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;

H. R. 4138. An act for the relief of Herbert L. Hunter;

H. R. 5287. An act to amend title 28, United States Code, section 90, to create a Swainsboro Division in the southern district of Georgia, with terms of court to be held at Swainsboro; and

H. R. 5365. An act to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State.

On August 17, 1949:

H. R. 691. An act for the relief of Lawrence Fontenot;

H. R. 748. An act for the relief of Louis Esposito;

H. R. 1017. An act for the relief of John Aaron Whitt;

H. R. 1055. An act for the relief of Agnese R. Mundy;

H. R. 1154. An act to provide authorization for additional funds for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes;

H. R. 1619. An act for the relief of Saint Elizabeth Hospital, Yakima, Wash., and others;

H. R. 1679. An act for the relief of Mrs. Skio Takayama Hull;

H. R. 1993. An act for the relief of Samuel Fadem;

H. R. 2214. An act to provide for the development, administration, and maintenance of the Suitland Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and for other purposes;

H. R. 2344. An act for the relief of Charles W. Miles;

H. R. 2572. An act to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946;

H. R. 2602. An act for the relief of John B. Boyle;

H. R. 2925. An act for the relief of Ida Hoheisel, executrix of the estate of John Hoheisel;

H. R. 3139. An act for the relief of James B. DeHart;

H. R. 4097. An act for the relief of George M. Beesley, Edward D. Sexton, and Herman J. Williams;

H. R. 4307. An act for the relief of Ever Ready Supply Co. and Harold A. Dahlberg;

H. R. 4854. An act for the relief of Mrs. Miriam G. Wornum;

H. R. 5034. An act to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system;

H. R. 5831. An act to exempt certain volatile fruit-flavor concentrates from the tax on liquors;

H. J. Res. 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 18, 1938; and

H. J. Res. 242. Joint resolution extending for 2 years the existing privilege of free importation of gifts from members of the armed forces of the United States on duty abroad.

On August 18, 1949:

H. R. 242. An act to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy;

H. R. 607. An act for the relief of Harvey M. Lifset, formerly a major in the Army of the United States;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1023. An act for the relief of Lois E. Lillie;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1892. An act authorizing the Secretary of the Interior to issue to Lake County, Mont., a patent in fee to certain Indian lands;

H. R. 2197. An act to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes;

H. R. 2740. An act to authorize the establishment of fish hatcheries in the States of Georgia and Michigan; to authorize the rehabilitation and expansion of rearing ponds and fish cultural facilities in the States of New York and Colorado; to authorize the Secretary of the Interior to undertake a continuing study of shad of the Atlantic Coast; and to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes.

H. R. 2807. An act for the relief of Loretta B. Powell;

H. R. 4948. An act relating to the policing of the building and grounds of the Supreme Court of the United States; and

H. J. Res. 339. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

August 19, 1949:

H. R. 637. An act for the relief of Mrs. Harriett Patterson Rogers;

H. R. 1069. An act for the relief of Albert Burns;

H. R. 2869. An act to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.

H. R. 3501. An act for the relief of Nelson Bell;

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination; and

H. R. 5188. An act to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo locks.

On August 22, 1949:

H. R. 1516. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service;

H. R. 2634. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

H. R. 2704. An act for the relief of Freda Wahler; and

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians", approved April 10, 1948, and for other purposes.

On August 23, 1949:

H. R. 3193. An act for the relief of Public Utility District No. 1, of Cowlitz County, Wash.;

H. R. 3461. An act for the relief of Lester B. McAllister and others; and

H. R. 5114. An act to amend the Internal Revenue Code to permit the use of additional means, including stamp machines, for payment of tax on fermented malt liquors, provide for the establishment of brewery bottling house on brewery premises, and for other purposes

On August 24, 1949:

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

H. R. 3440. An act for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes; and

H. R. 4177. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies and offices, for the fiscal year ending June 30, 1950, and for other purposes.

AUTHORITY TO DECLARE A RECESS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that it may be in order at any time during the day for the Speaker to declare a recess of the House subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and to include extranecus matter.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. PERKINS asked and was given permission to extend his remarks in the RECORD and include an article from the Courier-Journal dated August 23 on mine safety.

Mr. STEED asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BARING asked and was given permission to extend his remarks in the RECORD.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include a radio address to be given by Mr. GORDON over WCFL in Chicago on Sunday, August 28.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Messrs. WALTER, FEIGHAN, CHELF, BYRNE of New York, BRYSON, WILSON of Texas, CASE of New Jersey, REED of Illinois, and FELLOWS (at the request of Mr. CELLER), for 6 weeks, beginning next Saturday, on account of official business pursuant to House Resolution 238.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary and subcommittees thereof may be permitted to meet and hold hearings during whatever sessions of the House may ensue.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. BIEMILLER asked and was given permission to address the House for 20 minutes on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

Mr. MANSFIELD asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may address the House for 5 minutes today after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances, and in each to include extraneous matter.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that I may address the House for 45 minutes tomorrow after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in two instances, in each to include an editorial.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include two articles from the London Economist, notwithstanding the fact that it exceeds the limit set by the Joint Committee on Printing and is estimated by the Public Printer to cost $246.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a letter written by him under date of August 24, 1949, to the Surgeon General of the United States Navy.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD and include some extraneous matter.

CALL OF THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 198]

Angell	Hill	Poulson
Bailey	Hinshaw	Quinn
Bates, Ky.	Hoffman, Ill.	Rains
Blackney	Hoffman, Mich.	Reed, Ill.
Bland	Holmes	Reed, N. Y.
Blatnik	Jackson, Calif.	Regan
Boggs, La.	Jacobs	Ribicoff
Bolton, Ohio	Jenkins	Richards
Boykin	Jennings	Riehlman
Breen	Kee	Rivers
Brehm	Keefe	Sabath
Brown, Ohio	Kilburn	Sadowski
Buckley, N. Y.	Kirwan	Sasscer
Bulwinkle	LeCompte	Scott,
Byrne, N. Y.	Lesinski	Hugh D., Jr.
Chatham	Lodge	Shafer
Chiperfield	Lyle	Sheppard
Clemente	McCormack	Sikes
Clevenger	McGregor	Simpson, Pa.
Cole, N. Y.	McSweeney	Smith, Kans.
Combs	Mack, Wash.	Smith, Ohio
Coudert	Macy	Stigler
Curtis	Madden	Stockman
Dingell	Magee	Tackett
Dondero	Marshall	Taylor
Donohue	Martin, Iowa	Thomas, N. J.
Doughton	Mason	Thornberry
Elston	Merrow	Tollefson
Evins	Miles	Towe
Fellows	Morton	Velde
Fogarty	Moulder	Vursell
Furcolo	Murdock	Wadsworth
Gilmer	Murphy	Walsh
Gorski, Ill.	Murray, Wis.	Welch, Mo.
Gorski, N. Y.	Nelson	White, Idaho
Gossett	Norton	Wier
Gwinn	Patten	Wilson, Ind.
Hall,	Pfeiffer,	Wood
Edwin Arthur	William L.	Woodhouse
Halleck	Philbin	Woodruff
Hand	Phillips, Calif.	Zablocki
Hart	Pickett	
Hébert	Potter	

The SPEAKER. On this roll call 304 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6070, with Mr. MANSFIELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. On yesterday, August 24, the Committee agreed that the bill be considered as read and that all debate on the bill and all amendments thereto close at 3 o'clock. Under that agreement, debate has been concluded.

