naval shipyard at Long Beach, Calif., and considerable reduction in force will take place at the 10 other naval shipyards and at naval air stations. The Navy will also inactivate naval air stations at Atlantic City, N. J., Coco Solo, C. Z.; Roosevelt Roads, P. R.; Kaneohe, T. H.; naval auxiliary air stations at San Diego, Calif., Charlestown, R. I., and Chincoteague, Va.; Marine Corps air station at Edenton, N. C.; ammunition and net depot, Seal Beach, Calif; naval ammunition depots, Hingham, Mass., Bangor, Wash., and Hastings, Nebr.; naval ordnance plants at, Louisville, Ky., and Pocatello Idaho; naval hospitals at Corona, Calif, and Aiea, T. H.; and the medical supply depots at Aiea, and on Guam. The Naval Academy college preparatory school at Bainbridge, Md., also will be inactivated.

The Air Force bases which will be inactivated are:

Smoky Hill Air Force base, Salina, Kans.; Ent Air Force Base, Colorado Springs, Colo.; Orlando Air Force base, Orlando, Fla.; Grenier Air Force base, Manchester, N. H.; Dow Air Force base, Bangor, Maine; Lockbourne Air Force base, Columbus, Ohio; Greenville Air Force base, Greenville, S. C.; Slocum Air Force base, New Rochelle, N. Y.; Clinton County Air Force base, Wilmington, Ohio; Forbes Air Force base, Topeka, Kans.; Mountain Home Air Force base, Mountain Home, Idaho; France Air Force base, C. Z; Vernam Air Force base, Kingston, Jamaica; Waller Air Force base, Port of Spain, Trinidad; Mingan Air Force base, Quebec Province, Canada; Banking Sands Air Force base, Kauai Island, Hawaii; Guatemala City Air Force base, Guatemala, and the Howard Air Force base, Bruja Point, C. Z. These bases will be retained on a stand-by basis, with a small maintenance unit remaining at each base for fireguard duties.

Some of the reductions, particularly in the case of civilian personnel, have already been put into effect. The Army has already reduced its civilian employment from the end of June 1949 by some 8,000, and has set November 1, 1949, as its target date for the release of an additional 33,000 (of which 11,000 are overseas). The Army reduction accomplished prior to now was made possible by the completion of some projects, and by suspending new employment and employment to fill vacancies, effective on August 15.

In connection with the freeze of Army employment, it was stated that this suspension of employment will not apply to recruiting for employees to fill authorized vacancies in overseas areas.

The Navy has already reduced its number of civilian employees by approximately 25,000, and is expected to accomplish the balance of its reduction of approximately 51,000 civilian positions by November 1.

The Air Force stated that hiring will be held to a minimum until the Air Force civilian reduction has been completed. When overseas Air Force installations are closed, native civilians will be released locally and United States citizens will be returned to this country. Some of the latter will be employed at domestic installations.

Army reductions of officers will affect officers of all grades, but principally in the grades of major, lieutenant colonel, and colonel. Approximately 1,250 Army officers will be separated by December 31, 1949, and the remainder of some 2,137 will be separated by April 1, 1950. The Army estimates that some 2,400 of its officer-reduction quota will be accomplished by normal attrition due to deaths, resignations, and retirements, while the balance of 3,387 separations will require administrative action.

The Navy now has slightly over 46,500 officers on active duty. For this fiscal year it must maintain an average of 45,000 officers. It is scheduling its reductions to attain that average and on July 1, 1950, there will be 43,500 officers on duty. Most of the cuts in officer strength will be made by returning Reserve officers to inactive status and by reverting temporary officers to their permanent ranks of warrant or chief petty officers.

The Air Force officers to be relieved from active duty will be non-Regular, rated officers—pilots, navigators, bombardiers, and observers. It is planned to relieve 3,129 such officers from active duty as soon as possible.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. Does the Senator from Oklahoma intend to have the Senate take up the amendments to the bill this evening, or does he simply in-

tend to make a statement explanatory of the bill?

Mr. THOMAS of Oklahoma. Mr. President, I think the mood of the Senate is fair; and after I make my statement, I think there will not be very much controversy. Perhaps I am overoptimistic.

Mr. McKELLAR. Mr. President, I hope the Senator from Oklahoma is not overoptimistic.

Mr. THOMAS of Oklahoma. If Senators will remain for a few minutes and will hear what I shall say, and then will ask whatever questions they may care to ask, I think we can pass this bill in 15 or 20 minutes. After all, Mr. President, during the war I had the opportunity of handling a bill calling for the appropriation of $72,000,000,000, and the Senate passed that bill in 20 minutes. On the same ratio, a $15,000,000,000 bill should not take very long to be passed by the Senate.

Here is the situation: We have a new Secretary of Defense. He is somewhat new to the job, but I think he already has received the confidence of the Congress and, to a large extent, the confidence of the people. So he should be given a chance.

Then we have the combination of the three forces—the Department of the Army, the Department of the Navy, and the Department of the Air Force. Each of those Departments is under a Secretary, who likewise is new. So we have before us a strange and new proposition: One Military Establishment, with one head, and with three main subordinates.

When the budget was submitted to the House, it carried items for a sizable sum of money. The House proceeded to consider the budget items, and cut them considerably, in various places. But instead of cutting all the items, I believe it added provision for 10 more groups in the Air Force. Those 10 groups, if the House action is sustained, will involve approximately $800,000,000 of additional expense. There is no budget estimate for that increase; but, as I understand, the House of Representatives took the budget estimate which was submitted for universal military training and construed that to mean that it could use that for increasing the Air Force; and the House proceeded to do so.