Are there further amendments to the bill?

Mr. SPENCE. Mr. Chairman, I offer a committee substitute for the bill.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POWELL. Can a substitute be offered which was not on the Clerk's desk prior to the close of debate yesterday?

The CHAIRMAN. Yes; it can.

Mr. BIEMILLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BIEMILLER. In that event, amendments to the substitute would also be in order?

The CHAIRMAN. They would be. Of course, there will be no debate on them.

Mr. GREEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. I had an amendment on the Clerk's desk yesterday afternoon and had some time allotted to me, 2 minutes. I do not have that time now?

The CHAIRMAN. There is no time left. The Chair will say to the gentleman from Pennsylvania that the Chair will try to reach his amendment at the proper time.

Mr. GREEN. I would like to know, Mr. Chairman, if I will have an opportunity to speak on my amendment. Will I have my 2 minutes?

The CHAIRMAN. No; there will be no further debate on any amendment.

Mr. MONRONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. Will the amendments which were pending to the bill yesterday be disposed of before the committee substitute is read and considered?

The CHAIRMAN. The committee amendment will be pending now, and will be read by the Clerk. After that, amendments can be offered.

Mr. MONRONEY. I am talking about the amendments which were pending to the bill when the Committee rose yesterday. Can those be disposed of before the committee substitute is read?

The CHAIRMAN. There were no amendments pending. There were amendments on the Clerk's desk, but they had not been read, so they were not pending.

Mr. MONRONEY. They are not considered to be offered to the bill, then?

The CHAIRMAN. Not until the Chair recognizes Members to offer those amendments.

Mr. GREEN. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. My amendment was on the Clerk's desk. Will that amendment be to the bill now or will it be to the substitute?

The CHAIRMAN. It will depend on the action of the House.

Mr. GREEN. Yesterday afternoon I had an agreement with the committee that they would accept my amendment because it is only a local matter that affects a project in my district and two projects in New Jersey.

The CHAIRMAN. That is not a parliamentary inquiry.

The Clerk will report the committee substitute:

The Clerk read as follows:

Committee amendment offered by Mr. SPENCE as a substitute for the bill: Strike

out all after the enacting clause and insert the following: "That this act may be cited as the 'housing amendments of 1949.'

"TITLE I—AMENDMENTS OF NATIONAL HOUSING ACT

"SEC. 101. Section 2 of the National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of subsection (a) thereof 'September 1, 1949' and inserting in lieu thereof 'July 1, 1952';

"(2) by striking out the last sentence of subsection (a) and inserting in lieu thereof the following: 'The aggregate amount of principal obligations of all loans, advances of credit, and obligations purchased with respect to which insurance may be heretofore or hereafter granted under this section and outstanding at any one time shall not exceed $1,250,000,000.';

"(3) by striking out of clause numbered (1) in subsection (b) '$4,500' and inserting in lieu thereof '$3,000';

"(4) by striking out of clause numbered (2) in subsection (b) the words 'residential or'; and

"(5) by striking out of subsection (f) the word 'title' in each place it appears therein and inserting in lieu thereof the word 'section.'

"SEC. 102. Title I of said act, as amended, is hereby amended by adding at the end thereof the following new section:

"'INSURANCE OF MORTGAGES

"'SEC. 8. (a) To assist in providing adequate housing for families of low and moderate income, particularly in suburban and outlying areas, this section is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act by making feasible the insurance of mortgages covering properties in areas where it is not practicable to obtain conformity with many of the requirements essential to the insurance of mortgages on housing in built-up urban areas. The Commissioner is authorized, upon application by the mortgagee, to insure, as hereinafter provided, any mortgage (as defined in section 201 of this act) offered to him which is eligible for insurance as hereinafter provided, and, upon such terms as the Commissioner may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this section and outstanding at any one time shall not exceed $500,000,000.

"'(b) To be eligible for insurance under this section, a mortgage shall—

"'(1) have been made to, and be held by, a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly;

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $4,750, except that the Commisssioner may by regulation increase this amount to not to exceed $5,700 in any geographical area where he finds that cost levels so require, and not to exceed 95 percent of the appraised value, as of the date the mortgage is accepted for insurance, of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence, the construction of which is begun after the date of enactment of the Housing Amendments of 1949, and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed $4,500, except that the Commissioner may by regulation increase this amount to not to exceed $5,100 in any geographical area where he finds that cost levels so require, and shall not exceed 85 percent of the appraised value of the property: *And provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas;

"'(3) have a maturity satisfactory to the Commissioner but not to exceed 30 years from the date of insurance of the mortgage;

"'(4) contain complete amortization provisions satisfactory to the Commissioner requiring periodic payments by the mortgagor not in excess of his reasonable ability to pay as determined by the Commissioner;

"'(5) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time;

"'(6) provide, in a manner satisfactory to the Commissioner, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as hereinafter provided and to the service charge, if any) to amortization of the principal of the mortgage; and

"'(7) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, service charges, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, and other matters as the Commissioner may in his discretion prescribe.

"'(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this section, but in the case of any mortgage, such charge shall not be less than an amount equivalent to one-half of 1 percent per annum nor more than an amount equivalent to 1 percent per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash or in debentures issued by the Commissioner under this section at par plus accrued interest, in such manner as may be prescribed by the Commissioner: *Provided*, That the Commissioner may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Commissioner finds, upon the presentation of a mortgage for insurance and the tender of the initial premium charge or charges so required, that the mortgage complies with the provisions of this section, such mortgage may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date, the Commissioner is further authorized, in his discretion, to require the payment by the mortgagee of an adjusted premium charge in such amount as the Commissioner determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured until such maturity date; and in the event that the principal obligation is paid in full as herein set forth, the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid.

"'(d) The Commissioner may, at any time under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

"'(e) Any contract of insurance heretofore or hereafter executed by the Commissioner under this section shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

"'(f) In any case in which the mortgagee under a mortgage insured under this section shall have foreclosed and taken possession of the mortgaged property in accordance with the regulations of, and within a period to be determined by, the Commissioner, or shall, with the consent of the Commissioner, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefits of the insurance as provided in section 204 (a) of this act with respect to mortgages insured under section 203 (b) (2) (D) of this act.

"'(g) Subsections (c), (d), (e), (f), (g), and (h) of section 204 of this act shall be applicable to mortgages insured under this section except that all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the title I Housing Insurance Fund, and all references therein to section 203 shall be construed to refer to this section: *Provided*, That debentures issued in connection with mortgages insured under this section 8 shall have the same tax exemption as debentures issued in connection with mortgages insured under section 203 of this act.

"'(h) There is hereby created a Title I Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section, and the Commissioner is hereby directed to transfer immediately to such Fund the sum of $5,000,000 from the account in the Treasury of the United States established pursuant to the provisions of section 2 (f) of this title.

"'(i) (1) Moneys in the Title I Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of the Title I Housing Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"'(2) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Title I Housing Insurance Fund. The principal of, and interest paid and to be paid on debentures issued under this section, cash adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to the Title I Housing Insurance Fund.'"

"SEC. 103. Section 203 (a) of said act, as amended, is hereby amended by striking out of the proviso '$5,300,000,000' and inserting in lieu thereof '$5,500,000,000,' and by striking out '$5,500,000,000' and inserting in lieu thereof '$7,000,000,000.'

"SEC. 104. (a) Section 203 (b) (2) of said act, as amended, is hereby amended to read as follows:

"'(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount—

"'(A) not to exceed $16,000 and not to exceed 80 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property upon which there is located a dwelling or dwellings designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings' or

"'((B) Repealed.)

"'(C) not to exceed $9,450 and not to exceed the sum of (i) 95 percent of $7,000 of the appraised value (as of the date the mortgage is accepted for insurance) and (ii) 70 percent of such value in excess of $7,000 and not in excess of $11,000, of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction: *Provided,* That with respect to mortgages insured under this paragraph the mortgagor shall be the owner and occupant of the property and shall have paid on account of the property at least 5 percent of the appraised value, or such larger amount as the Commissioner may determine, in cash or its equivalent, or

"'(D) not to exceed $6,650, except that the Commissioner may by regulation increase this amount to not to exceed $7,600 in any geographical area where he finds that cost levels so require, and not to exceed 95 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction: *Provided,* That if the Commissioner finds that it is not feasible, within the aforesaid dollar amount limitation, to construct dwellings containing three or four bedrooms without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitation by not exceeding $950 for each additional bedroom (as defined by the Commissioner) in excess of two contained in such dwelling if he finds that such dwelling meets sound standards of design and livability as a three-bedroom unit or a four-bedroom unit, as the case may be: *Provided further,* That with respect to mortgages insured under this paragraph (D) the mortgagor shall be the owner and occupant of the property and shall have paid on account of the property at least 5 percent of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling in which case the principal obligation shall not exceed $5,950 for a one-bedroom unit or a two-bedroom unit, $6,800 for a three-bedroom unit, or $7,650 for a unit having four or more bedrooms, except that the Commissioner may by regulation increase each of the maximum dollar amount limitations contained in this proviso by not to exceed $850 in any geographical area where he finds that cost levels so require, and shall not exceed 85 percent of the appraised value of the property: *And provided further,* That the Commissioner may by regulation provide that the maximum dollar amount limitations in this paragraph (D) shall be fixed at lesser amounts where he finds, for any section or locality or for the country as a whole or at any time, that it is feasible, within such lesser dollar amount limitations, to construct dwellings for families of lower income without sacrifice of sound standards of construction, design, and livability."

"(b) The repeal of section 203 (b) (2) (B) of said act, as provided by subsection (a) of this section, shall not affect the right of the Commissioner to insure under said section any mortgage (1) for the insurance of which application has been filed prior to the effective date of this act, or (2) with respect to a property covered by a mortgage insured under any section of the National Housing Act, as amended.

"SEC. 105. Section 204 (a) of said act, as amended, is hereby amended by inserting in the second proviso in the last sentence after the words 'of this act,' the following: 'or under section 213 of this act,'.

"SEC. 106. Section 207 (c) of said act, as amended, is hereby amended—

"(1) by striking out the second proviso in paragraph numbered (2), and inserting in lieu thereof the following: '*And provided further,* That, notwithstanding any of the provisions of this paragraph numbered (2), a mortgage with respect to a project to be constructed in a locality or a metropolitan area where, as determined by the Commissioner, there is a need for new dwellings for families of lower income at rentals comparable to the rentals proposed to be charged for the dwellings in such project may involve a principal obligation in an amount not exceeding 90 percent of the amount which the Commissioner estimates will be the value of the project when the proposed improvements are completed, and';

"(2) by amending paragraph numbered (3) to read as follows:

"'(3) not to exceed $8,100 per family unit for such part of such property or project as may be attributable to dwelling use, except that with respect to mortgages insured under the provisions of the second proviso of paragraph numbered (2) of this subsection, the mortgage may involve a principal obligation not to exceed $6,300 per family unit for such part of such property or project as may be attributable to dwelling use.'; and

"(3) by striking out of the second sentence the words 'date of the insurance' and substituting in lieu thereof the words 'beginning of amortization'.

"SEC. 107. Section 207 (f) of said act, as amended, is hereby amended by striking out 'section 210' wherever appearing therein and inserting in lieu thereof 'section 210 and section 213'.

"SEC. 108. Section 207 (q) of said act, as amended, is hereby amended by inserting 'and section 213 of this title,' after the words 'this section,' and by inserting the words 'and in said section 213' after the words 'in said proviso'.

"SEC. 109. Section 212 (a) of said act, as amended, is hereby amended by deleting the words 'or under title VIII, a mortgage' immediately after the words 'effective date of this section,' and by inserting in lieu of the words deleted the following: 'or under section 213 of this title, or under title VII pursuant to any application filed subsequent to 60 days after the date of enactment of the Housing Amendments of 1949, or under title VIII, a mortgage or investment'.