So when the bill came to the Senate, it contained, instead of provision for a 48-group Air Force, which the Administration recommended, provision for a 58-group Air Force and, as I have said, $800,000,000 of additional appropriations.

After holding hearings for almost a month, the Senate committee brought about an adjustment. The Secretary of Defense did not ask the Senate to retain in this bill provision for the 10 additional Air Force groups. So when the Defense Establishment agreed not to request a continuation of the House provision for the 10 additional Air Force groups, immediately we were able to reduce the appropriations, under the figure contained in the bill as passed by the House, by approximately $800,000,000.

Mr. Johnson, the new Secretary of Defense, as I have stated, believed then, as he believes now, that he could make substantial savings. So our force in the Appropriations Committee, working with Secretary of Defense Johnson and with Secretary Symington and with the Secretaries of the Navy and the Army, Mr. Matthews and Mr. Gray, respectively, agreed—all of them agreed—that they would make substantial savings, and they agreed that they could reduce the amount carried in the bill as passed by the House by approximately $433,000,000, in addition to cutting out the $800,000,000 increase for the 58-group Air Force which was provided in the bill when it came to the Senate from the House of Representatives. By reducing that number to 48 groups and by taking advantage of other voluntary agreements, it was found that the appropriations carried in the bill could be reduced by a further amount of $433,000,000. That makes a total reduction of approximately $1,200,000,000.

Here is the theory of the bill as it is now before the Senate: The Senate committee recommends that we reestablish, to the full, every budget estimate. That is No. 1. Then, in the bill we recommend that the Secretary of Defense be required to make a total saving of something over $433,000,000. If the bill is passed upon this theory, the Secretary can go up to the full budget estimate at any point he thinks he must, but he can only do so on condition that over-all he cuts out $433,000,000. That is the picture.

There are only two or three places in the bill where the Senate recommends an increase over the budget estimates. One of those is for the Office of the Secretary, himself. There is one other place where the House has raised the budget estimate, and the Senate committee recommends that the Senate agree to that raise. In other cases, since the Senate committee recommends appropriations only up to the budget estimates, when the bill goes to conference, if the House conferees can convince the Senate conferees that the two or three items which they raised above the budget estimate should be retained, as one conferee I shall be perfectly willing to agree to those raises.

This is a flexible over-all program to take care of our Military Establishment, but, when it is done, if it is done as the committee recommends, there will be a saving under the House bill of almost $1,200,000,000. That is the theory of the bill. There are some other provisions in it which we shall come to as we go through the bill. But I want to make the theory plain, so Senators will understand at the beginning what we are doing in the whole bill. If the committee theory is accepted, there will then be no particular occasion to take up the items in a formal way, since they conform to the budget estimates.

We give the Secretary the liberty and flexibility of going as high as the budget estimate on certain items, on condition that in the over-all picture, he can cut out $433,000,000. The only reason that is done is because Mr. Johnson is new, and because his three Secretaries are new. I placed in the RECORD just now a release from Secretary Johnson. He has already begun to reduce the expenses of the Military Establishment, and it is being done according to the theory of this bill. If we give him this money, as the committee recommends, I think I am safe in saying he will save the $433,000,000. Then, if there is no greater threat of war than there is now, he will proceed still further to cut the budget, and he thinks he can save from $1,000,000 to $3,000,000 a day. If the threat of war is not acute and he does what he says he wants to do, he will have perhaps a billion dollars during the course of the next 12 months.

That is the theory of the bill. I want the theory understood. Then, when we come to specific items, we can discuss them.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. KNOWLAND. I am not sure whether I understood the Senator to say earlier that he anticipated a vote on the committee amendments tonight. If so, I should like to suggest the absence of a quorum.

Mr. THOMAS of Oklahoma. No, that was only my suggestion. I do not think the Senate should try to pass a $15,000,000,000 bill in a few minutes. It could be done, if the theory were understood and agreed to. But I am not asking that it be voted upon tonight.

Mr. KNOWLAND. I do not know what the ideas of the majority leader are on recessing, but since it is a quarter to six, and the Senator has put certain material in the RECORD which I think we should all like to study overnight, I respectfully suggest we postpone voting on the committee amendments until tomorrow.

Mr. THOMAS of Oklahoma. I ask that the Majority Leader be called into the Senate Chamber. I do not think it would be advisable to begin the consideration of amendments tonight, before Senators have had a chance to read the statement and to read the committee report, so they may understand the theory of the bill.

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

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. SALTONSTALL. The Senator, I think, did not bring out the question of whether there is in the bill a provision or a leeway under the budget for increased salaries of officers and men, under the military pay increase bill which is on the calender.

Mr. THOMAS of Oklahoma. Yes; the bill contains a number of really flexible provisions. Transfers can be made back and forth. A bill of this kind would not be practical, unless the Secretary were given authority, if he finds he is running out of money in some department, to transfer money from some other department to meet the need. But, over all, he must reduce the total appropriations to the extent of over $433,000,000. Of course, all three departments are working in harmony and therefore they must all agree to whatever is done.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. If the Secretary carries out the provisions of the bill and saves $433,000,000, how would the appropriation this year compare with last year's appropriation?

Mr. THOMAS of Oklahoma. I think the committee report on its face states that. The Senator will find that the bill as reported to the Senate is $517,126,222 under the estimates for 1950, but it exceeds the appropriations for 1949 by $2,000,000,000 plus. But here is $1,800,000,000 of that excess: Last year, the Congress authorized contract authorizations in the amount of $1,800,000,000, so we had to appropriate that money this year. A contract authorization is not an appropriation of money for a given year, but it involves an appropriation the following year. When we commit ourselves to a contract authorization this year, the money must be provided next year, if the authority is exercised. Last year the Congress authorized $1,800,000,000, and that sum is included in the excess appropriation this year of $2,200,000,000 over 1949.

Mr. WILLIAMS. But it is true, is it not, that even if we save $1,400,000,000 on the appropriations, there will still be about $1,750,000,000 more to be spent on the Military Establishment than was appropriated last year?

Mr. THOMAS of Oklahoma. On its face, the decrease from the amount passed by the House is $540,000,000, and the amount of the bill will be $12,000,000,000-plus. The amount of the appropriations for 1949 was $10,000,000,000-plus. The Senator, of course, is correct in his estimate. At the time the estimates were made, conditions were thought to be more critical than they are now thought to be.

Mr. TAFT. Mr. President, the Senator referred to a saving of something like $1,500,000,000. On the face of the bill, the amount of the decrease is $540,000,000-plus. Are we to understand that the decrease in authorizations, on page 4, represents an additional saving of $577,000,000-plus?

Mr. THOMAS of Oklahoma. That is my understanding. That will come out, under the estimates for the universal military training program. No money is appropriated for that.

Mr. TAFT. Referring to page 4, the House bill gives the Department of the Air Force $1,992,000,000, which the Senate has reduced by $577,000,000. Is that the 10-group reduction of which the Senator spoke?

Mr. THOMAS of Oklahoma. It is my understanding that is a decrease in contract authorizations for the Department of the Air Force.

Mr. TAFT. So the decrease is partly in appropriations and partly a decrease from the budget estimate, is it not?

Mr. THOMAS of Oklahoma. That is true.

Mr. TAFT. It is partly in appropriations, partly in contract authorizations, is it not?

Mr. THOMAS of Oklahoma. That is correct. There are other features of the bill which I should like to make clear, if I can. Last year the Congress appropriated and authorized a total of about $600,000,000 to begin the program of stock piling. This year, the Congress has already appropriated and authorized a total of $835,000,000 more for stock piling. Some of the members of the committee have thought that was going a little bit too fast, that it was too large a sum.

After considerable hearings the committee decided and now recommends that we reduce that over-all sum by $275,000,000, and that will be the subject of an amendment to be considered. That money has been appropriated and authorized already in other bills. It is not in this bill. It is a rescission item. If the Senate agrees with the recommendations of the committee we will take back a part of that amount of $835,275,000, and we think that will give the Munitions Board and those engaged in the program ample funds, in fact, all they can spend. They are acquiring their stock-pile items very slowly. They are getting the materials from all parts of the world, and I am not at all satisfied with the record made in getting these items. There are 69 items. They have certain items now that are in advance supply to the extent of 5 or 6 years. They have certain items in advance supply as much as 20 years. Certain items, of course, they are not getting very fast. The press has carried some information about the stock-piling program, and the program has been criticized somewhat. There is quite a list of all these commodities, and there are some of the items about which I think it is no secret, since they have been discussed quite freely. They want 25,000,000 pounds of pepper, for example. I do not know what use will be made of the pepper. We have information that pepper is very desirable for use in canning certain commodities and in the preservation of meats, but we also have information that pepper is not something on which people can live; it is only a flavoring extract.

They also want 15,000,000 pounds of castor oil. That may be very necessary. If they use the pepper first and the castor oil second, it might bring results. I am not sure about that. But here is what happens. Every time Congress passes a law creating a new activity, a new bureau or board, immediately those in charge of the new bureau or board begin to build up their institution. When we started this stock-piling program in the last Congress we provided that the Munitions Board should begin to stock pile certain things. We did not specify the things they were to stock pile, but they were supposed to be strategic and critical war materials. The Board selected 69 commodities and began to stock pile them. It never occurred to me that they would build up an institution requiring all the staff and all the money they now require. They have over 500 employees in this one little, insignificant bureau, engaging in stock piling. They have set aside $59,000,000 of the total appropriation to pay expenses of personnel and expenses of stock piling. They have agents scattered throughout the world buying materials. It may be necessary, but it does not seem to me that it is exactly necessary. The committee is willing to go along and give them that much money. Personally, I recommended that we reduce the items more severely. We started with a heavy cut and kept on reducing until we got down to $275,000,000, and the committee, without objection, agreed to that reduction.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I do not intend to object to the $275,000,000 contract authorization, but I do want to say for the record that the contract authorization for strategic materials was in the Treasury-Post Office bill, and the hearings were held by the Treasury-Post Office Subcommittee in the House of Representatives. The distinguished Senator who is now presiding will recall that I called it to his attention, and we later had another meeting so that the members of the Treasury-Post Office Subcommittee could be present. I merely want to make the record clear. I do not want to object, but I do think that in justice to the Treasury-Post Office Subcommittee, the members of the House committee should be advised.

Mr. THOMAS of Oklahoma. Several months ago conditions were different from what they are at this time. When we began the session last January there was more or less feverishness regarding our situation, but we have gone through approximately 8 months and things seem to be getting a little more settled throughout the world than they were at the time the budget estimate was submitted.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. HAYDEN. I did not agree and did not vote in the committee for this reduction. I have always felt that the creation of an adequate stock pile was one of the very best things we could do in order to let any country which might be seeking trouble with us know we have a stock pile, and that we could engage in a year's war. I think that is a great deterrent to any notion a nation might have of attacking us. That was our weakness when we went into the last war; we did not have on hand the things we needed. We should have a year's supply of copper, lead, and zinc, not only for the Army, but for our industries. I look upon the stock pile as the best guaranty of peace we can possibly have. If we do not need these materials in the future they can always be sold. They are not a dead loss, as are a great many military commodities. We passed a provision directing that we buy American in connection with the stock pile. I am in favor of that. That provision was unanimously adopted. But I cannot bring myself to see that we should direct the agency to buy American and then cut down the money with which to do the buying.