"SEC. 110. Title II of said act, as amended, is hereby amended by adding after section 212 the following new section reading as follows:

"'COOPERATIVE HOUSING INSURANCE

"'SEC. 213. (a) In addition to mortgages insured under section 207 of this title, the Commissioner is authorized to insure mortgages as defined in section 207 (a) of this title (including advances on such mortgages during construction), which cover property held by—

"'(1) a nonprofit cooperative ownership housing corporation, or a nonprofit cooperative ownership housing trust, the permanent occupancy of the dwellings of which is restricted to members of such corporation or to beneficiaries of such trust; or

"'(2) a nonprofit corporation or nonprofit trust organized for the purpose of construction of homes for members of the corporation or for beneficiaries of the trust;

which corporations or trusts are regulated or restricted for the purposes and in the manner provided in paragraphs numbered (1) and (2) of subsection (b) of section 207 of this title.

"'(b) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) of this section shall involve a principal obligation in an amount—

"'(1) not to exceed $3,000,000;

"'(2) not to exceed $8,100 per family unit for such part of such property or project as many be attributable to dwelling use, except that if the Commissioner finds that the needs of individual members of the corporation or of individual beneficiaries of the trust could more adequately be met by per room limitations, the mortgage may involve a principal obligation in an amount not to exceed $1,800 per room for such part of such project to be occupied by such members or beneficiaries: *Provided,* That the maximum dollar amount prescribed in this paragraph (2) shall be increased by $4.50 per family unit or $1 per room, as the case may be, for each 1 percent of the membership of the corporation (or of all the beneficiaries of the trust) which consists of veterans of World War II; and

"'(3) not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed, except that such maximum mortgage amount shall be increased by one-twentieth of 1 percent of such estimated cost for each 1 percent of the membership of the corporation (or of all the beneficiaries of the trust) which consists of veterans of World War II: *Provided,* That the maximum mortgage amount shall not be increased as provided in paragraph (2) or paragraph (3) of this subsection unless evidence satisfactory to the Commissioner is furnished to establish that the benefits of such increases will accrue to the members of the corporation, or the beneficiaries of the trust, who are veterans of World War II in the form of reduction of the down payments which the corporation or trust would otherwise require from such veteran members or beneficiaries in order to supply the difference between the amount of the mortgage loan and the estimated replacement cost of the property or project.

"'(c) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph No. (2) of subsection (a) of this section shall involve a principal obligation in an amount not to exceed $3,000,000 and not to exceed the greater part of the following amounts:

"'(1) A sum computed on the basis of a separate mortgage for each single-family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project, equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of paragraph (A), paragraph (C), or paragraph (D) of section 203 (b) (2) of this act if the mortgagor were the owner and occupant who had made any required payment on account of the property prescribed in such paragraph.

"'(2) A sum equal to the maximum amount which does not exceed either of the mortgage limitations prescribed in paragraphs Nos. (2) and (3) of subsection (b) of this section.

"'(d) Any mortgage insured under this section shall provide for complete amorti-

zation by periodic payments within such terms as the Commissioner may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage on any project of a corporation or trust of the character described in paragraph No. (2) of subsection (a) of this section may provide that, at any time after the completion of the construction of the project, such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage, insured under this section, on a property or project of a corporation or trust of the character described in paragraph No. (1) of subsection (a) of this section may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"'(e) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section.

"'(f) The Commissioner is authorized, with respect to mortgages insured or to be insured under this section, to furnish technical advice and assistance in the organization of corporations or trusts of the character described in subsection (a) of this section and in the planning, development, construction, and operation of their housing projects. In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Commissioner, notwithstanding the provisions of any other law, shall appoint an Assistant Commissioner to administer the provisions of this section under the direction and supervision of the Commissioner'."

"SEC. 111. Section 301 (a) of said act, as amended, is hereby amended—

"(1) by striking out of paragraph (1) the words 'title VIII of' and inserting in lieu thereof the words 'title VIII, or section 8 of title I of';

"(2) by striking out of paragraph (1) the words '*Provided, however,*' and inserting in lieu thereof the following: '*Provided,* That no deposit or fee required or charged by the Association for the commitment to purchase a mortgage hereunder shall exceed 1 percent of the original principal obligation of such mortgage: *And provided further,*';

"(3) by striking out the proviso at the end of paragraph (1) (E) and inserting the following: ': *Provided,* That this clause (2) shall not apply to (nor shall any terms therein include) any mortgage which after the date of enactment of the Housing amendments of 1949, is (i) guaranteed under section 501 or section 502 of the Servicemen's Readjustment Act of 1944, as amended, and made for the construction or purchase of a family dwelling or dwellings in an original principal amount or amounts which does not exceed $10,000 per dwelling unit, or (ii) insured under section 8, section 203 (b) (2) (D), section 207, section 213, section 608 (including section 608 pursuant to section 610), section 611, or section 803 of this act'; and

"(4) by amending paragraph (1) (F) to read: '(F) no loan guaranteed under section 501 or section 502 of the Servicemen's Readjustment Act of 1944, as amended, which is made to finance all or part of the purchase price or construction cost of a dwelling, shall be purchased by the Association (except pursuant to a commitment made or issued prior to the effective date of this paragraph) unless the Administrator of Veterans' Affairs certifies that such dwelling conforms with minimum construction requirements prescribed by him, nor unless the mortgagee certifies that no bonus, fee, or other charges, in excess of those expressly authorized by the Association, have been or will be charged or received by such mortgagee to or from the builder or the mortgagor in connection with such mortgage.': *Provided,* That this clause (4) shall become effective 90 days after the date of enactment of the Housing Amendments of 1949.

"SEC. 112. The first sentence of section 302 of said act, as amended, is hereby amended to read as follows:

"'The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed $3,000,000,000 outstanding at any one time.'"

"SEC. 113. Section 305 of said act, as amended, is hereby amended by adding the words 'or credit, or otherwise dispose of' immediately after the word 'cash.'

"SEC. 114. Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out '$2,500,000,000' and inserting in lieu thereof '$4,000,000,000.'

"SEC. 115. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out of the first proviso, '$5,750,000,000' and inserting in lieu thereof '$6,150,000,000' and by striking out '$6,150,000,000' and inserting in lieu thereof '$6,650,000,000', and by striking out of the second proviso 'August 31, 1949' in each place where it appears therein and inserting in lieu thereof 'June 30, 1950.'

"SEC. 116. Section 608 (g) of said act, as amended, is hereby amended by striking out the words 'title II' in each place they appear therein and inserting in lieu thereof 'title I or title II.'

"SEC. 117. Section 610 of said act, as amended, is hereby amended—

"(1) by inserting in paragraph (4) of the first sentence, immediately after the words 'section 603 (b) (2)', the words 'or section 603 (b) (5)'; and

"(2) by striking out in the proviso the word 'and' after the words 'date of insurance' and by striking out the period at the end of the proviso and inserting a comma and the following: 'and (4) bear interest (exclusive of premium charges) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time if such mortgage covers property on which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings, or bear interest at not to exceed 4½ percent per annum on the amount of the principal obligation outstanding at any time if such mortgage covers property upon which there is located a dwelling or dwellings designed principally for residential use for more than four families.'

"SEC. 118. Section 611 of said act, as amended, is hereby amended—

"(1) by striking out in clause (A) of subsection (b) (3) the figure '80' and inserting in lieu thereof the figure '85', and by amending clause (B) of said subsection to read as follows: 'not to exceed a sum computed on the individual dwellings comprising the total project as follows: $5,950 or 85 percent of the valuation, whichever is the lower amount, with respect to each single-family dwelling: *Provided,* That if the Commissioner finds that it is not feasible, within the dollar amount limitation in clause (B) on the principal obligation of the mortgage, to construct dwellings containing three or four bedrooms without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitation by not exceeding $850 for each additional bedroom (as defined by the Commissioner) in excess of two contained in each such dwelling if he finds that such dwelling meets sound standards of design and livability as a three-bedroom unit or a four-bedroom unit, as the case may be, but the amount computed under clause (B) for each such dwelling shall not exceed, in any event, $7,650.'

"(2) by striking the period at the end of subsection (b) (4) and inserting the following: ', and the mortgage may provide that, upon the completion of the construction of the project, such mortgage may be replaced by individual mortgages covering each individual dwelling in the project. Each such individual mortgage may be insured under this section with the mortgagor being either the builder who constructed the dwellings or the owner and occupant of the dwelling at the time, and where the mortgagor is the owner and occupant, may involve a principal obligation in such amount and have such maturity and interest rate as a mortgage eligible for insurance under section 203 (b) (2) (D) of this act.'"

"SEC. 119. Section 1 of said act, as amended, is hereby amended by striking the period at the end of the fourth sentence thereof and inserting a colon and the following: '*Provided,* That, notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, all expenses of the Federal Housing Administration in connection with the examination and insurance of loans or investments under any title of this act, all properly capitalized expenditures, and other necessary expenses not attributable to general overhead in accordance with generally accepted accounting principles shall be considered nonadministrative and payable from funds made available by this act, except that, unless made pursuant to specific authorization by the Congress therefor, expenditures made in any fiscal year pursuant to this proviso, other than the payment of insurance claims and other than expenditures (including services on a contract or fee basis, but not including other personal services) in connection with the acquisition, protection, completion, operation, maintenance, improvement, or disposition of real or personal property of the Administration acquired under authority of this act, shall not exceed 35 percent of the income received by the Federal Housing Administration from premiums and fees during the preceding fiscal year.'"

"SEC. 120. The National Housing Act, as amended, is hereby amended by inserting a period after the word 'Senate' in the first sentence of section 1 and striking out the balance of said first sentence, and by striking out the word 'Administrator' wherever it appears in said act, as amended, and substituting in lieu thereof the word 'Commissioner'."

"SEC. 121. The National Housing Act, as amended, is hereby amended by adding the following section under title II thereof after section 214.

"'ISSUANCE OF COMMITMENTS

"'SEC. 215. The Commissioner is hereby authorized to process applications and issue commitments with respect to insurance of mortgages under section 8 of title I, title II, title VI, or title VIII of this act, even though the permanent mortgage financing may not be insured under this act, and in the event the mortgage is not so insured the Commissioner is authorized to charge an additional application fee determined by him

to be reasonable. The Commissioner is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.' "

"TITLE II—AMENDMENTS OF SERVICEMEN'S READJUSTMENT ACT OF 1944

"SEC. 201. The Servicemen's Readjustment Act of 1944, as amended, is amended—

"(a) By striking out '25 years' in the second proviso of section 500 (b) and inserting in lieu thereof '30 years.'

"(b) By inserting '(a)' after 'SEC. 501.' and before the word 'Any', and by inserting at the end of section 501 the following new subsection:"

" '(b) Any loan made under this title to a veteran who has not previously availed himself of its benefits, the proceeds of which loan are to be used for purchasing residential property or constructing a dwelling to be occupied as his home may, notwithstanding the provisions of subsection (a) of section 500 of this title relating to the percentage or aggregate amount of loan to be guaranteed, be guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 percent of the loan: *Provided,* That the amount of any such guaranty shall not exceed $7,500, nor shall the gratuity payable under subsection (c) of section 500 of this title exceed that which is payable on loans guaranteed in accordance with the maxima provided for in subsection (a) of section 500 of this title.'

"(c) By inserting '(a)' after 'SEC. 502.', and by inserting at the end of section 502 the following new subsection:

" '(b) For the purpose of encouraging the construction and improvement of farm housing, the Administrator is authorized to guarantee a loan for the construction or improvement of a farmhouse which loan is secured by a first lien on a portion of the farm suitable in size and location as an independent home site, and to permit payment out of the proceeds of such loan any sum required to obtain the release of such site from existing indebtedness: *Provided,* That the Administrator may, in his discretion, except any loan for the construction or improvement of a farmhouse from the first lien requirement imposed by subsection 500 (b) of this title.'

"(d) By redesignating section 504 as section 504 (a) and by adding to that section a new subsection (b) reading:

" '(b) No loan for the purchase or construction of residential property on which construction is begun subsequent to 60 days after the date of enactment of the Housing Amendments of 1949, shall be financed through the assistance of the provisions of this title unless the property conforms to minimum construction requirements prescribed by the Administrator.'

"(e) By striking out all of subsection (a) of section 505 and by redesignating subsection (b) of said section 505 as "SEC. 505.": *Provided,* That this subsection shall become effective 180 days after the date of the enactment of the Housing Amendments of 1949.

"TITLE III—MISCELLANEOUS PROVISIONS

"SEC. 301. (a) Section 4 (a) of the Reconstruction Finance Corporation Act, as amended, is amended by adding at the end thereof the following new paragraph:

" '(5) To purchase the obligations of and to make loans to nonprofit educational institutions of higher learning for the construction of housing for their students and faculties, if the housing will be undertaken in such a manner that economy will be promoted in its construction, and if the housing will not be of elaborate or extravagant design or materials. Any such obligation or loan may be in an amount not exceeding the total development cost (including the cost of land acquisition and site improvements) of the housing, and shall bear interest at not to exceed 4 percent per annum. No loan, including renewals or extensions thereof, may be made under this paragraph for periods exceeding 40 years and no obligations maturing more than 40 years from date of purchase by the Corporation may be purchased under this paragraph.'