Mr. THOMAS of Oklahoma. I suggest that the over-all problem before the Congress is an expenditure of 3½ billion dollars over a period of years for stock-piling purposes. If conditions now were as they were a year ago I would look with more favor upon going faster than I am willing to go at this time. It seems to me that with the money the agency has, with

conditions as they are, we are making progress as rapidly as we should in the extended condition of the Treasury.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Does the evidence disclose the importance of the various strategic and critical materials in different categories? I do not presume they are all equal in importance, so far as national defense is concerned. I am wondering whether this cut will in any wise interfere with the procurement for stock piling of some materials which are essential from the standpoint of our national defense.

Mr. THOMAS of Oklahoma. I will say that the information before the committee gives, in the first column, the amount we should have in a 1 year's stock pile. In the second column it gives the amount we have on hand. As I said earlier, we already have on hand as much as a 20-year supply of some commodities. As to others, we have not started to acquire them.

As an illustration, take jewel bearings. There is no secret about that. Some of these commodities may require secrecy. As to jewel bearings, they require 2,400,000 instrument jewel bearings, and have on hand already 14,400,000 instrument jewel bearings.

Mr. LUCAS. Will the Senator yield on that point?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Does this cut in the appropriation limit the executive branch of the Government in any way in buying for next year? In the event they received the full appropriation, could they use the money for some other more critical and strategic material they thought was necessary?

Mr. THOMAS of Oklahoma. The Board is unlimited in deciding what is needed. It has decided only on 69 commodities.

Mr. LUCAS. If it wanted to spend all the money on one commodity, could it do so?

Mr. THOMAS of Oklahoma. There is no law to prevent it.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. To carry out that thought one step further, if the $275,000,000 reduction in contract authority is agreed to, it will allow $565,000,000 in cash and $245,000,000 in contract authorizations to carry on the stock-pile program in 1950. As one who heard all the evidence, it seems to me it is a question of how fast we want to stock pile. We shall have on hand a very substantial stock pile at the close of 1950, with the thought of a full program in approximately 2 or 3 years. By cutting out $275,000,000 we simply postpone the completed stock pile approximately a year or half a year. Does the Senator agree with that statement?

Mr. THOMAS of Oklahoma. That is exactly correct. I agree thoroughly with the Senator's statement.

The Board reports a 1 year's supply, 8,200,000, of watch jewel bearings, and it has on hand 22,500,000 watch jewel bearings, or almost three times 1 year's supply.

Mr. President, I shall not go any further with this matter. It is marked "confidential"; and some parts of it, I presume, it would not be wise to have in the RECORD, but it is here for any Senator who wishes to examine it.

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

Mr. THOMAS of Oklahoma. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desire to say only that I was one of the members of the committee who opposed this reduction. I think the Senate should know that the representatives of the National Defense Establishment, the officers in charge of stock piling, appeared before the committee and expressed the opinion that the reduction should not be made. There are many items in the stock pile. The Senator has read only some of them, naturally. The acute necessity, as I see it, of building up a military stock pile for the United States cannot be overestimated. The only question that is before the Senate now, it seems to me, is whether it is worth while to attempt to save the expenditure of the particular sum involved at this particular time for contract authority. My own personal view is that it is not in the interests of the country. It will be only a temporary saving. It will not, in the last analysis, prevent the expenditure of the sum. We should have our stock pile, and we should have the least possible delay in acquiring it, from my point of view.

The further statement should be made, I think, that this reduction comes in the military bill affecting the action of the Senate and of the Congress on the Treasury bill. The matter was referred to the Treasury Subcommittee, and as a result of that referral, the amount of the reduction was substantially modified, as I think the Senator from Oklahoma will acknowledge. My own feeling is that we are not doing the right thing in making this reduction.

Mr. THOMAS of Oklahoma. Mr. President, the only issue, in my opinion, is how fast we should proceed to build up the stock pile. If it should be decided that it should be done in 2 or 3 years, the amount of money that has been heretofore appropriated probably should be allowed to stand, but if the Senate is convinced that conditions do not justify paying the exorbitant prices that must be paid in order to get the stock pile assembled immediately, that is the other viewpoint.

If the Senate should agree to the viewpoint expressed by the committee, to restore the full budget estimate, and then direct a cut, there is no occasion for doing more than going through the amendments formally and having them agreed to, because the full budget estimate is restored. The House cut many of the provisions and raised one or two, but the Senate committee restores all of them to the full budget estimate. If that policy should be pursued, we could agree to the amendments, save the legislative portions and particular and special amendments.

Mr. SALTONSTALL. Mr. President, as one who happens to be sitting for the moment in the minority leader's chair, in the absence of the minority leader, while I voted with the Senator from Oklahoma, and I agree with him, I should not care to take the responsibility of adopting the procedure he has suggested at this late hour, even with a quorum present.

Mr. THOMAS of Oklahoma. In that event, a statement which has been prepared explains the bill, and the release of the Secretary of Defense will be in the RECORD in the morning, and if it is agreeable, I would ask that further consideration of the bill be postponed until the next session of the Senate, if that meets the approval of the majority leader.

Mr. LUCAS. Mr. President, probably it will be better to take a recess until tomorrow, under the circumstances, because I doubt if we could get a quorum at this late hour.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

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

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. HUMPHREY. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing an amendment to the pending bill, H. R. 4146, which amendment, without further explanation, I may say will pertain to the cooperation on the part of the National Military Establishment with independent enterprises and small business in the matter of procurement of personnel by the National Military Establishment.