"(b) The second sentence of paragraph (1) of section 4 (b) of the Reconstruction Finance Corporation Act, as amended, is amended by striking out '(1), (2), and (3)' and inserting in lieu thereof '(1), (2), (3), and (5).'

"SEC. 302. (a) Section 313 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby amended by striking out 'January 1, 1950' where such appears therein and inserting in lieu thereof 'July 1, 1950.'

"(b) Section 505 (b) of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby amended by striking out the first sentence and inserting in lieu thereof the following: 'The filing of a request under this section must be made on or before January 1, 1950, and shall be authorized by the board of trustees or other governing body of the institution making the request.'

"SEC. 303. Section 10 of the Federal Home Loan Bank Act, as amended, is hereby amended—

"(1) by striking out of subsection (a) (1) the words 'titles II and VI' and inserting in lieu thereof the words 'title I, title II, or title VI'; and

"(2) by inserting the following after the word 'maturity,' in the first sentence of subsection (b): 'unless such home mortgage is insured, under the National Housing Act, as amended,'.

"SEC. 304. Section 24 of the Federal Reserve Act, as amended, is hereby amended—

"(1) by striking out the second sentence thereof and inserting in lieu thereof the following: 'A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument upon real estate, which shall constitute a first lien on real estate in fee simple or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold (1) under a lease for not less than 99 years which is renewable or (2) under a lease having a period of not less than 50 years to run from the date the loan is made or acquired by the national banking association, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association.'; and

"(2) by striking out of the third sentence 'titles II and VI' and inserting in lieu thereof the words 'title II, title VI, title VIII, or section 8 of title I.'

"SEC. 305. The Housing Act of 1948 is hereby amended by inserting before section 103 thereof the following new section:

" 'SEC. 102a. For the purpose of aiding the distribution, erection, and marketing of prefabricated houses manufactured with financial assistance under section 102 of this act, and to overcome the delays which arise when permanent financing must otherwise be arranged in advance of the distribution, erection, and marketing of such houses, the Reconstruction Finance Corporation is authorized to make loans directly to any business enterprise or financial institution to finance the purchase and erection of such houses or for site improvements or other financing connected therewith, which loans may be made under such terms and conditions and with such maturities as the Corporation may determine: *Provided,* That no financial assistance shall be extended under this section unless it is not otherwise available on reasonable terms: *And provided further,* That the total amount of loans, including commitments, under this section shall not exceed $75,000,000 outstanding at any one time.'

"SEC. 306. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

"SEC. 307. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby."

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, since the substitute amendment is but the original bill as introduced, with a change of dates, I ask unanimous consent that the further reading of the substitute amendment be dispensed with.

Mr. MARCANTONIO. Mr. Chairman, reserving the right to object, I do so for the purpose of propounding a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Mr. Chairman, I am not opposed to having the amendment considered as read, but I would like to preserve the right of those of us who would like to make a point of order against the amendment. My parliamentary inquiry is as follows: If this unanimous-consent request is granted, can a point of order be made?

The CHAIRMAN. It can, immediately after consent is granted.

Mr. MULTER. Mr. Chairman, reserving the right to object, and I do not intend to object, there are several of us here who want to offer amendments to this substitute. We do not have page or line numbers to indicate where such amendments should be offered. If we dispose of the reading of this, will we be able to offer those amendments and have them considered at the appropriate part of the bill, or amendment? In other words, to be more specific, we adopted two so-called Monroney amendments yesterday. I want to offer them again today at the appropriate places to this bill or to this substitute.

The CHAIRMAN. The gentleman will have to state specifically where they are to be included in the bill under consideration.

Mr. MULTER. Mr. Chairman, will I be given an opportunity to examine the bill at the desk to offer these amendments? Will I be precluded from doing that?

The CHAIRMAN. The gentleman may do that. He may do that at the present time.

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, is this amendment being offered as a substitute offered by the committee?

Mr. SPENCE. Yes. This is a substitute offered by the committee.

Mr. CASE of South Dakota. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, I make a point of order against the

amendment. The amendment offered by the committee for all purposes and effects reconsiders everything that was passed by the Committee of the Whole on yesterday. It, for instance, to use one illustration, eliminates the direct loans to veterans. This bill is very correctly described as the original real-estate bill—that is, this substitute that is offered. It reconsiders, and it is in the form of a motion to reconsider, which is not permissible in the Committee of the Whole.

So this committee is attempting to do indirectly what it cannot do directly. The purpose of offering the amendment is obvious. The purpose is to bypass my civil-rights amendment that was adopted yesterday in Committee of the Whole. The leadership here guts a good bill which can pass in order to wipe out the civil-rights amendment adopted yesterday. This leadership must take the responsibility for dumping a good housing bill, which by amendments adopted yesterday, provides civil rights and direct loans for veterans. In order to carry out this objective the leadership now offers this real-estate substitute. What a price the administration leadership is ready to pay to kill its own civil-rights program. This substitute is the price; in so doing it is, in effect, offering a motion to reconsider, which is not permitted in Committee of the Whole.

Mr. CASE of South Dakota. Mr. Chairman, a further point of order. I make the point of order that a point of order may be raised against a substitute reported by a committee, even if the original resolution may have been privileged, and call attention to the precedent cited in Cannon's Procedure on page 15, which cites Cannon's Precedents, volume VI. If a committee may do what is here proposed, any committee may hereafter bypass whatever amendments may have been deliberately considered and debated and adopted by this device of making a slight and inconsequential change in designation of date and offer its original bill as a substitute and thereby reconsider every amendment previously adopted.

I make the further point of order that this bill was not considered by sections or paragraphs; that that reading was waived, and that consequently the proper time to have offered the substitute was at the beginning of the consideration of the bill by the Committee.

The CHAIRMAN (Mr. MANSFIELD). The Chair will state that it can be offered at any time because the entire bill is open to amendment.

As to the point of order raised by the gentleman from New York [Mr. MARCANTONIO], the Chair will state that he has studied the substitute offered by the gentleman from Kentucky, and there are substantive changes in it relative to changes of dates and other clerical matters.

The Chair would like to call attention to volume VIII of Cannon's Precedents, section 2905, which reads as follows:

A substitute for an entire bill may be offered only after the first paragraph has been read or after the reading of the bill for amendment has been concluded.

It is in order to propose a substitute for a section of the amendment with the same section with modifications, and omitting amendments to the section previously agreed to by the Committee of the Whole.

On the basis of this decision, the Chair is constrained to overrule the point of order.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. What is the position of the Chair with respect to the substitute being offered by the committee? The chairman of the committee has already stated that it is a substitute being offered by the committee itself.

The CHAIRMAN. The Chair has to accept the word of the chairman of the committee in this respect.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment to the Spence amendment, which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

Mr. KUNKEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KUNKEL. Had the reading of the bill for amendment been completed? My understanding was that when the Committee rose yesterday there were four amendments pending at the Clerk's desk, and, therefore, the reading of the bill would not have been completed until those amendments had been acted upon.

I therefore make the point of order that the substitute is not now in order.

The CHAIRMAN. The Chair overrules the point of order, for reasons previously given, to wit, that the reading of the bill had been concluded, and that there were no amendments pending. Even though amendments were on the desk, they had not been read and were not pending.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. On yesterday, while we were considering the bill, a unanimous-consent request was made to close all debate on the bill and amendments to the bill, at 3 o'clock.

Do I understand the situation to be that now amendments may be offered, but all debate on the amendments has been concluded?

The CHAIRMAN. The gentleman is correct.

Mr. MARCANTONIO. Mr. Chairman, if a motion is made to strike out the enacting clause, that is a preferential motion, and the maker of that motion is entitled to recognition for 5 minutes.

The CHAIRMAN. The Chair informs the gentleman he will pass upon that question when it arises.

The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER: At the end of the Spence amendment, add the following: "No contract or commitment shall be entered into by the Government or any agency or instrumentality thereof, as authorized herein, with regard to any housing provided for in this act, unless it shall contain a provision prohibiting disqualification or discrimination for sale, rental, or tenancy, or otherwise, in any housing developed under this act, by reason of race, color, creed, or national origin."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DOLLINGER].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 75, noes 87.

Mr. DOLLINGER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers, Mr. DOLLINGER and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 84, noes 108.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 30, after line 2, insert the following:

"(f) By the addition of two new sections reading as follows:

"'SUPPLEMENTAL DIRECT LOANS TO VETERANS

"'SEC. 512. (a) In any case in which a veteran, eligible under section 500 (a) of this title, as amended, has not previously availed himself of his guaranty entitlement and shows to the satisfaction of the Administrator that he is unable to obtain from private lending sources at an interest rate not in excess of 4 percent per annum a loan for which he is qualified under section 501 or section 502 of this title to finance the purchase or construction of a dwelling to be owned and occupied by him as a home or for the construction or improvement of a farmhouse, and the Administrator has found that in the area in which such dwelling is located or is to be constructed private capital is not available for the financing of the purchase of homes by veterans under this title, the Administrator is authorized and directed to make, or enter into a commitment to make, such veteran a loan for such purpose, which loan shall bear interest at the rate of 4 percent per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable: *Provided*, That—

"'(A) the original principal amount of any such loan shall not exceed $10,000;

"'(B) the guaranty entitlement of the veteran shall be charged with the same amount that would be deducted if the loan had been guaranteed to the maximums permitted under section 500 (a) of this title;

"'(C) the amount of loans made under this section shall not exceed $300,000,000; and

"'(D) the authority to make loans under this section shall expire June 30, 1951.

"'(b) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction, and shall credit to the principal of the loan an amount equal to that which would have been payable under section 500 (c) of this title had the loan been made by a private institution.

"'(c) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may

guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the purchaser entitled to an automatic guaranty under section 500 (a) of this title.

"'(d) This section shall take effect 90 days after the date of enactment of the Housing Amendments of 1949.

"'SEC. 513. (a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums, not in excess of $300,000,000, as the Administrator shall request from time to time except that no sums may be made available after June 30, 1951. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter, representing unexpended advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

"'(b) On advances by the Secretary of the Treasury under subsection (a) of this section, less those amounts deposited in miscellaneous receipts under subsections (a) and (c) hereof the Administrator shall pay semi-annually to the Treasurer of the United States interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the advance.

"'(c) In order to make available the sums payable under subsection (a) of this section and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public-debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than June 30, 1952, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. Without regard to any other provisions of this title, said Administrator shall have authority to take or cause to be taken such action as in his judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of such investments, to determine his necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed, paid, and accounted for and audited, to make such rules, regulations, and orders as he may deem necessary or appropriate for the carrying out of the functions hereby or hereunder authorized and, except as otherwise expressly provided in this title, to employ, utilize, compensate, and delegate any of his functions hereunder to, such persons and such corporate or other agencies, including agencies of the United States, as he may designate.'"

Mr. MULTER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent to dispense with the further reading of the amendment in view of the fact it is the same as originally reported by the committee and the same as the first Monroney amendment which was adopted in the Committee on yesterday.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. TABER. Mr. Chairman, I object.

The Clerk continued the reading of the amendment.

Mr. MULTER (interrupting the reading of the amendment). Mr. Chairman, I renew my request that the further reading of the amendment be dispensed with and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—yeas 95, noes 70.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MULTER and Mr. BROWN of Georgia.

The Committee again divided; and the tellers reported that there were—ayes 76, noes 103.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER to the committee amendment offered by Mr. SPENCE: Page 22, line 20, change the period to a semicolon, insert the word "and" and the following clause:

"(5) By adding the following new paragraph between paragraph 1 and paragraph 2, and redesignating paragraph 2 as paragraph 3:

"'(2) To make real-estate loans which are accepted for insurance or insured under section 213 of this act: *Provided*, That no such loan shall be made by the association unless the financial assistance applied for is not otherwise available on reasonable terms.'"

Mr. MULTER (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that this is the same language originally reported by the committee, and the same as the amendment adopted yesterday known as the second Monroney amendment, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. RANKIN. I object, Mr. Chairman. I did not hear that amendment and I would like to hear what it is.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. GREEN. Mr. Chairman, I offer an amendment, but before it is reported I should like to submit a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. Mr. Chairman, my amendment was presented yesterday afternoon to the bill that was being considered at that time. I have not had an opportunity to examine the Spence amendment closely. Can my amendment be presented to the Spence amendment, or should it be presented to the bill that we presented yesterday and then be presented to the Spence amendment?

The CHAIRMAN. The Chair might suggest to the gentleman that it would be proper to offer his amendment to the so-called Spence amendment which is pending at the present time.