The VICE PRESIDENT. The notice will be received and printed in the RECORD.

Mr. HUMPHREY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 99, between lines 19 and 20, insert the following new section:

"SEC. 634. (a) Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this act by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this act, and by making available or causing to be made available to purchasing and contracting agencies of the National Military Establishment information as to

commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds appropriated by this act.

"(b) The Secretary shall appoint a special assistant to advise and assist him in carrying out the foregoing subsection (a). A report of all activities under this section shall be prepared and transmitted to the Congress as soon as practicable after June 30, 1950."

Mr. HUMPHREY also submitted an amendment intended to be proposed by him to House bill 4146, making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

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

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

Col. Louis Huber Renfrow, Col. Earle Standlee, and Col. William Edward Shambora, for temporary appointment in the Army of the United States.

Mr. LUCAS. Mr. President, the first three items on the Executive Calendar, nominations of Mr. Butterworth, Mr. Briggs, and Mr. Davis, will have to be passed over.

The VICE PRESIDENT. Without objection, the nominations will be passed over, and the clerk will state the next nomination on the Executive Calendar.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of John Carson to be a member of the Federal Trade Commission.

Mr. SALTONSTALL. Mr. President, I respectfully ask that this nomination go over.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of John J. Dermody to be ensign in the Coast and Geodetic Survey.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc, and, without objection, the President will be notified immediately of all confirmations of today.

Mr. LUCAS. Mr. President, before very long we will have to take up the nominations of Mr. Butterworth, Mr. Briggs, Mr. Davis, and Mr. Carson, which, with the exception of the nomination of Mr. Carson, have been on the calendar for some time. Probably some evening we will proceed to consider executive business and vote on these nominations, or at least debate them.

RECESS

Mr. President, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 26, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 25 (legislative day of June 2), 1949:

COLLECTOR OF CUSTOMS

Wesley R. Wirtz, of Baton Rouge, La., to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La., in place of A. Miles Pratt.

UNITED STATES DISTRICT JUDGE

Willis W. Ritter, of Utah, to be United States district judge for the district of Utah, vice Hon. Tillman D. Johnson, retired.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Clifford R. Propst, Ohatchee, Ala., in place of John Ellis, transferred.

ARIZONA

Clare J. Lessard, Mayer, Ariz., in place of J. E. Harris, retired.

CALIFORNIA

Chester O. Jern, Kingsburg, Calif., in place of E. A. Jewell, declined.

Mabel M. Brown, Lemoore, Calif., in place of T. W. Brown, deceased.

Charles V. Schessler, Moffett Field, Calif., in place of Peter Almos, resigned.

William L. Myers, Palm Desert, Calif. Office established July 16, 1947.

COLORADO

William D. Pinkerton, Fort Collins, Colo., in place of Roy Maxwell, deceased.

CONNECTICUT

Helen S. McElyea, Quaker Hill, Conn., in place of Louis Ginsberg, retired.

DELAWARE

Martin W. Vaughn, Sr., Cheswold, Del., in place of B. H. Emory, deceased.

FLORIDA

Albert E. Booth, Cocoa, Fla., in place of L. S. Andrews, retired.

William J. Calvin, Jr., Eustis, Fla., in place of R. C. Owens, resigned.

Bryan N. Ingalls, Hallandale, Fla., in place of E. V. Walker, resigned.

Marguerite F. Mathews, Howey in the Hills, Fla., in place of L. M. Archer, deceased.

John T. Stover, Maitland, Fla., in place of E. T. Owen, resigned.

George C. Woods, Ocala, Fla., in place of W. T. Gary, resigned.

GEORGIA

Helen G. Casey, Kennesaw, Ga., in place of N. K. Reagan, resigned.

Mary F. Turner, Portal, Ga., in place of E. M. Brannen, retired.

Herman F. Crider, Thunderbolt, Ga., in place of E. M. McDonell, deceased.

William B. Hale, Watkinsville, Ga., in place of C. C. Parsons, deceased.

HAWAII

Nadine M. Rosenberger, Koloa, Hawaii, in place of Marie Blankenship, resigned.

IDAHO

Perry Neely, Parma, Idaho, in place of F. H. Chapman, deceased.

INDIANA

William C. O'Brian, Montgomery, Ind., in place of L. E. Feagans, resigned.

IOWA

Arthur C. Schulte, Breda, Iowa, in place of A. R. Bohnenkamp, resigned.

Vernon Simons, Emmetsburg, Iowa, in place of Jessie Branagan, retired.

William R. Wilson, Hampton, Iowa, in place of R. A. Fox, resigned.

Chester A. Tripp, Spencer, Iowa, in place of E. L. Fisher, resigned.

KENTUCKY

Grover C. Ramey, McAndrews, Ky., in place of Bailey Kendrick, resigned.

MICHIGAN

Anthony McGinnis, Romulus, Mich., in place of G. W. Herzog, declined.

Harland L. Stebbins, Sheridan, Mich., in place of A. L. Stebbins, resigned.

MINNESOTA

Myron F. Griffin, Steen, Minn., in place of Addie Ridenour, retired.

MISSISSIPPI

Bruce L. McElroy, Baldwyn, Miss., in place of L. B. Stocks, deceased.

John M. Kendrick, Edwards, Miss., in place of T. R. Armstrong, transferred.

Clarence C. Gill, McCall Creek, Miss., in place of Louise Burris, transferred.

Henry P. Megginson, Myrtle, Miss., in place of J. T. Miller, transferred.

MISSOURI

Lester L. Lantz, Sheridan, Mo., in place of H. S. Bond, transferred.

NEW JERSEY

Clarence R. Shover, Medford, N. J., in place of W. B. Cowperthwait, retired.

NEW MEXICO

Fernando W. Sadler, Dexter, N. Mex., in place of D. L. Lee, resigned.

NEW YORK

Donald S. Jackson, Skaneateles Falls, N. Y., in place of N. E. Feeley, retired.

Sim S. Garrett, Upton, N. Y. Office established August 1, 1947.

OHIO

Wayne H. Smith, Hicksville, Ohio., in place of A. C. Battershell, deceased.

OKLAHOMA

Bussie R. Corbus, Commerce, Okla., in place of C. H. Burton, resigned.

OREGON

Goldie J. Pritchard, Blachly, Oreg., in place of C. G. Rust, resigned.

PENNSYLVANIA

Pauline E. Hutton, Glassport, Pa., in place of W. P. Kohler, resigned.

PUERTO RICO

Manuel Godinez, Rio Piedras, P. R., in place of Joaquin Fernandez, transferred.

SOUTH DAKOTA

Russell A. Roberts, Raymond, S. Dak., in place of E. C. Erling, resigned.

TENNESSEE

Carl F. Schubert, Wartburg, Tenn., in place of Loraine Quinn, resigned.

TEXAS

Gordon B. Jordan, Amarillo, Tex., in place of W. D. DeGrassi, retired.

George R. Pace, Winters, Tex., in place of H. O. Jones, deceased.

WEST VIRGINIA

Willie I. Shaver, Handley, W. Va., in place of W. I. Shaver, resigned.

Ganiel L. Powers, Ward, W. Va., in place of E. G. Hilton, resigned.

WISCONSIN

Emil G. Krzywkowski, Cudahy, Wis., in place of Paul Mlodzik, retired.

Harry A. Wiseman, Rock Springs, Wis., in place of A. C. Finder, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 25 (legislative day of June 2), 1949:

COAST AND GEODETIC SURVEY

John J. Dermody to be an ensign in the Coast and Geodetic Survey, effective August 10, 1949.

UNITED STATES COAST GUARD

The following officers of the United States Coast Guard to be chief boatswains:

Harold R. Daniels	Calvin R. Clark
Warren H. Stafford	Cash V. Slaghuis
Randall F. Elder	Joe B. Raby
Harry E. Stutter	Gabriel E. Pehaim
Oscar E. Carlsen	John E. Klang
Oliver Pickford	Manuel F. Castro
Fred Edgecomb	Felix J. Molenda
Wesley L. Saunders	David W. Herr
Charles R. Cummings	Jorgen Pedersen
Ray E. Winberg	Eli T. Ringler
Sverre E. Vikanes	Fred G. Markle
Birney Fullington	Ralph A. McCurdie
Frederick J. Belton	James Harrison, Jr.
Guy V. Emro	Daniel H. Miner
Washington I. Cook	Joseph C. Runquist
Niels P. Thomsen	James Martin
Lyman J. Clark	George A. Tardif
Julius O. Smith	Einar H. Nilsen
Ross C. Anway	Duncan W. Herr
Harold E. Gray	Andrew Ramstad
Ernest E. Sykes	William H. Burgess
George H. Meyer	Gustav E. Anderson
Russell H. Bergh	George R. Pearce
George W. Pruitt	John J. Pazeretsky
Glen F. Stevens	Joseph J. Glover
Nils S. Nilsson	Joe J. R. E. Scott
Julian L. Gray	Hilton A. Mister
Arthur B. Gibbs	Carl Erickson
Cecil MacLeod	Kenneth M. Foster
Joseph T. Collins	Leslie O. Pressey
Leroy Howell	Roxie R. Chayne
Paul B. Hellman	Hoyt W. Rollinson
Charles A. O'Reilly	Alfred Volton
Robert V. McLaughlin	Oscar B. Hedman
Aubrey Rogers	Elton L. Rew
Peter Marcoux	Woodley T. Clark
James B. Beaty	Allan L. Lundberg
Ernest L. Tillett	Martin J. Hacker
James A. Alsup	Myron S. Squires
Kurt Sprenger	Frederick W. Doherty
Michael I. Evgrafoff	Arthur M. Hudgins
Caldwell Davis	Lester F. Baker
Edward L. Libby	Samuel Henson, Jr.
Frank H. Stewart	Carl McNulty

The following officers of the United States Coast Guard to be chief electricians:

Philip R. Hayman	Mercer Reynolds
Raymond S. Erickson	Arthur H. Scarborough
John J. Kain	Ernest B. Gall
George H. Shimer	Frank P. Coffin

The following officers of the United States Coast Guard to be chief radio electricians:

Alton E. Case	Russell A. Banker
Julius Mizel	Hannibal H. Hilliard
Winfield W. Ballowe	Harry W. Midgette
Frank A. Godfrey	Ralph H. Amon
Valance R. Suttie	George R. Homan
James T. Neubauer	Herman F. Helgesen
Stewart C. Hoeper	Paul J. Schonwald
William A. Little	Ellsworth O. Swett
Edward H. Lambert	John W. Sommers
Morris B. Ewalt	Leo J. DeGraw
Floyd V. Bolster	Albert E. Holloway
Carl W. Rom	Albert L. Preston
Joseph W. Havlicek	James L. Mitchell
Francis J. McDonald	Olof W. H. Johnson
Eliot L. Johnson	

The following officers of the United States Coast Guard to be chief machinists:

George W. Brazeau	Alfred Deneault, Jr.
Otto Gaich	Jake H. Akers
Robert E. Webb	Leonard M. Reynen
Leo P. Lietzke	Shepherd Perry
Robert McManus	William E. Smith
Charles E. Pangle	Burt H. Kilmer
Raphael C. Burneson	Earl L. Ottinger
Henry M. Norris	Donald S. Talfourd
John P. Hiersch	Frank C. Treahey
William J. Jeffrey	Clarence W. Deardoff
Ralph Carson	Sidney F. Schweppe
James G. Harrington	Paul Ward
Mitchell A. Salvant	James E. Van Valkenburg
William A. DuPree	James A. Stevens
Herbert L. Garrison	William B. Nolan
Alphonse E. Terrebonne	Frank H. Griffin
Harold T. Jackson	Jacob F. Horeis
Earl A. F. Verry	Raymond W. Mässey
Edgar Underwood	George Englehardt
Floyd M. Meyers	Eligha Trickey
John W. Ballman	Gordon L. Hill
Philip F. Stone	Marshall H. Furtaw
Arthur G. Berteaux	Joseph A. Haynes
Andrew A. Stewart	Charles L. Worth
Robert D. Leslie	Earl L. Hoover
Harold D. Black	Louis B. Barber
Cyrus A. Willikson	George W. Cooper
Lyle J. Keune	Ralph P. Bebeau
Erich Raschack	John B. Hill
William N. Durham	

The following officers of the United States Coast Guard to be chief carpenters:

Carl H. Wallin	Samuel H. Howell
Carl C. Jensen	Jalmar Sortland
Arthur W. Cloves	George R. Donald
Herbert W. Schofield	Eilif H. Tobiason
Earl K. Kissinger	Clarence H. Kasch

The following officers of the United States Coast Guard to be chief pay clerks:

Fred W. Parsons	Stephen T. Moresk
Lauri A. Seppala	Arthur C. Holland
John A. Holt	Barton J. Farmer
Harry B. Sherman	Edward H. Dunlap
Lionel M. Van Winkle	Ernest N. Doughty
Albert C. Campbell	Lonnie D. Young
Francis M. Daniel	Richard S. Von Burske
Austin J. Flynn	Earl F. Rickman
Bannister M. Barnett	James A. Wilber
Walter Lauer	Dewey W. Bowling
Orville W. Ayres	Earl L. Coleman
Wies P. Clement	James A. B. Hay, Jr.
Alfred A. Strain	Otto A. Tregner
Harold M. Harger	William K. Wallace
Stanley H. Hatch	Leon R. Duclos
Harold R. Jones	Bernard S. Loebig
Thomas S. White	Lewis E. Buell
Ralph L. Edmands	George E. Bohannon
Mathew S. Ole	Raymond A. Fraley
Robert M. Bruce	Herbert E. Schwalbe
Russell R. Hiatt	William G. Schaefer
Peter R. Thompson	Edward E. Helfst
Ray E. Brown	William R. Echols
James Galante	Wendelin B. Sonntag
Lawrence W. Farnsley	Clemons H. Brendle

The following officers of the United States Coast Guard to be chief pharmacists:

Clyde M. Gray
Earle S. Roane

The following officers of the United States Coast Guard to be chief ship's clerks:

Alva O. Wise	Samuel Switt
Mark K. Hutchinson	Rene J. Chevrier
Virgil C. Williams	Lester R. Chenoweth
Alvin G. Lane	

The following officer of the United States Coast Guard to be chief photographer:

Elmo G. Jones

The following officers of the United States Coast Guard Reserve to be chief boatswains, United States Coast Guard:

Lewis A. Baker	John H. Graham
Frank L. Samson	Eugene L. Multhaupt

The following officer of the United States Coast Guard Reserve to be chief machinist, United States Coast Guard:

George F. Hamilton

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

To be major general

Harry John Collins, O7320.

To be brigadier generals

Samuel Davis Sturgis, Jr., O9325.
Isaac Davis White, O15080.
Carter Bowie Magruder, O15155.
William Frishe Dean, O15453.
William Howard Arnold, O15558.
George Winfered Smythe, O15816.

IN THE UNITED STATES AIR FORCE

The following-named officer for appointment to the position indicated under the provisions of section 504, Officer Personnel Act of 1947.

Benjamin Wiley Chidlaw, 23A, to be commanding general, Air Matériel Command, United States Air Force, with the rank of lieutenant general, with rank from October 1, 1947.

IN THE NAVY

The following-named officers for permanent appointment in the Civil Engineer Corps of the Navy in the grades hereinafter stated:

LIEUTENANT (JUNIOR GRADE)

John G. Devlin	Robert C. Mabbitt
Allen F. Dill	William L. Perkins
John R. Fisher	Henry D. Ruppel
James M. Hill, Jr.	Ernest R. Stacey
William E. Kaloupek	Walter A. Weaver, Jr.

ENSIGN

Donn L. Ashley

The following-named officer for permanent appointment in the Supply Corps of the Navy in the grade hereinafter stated:

ENSIGN

James C. Hatch

The following-named officer for temporary appointment in the Supply Corps of the Navy in the grade hereinafter stated:

LIEUTENANT COMMANDER

Arthur W. Sirginson

The following-named (civilian college graduates) to be ensigns in the Navy, from the 3d day of June 1949:

Douglas LaC. Barker	William E. Jennings
Boyd C. Bartlett	James C. Johnson
George A. Benson	Charles A. Kiselyak
Robert B. Bernhardt	Robert M. Laske
Philip Blau	Leon D. Lewis
William W. Bowers	Guy M. Lyons
Paul A. Brandorff	George P. Markovits
George G. Brooker	Donald E. Moore
Marvin N. Brown	Bert Myatt, Jr.
Benjamin J. Brzenski, Jr.	William E. Orr
	David B. Pendley
Raymond F. Carmody	Rodger G. Powell
Malcolm S. Carpenter	Gerrie P. Putnam
Milton J. Chewning	George C. Rann
Thomas C. Clay	David E. Russell
Robert V. Coleman	John C. Sargent
Frank W. Craddock	John T. Scogin III
Benjamin A. Cragin	Charles E. Shumaker
Anthony J. Davey	Wayne J. Spence
Roger E. Davis	Edward F. Striegel
William W. DeWolf	Bernard K. Thomas, Jr
Harry A. Edwards	Edward W. Waller
Walter L. Edwards	Kirk C. Wilkins
Charles G. Erb	James R. Williford III
Robert W. Fraser	Beau R. Wilson
Donald H. Hagge	John M. Wolff
Charles R. Holman	Charles M. Woodworth
Donald P. Holt	John H. Wygal
David L. Jarvis	

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Walter "J" Buzby II	Warren H. Stark
Robert T. Carter	John R. Tawes

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Chaplain Corps of the Navy:

Ralph W. Below
Bradford W. Long
Ambrose T. McGinnity

Donny A. Myrio (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Nieves Arano	Gwendolyn L. Glazier
Virginia B. Brown	Marchetta Harper
Arlys A. Casterton	Dorothy R. Harrell
Lena J. Chionchio	Shirley M. Hilliard
Joan Dandes	Martha A. Price
Roma B. Dunkman	Marie F. Shea
Winifred LaV. Fritsche	

The following-named officer to the grade indicated in the line of the Navy:

LIEUTENANT

William Laliberte

The following-named officers to the grades indicated in the Medical Corps of the Navy:

COMMANDERS

Eugene T. Foy
John J. Goller

LIEUTENANT COMMANDERS

Henry J. Fregosi	Peter G. Kroll
Richard E. Kelley	Newell Nay

LIEUTENANTS

Vincent A. Balkus	Donald W. Robinson
Alexander C. Hering	Merrill E. Speelman

LIEUTENANTS (JUNIOR GRADE)

David J. Greiner
Henry Santina
William C. Sharp, Jr.

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT

Edward W. Moore

LIEUTENANTS (JUNIOR GRADE)

Bert E. Eldred
Victor P. Knapp
Algie M. Mansur

The following-named officers to the grade indicated in the Medical Service Corps of the Navy:

LIEUTENANTS

Aldo Bartolomei
Chester "D" Moss
Paul R. Young

The following-named officer to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANT (JUNIOR GRADE)

Helen M. Hartigan

Carll T. Gleason to be a lieutenant in the Navy, for limited duty only.

James L. Thompson to be a lieutenant (junior grade) in the Navy, for limited duty only.

Fredrick J. Cadotte to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only.

Byron F. McElhanon to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only.

Martti O. Mattila to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only.

Harlan L. Bowman to be a lieutenant (junior grade) in the Civil Engineer Corps of the Navy, for limited duty only.

WITHDRAWAL

Executive nomination withdrawn from the Senate August 25 (legislative day of June 2), 1949:

POSTMASTER

NEW YORK

Paul T. Hughes to be postmaster at Granville, in the State of New York.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 25, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

Our hearts, Lord Jesus, melt as we stand in the shadow of the cross. Thine anguish shames us and Thy pain sets forth the exceeding sinfulness of our sins. By Thy stripes are we healed.

As Thou didst suffer and die for us, may we count it a privilege to daily lay our lives upon the altar of sacrificial service for the life of our country.

Should the pathway we choose lead us to a cross, and the reward of our labor be a crown of thorns, grant, O crucified Saviour, that through the power of Thine atoning death we may ever true and faithful be.

Make us compassionate one to another, tender-hearted, forgiving one another; even as Thou, O God, hast forgiven us through the death of Thy Son on the cross. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 9, 1949:

H. R. 1472. An act for the relief of the Olympic Hotel.

On August 10, 1949:

H. R. 5632. An act to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes.

On August 12, 1949:

H. J. Res. 183. Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of Vice President ALBEN W. BARKLEY.

On August 15, 1949:

H. R. 1075. An act for the relief of Harry C. Metts;

H. R. 1857. An act for the relief of the estate of Josephine Pereira;

H. R. 2095. An act for the relief of the estate of Kenneth N. Peel;

H. R. 2239. An act for the relief of the estate of W. M. West;

H. R. 2253. An act for the relief of the legal guardian of Arthur Earl Troiel, Jr., a minor;

H. R. 2290. An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams;

H. R. 2456. An act for the relief of Charlie Hales;

H. R. 2806. An act for the relief of Paul C. Juneau;

H. R. 3408. An act for the relief of Opal Hayes and D. A. Hayes;

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; and

H. R. 3982. An act to authorize the Secretary of Agriculture to sell certain lands to the Sisters of Saint Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the Desert Laboratory Experimental Area of the Southwestern Forest and Range Experiment Station, and for other purposes.

On August 16, 1949:

H. R. 91. An act to provide for a research and development program in the Post Office Department;

H. R. 579. An act to permit the motor vessel *FLB-5005* to engage in the fisheries;

H. R. 1459. An act for the relief of E. Neill Raymond;

H. R. 1720. An act 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 Society;

H. R. 2608. An act for the relief of C. H. Dutton Co., of Kalamazoo, Mich.;

H. R. 2662. An act to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned to the United States for burial;

H. R. 2931. An act to provide for the conveyance by the United States to Frank C. Wilson of certain lands formerly owned by him;

H. R. 3511. An act to declare the waterway (in which is located the Brewery Street Channel) from Brewery Street southeastward to a line running south 33 degrees 53 minutes 36 seconds west from the south side of Chestnut Street at New Haven, Conn., a nonnavigable stream;

H. R. 3756. An act 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;