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: Renumber sections 306 and 307 as 307 and 308 respectively and insert the following new section 306:

"SEC. 306. The Housing and Home Finance Administration is authorized to sell permanent war housing projects, under his jurisdiction and initially programed as mutual housing communities under the defense housing program, on terms which shall not require a down payment and shall provide for full payment to the United States over a period of not to exceed 45 years with interest on the unpaid balance at not to exceed 3 percent per annum."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GREEN].

The question was taken; and on a division (demanded by Mr. GREEN) there were—ayes 42, noes 82.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the substitute: On page 30, line 17, strike out "4 percent" and insert "3 percent."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the substitute: On page 31, line 8, strike out "July 1, 1950" and insert "January 1, 1951."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the substitute: On page 30, after line 2, insert the following title III and in line 3 strike

out "title III" and insert "title IV" and renumber the succeeding sections 401 through 407 inclusive:

"TITLE III—COOPERATIVE HOUSING

"PURPOSE

"SEC. 301. The purpose of this title is to provide a means whereby housing of sound standards of design, construction, livability, and size for adequate family life, in well-planned, integrated residential neighborhoods, can be produced and made available for families of moderate income, who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are currently being made available in their locality, by encouraging and assisting cooperative ownership or other nonprofit housing corporations or trusts organized to provide housing, and by making financial assistance available to such corporations or trusts for housing which is of such design and construction as will promote economies, both in construction and in operation and maintenance, which will be fully reflected in reduced rents. The provisions of this title relating to encouraging and assisting nonprofit cooperative ownership housing corporations or trusts shall be administered in a manner which will encourage and assist the association of persons into such cooperatives who (by reason of their like interests, associations together in other fields, or otherwise) will contribute to the sound integral character and success of such cooperatives, provide necessary leadership therein, involve democratic voting principles, and avoid any speculative use of such cooperatives.

"COOPERATIVE HOUSING ADMINISTRATION

"SEC. 302. There is hereby established in the Housing and Home Finance Agency, under the Administrator thereof, a constituent agency, to be known as the Cooperative Housing Administration, to be headed by a Cooperative Housing Commissioner (hereafter referred to as the "Commissioner") who shall be appointed in the same manner, and shall receive the same salary as other Commissioners in the Housing and Home Finance Agency. The Cooperative Housing Commissioner shall carry out the functions, powers, and duties prescribed by this title, and the powers and authorities conferred upon other Commissioners by section 502 of the Housing Act of 1948 are hereby granted to the Commissioner hereunder with respect to his functions under this title.

"LOANS

"SEC. 303. (a) To effectuate the purpose of this title, the Commissioner, upon application by an eligible borrower and subject to the terms and conditions of this title, may make a loan (including advances during the development of the housing project) to such borrower to finance the development cost of a housing project to be undertaken by such borrower.

"(b) Any loan under this section shall not exceed the development cost of the housing project, shall bear interest at such rate (not less than the applicable going Federal rate plus one-half of 1 percent), shall be secured in such manner, and shall be repaid within such period, not exceeding the estimated period of the useful life of the project and not exceeding 50 years in any event (provided that within the first 5 years there shall be repaid of the original principal obligation a sum at least equal to the portion of such obligation which would be repaid under level debt service plus 5 percent of such obligation), as shall be deemed advisable by the Commissioner.

"(c) In anticipation of a loan under this section or mortgage insurance under the National Housing Act, as amended, the Commissioner may make preliminary advances to assist in the formulation of a proposed housing project, at the same interest rate prescribed for a loan under this section: *Provided*, That such advances shall be limited to the amounts required for necessary assistance up to the point where application can be made for such loan or mortgage insurance, and shall in no event exceed an amount equal to 3 percent of the estimated development cost of such project.

"(d) To obtain funds for loans and advances under this title, the Commissioner, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $500,000,000, except that with the approval of the President such aggregate amount may be increased to not to exceed $1,000,000,000.

"(e) Notes or other obligations issued by the Commissioner under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All purchases, sales, and redemptions by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"REQUIREMENTS FOR HOUSING PROJECTS

"SEC. 304. In making any loan pursuant to section 303 hereof, the Commissioner shall require that—

"(a) the location and physical planning of the housing project will afford reasonable assurance as to the stability of the neighborhood, and that the dwellings in the housing project will meet sound standards of design, construction, livability, and size for adequate family life;

"(b) the housing project will not be of elaborate or extravagant design or construction, and that such design and construction, and the proposed methods of construction and of operation and maintenance are such as will promote such economies as may be achieved through the nonprofit character of the borrower; increased efficiency in production through the use of new or improved materials and techniques and methods of construction, or otherwise; increased efficiency and economy in operation and management through improved techniques, minimum necessary operating services, occupant maintenance, or otherwise; and that all such economies that are achieved will be reflected in reduced rents;

"(c) the reduction in operating expenses made possible by the lower rate of interest and longer amortization period with respect to loans pursuant to section 303 hereof will be fully reflected in further reduced rents;

"(d) the estimated rents (on a per-room basis) for the dwellings in the housing project (plus an allowance for the reduction in operating expenses made possible by the rate of interest and amortization period with respect to the loan pursuant to section 303 hereof, and an allowance for any reduction in operating expenses made possible by any special concessions not generally available for new privately financed rental housing currently being made available in the locality which, under applicable laws, have been or are to be made available with respect to such housing project or with respect to the borrower) are substantially below the level of rents at which comparable dwellings in new privately financed rental housing are currently being made available in the locality; and

"(e) the housing project will meet a need for housing for families of moderate income in the locality which is not otherwise being met.

"CONDITIONS OF LOAN CONTRACTS

"SEC. 305. The Commissioner shall issue such regulations and retain such rights as will assure that any housing project developed or acquired with the aid of loans pursuant to section 303 hereof, will serve families of moderate income as contemplated by this title and otherwise accomplish the purposes hereof. Every contract for a loan to be made pursuant to section 303 hereof shall provide that—

"(a) the borrower shall establish such maximum income limits for the admission of families to the housing project as well restrict admission to families of moderate income who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are currently being made available in their locality, and that such maximum income limits, and all revisions thereof, shall be subject to the prior approval of the Commissioner;

"(b) the borrower shall establish an initial schedule of rents, and shall thereafter maintain a schedule of rents, for the dwellings in the housing project; that such initial schedule of rents, and all revisions thereof, shall be subject to the prior approval of the Commissioner; and that prior to approving the initial or any subsequent rent schedule pursuant to this section, the Commissioner shall find that such schedule affords reasonable assurance that the rents to be established thereunder are the lowest rents which can be achieved after allowance for operating expenses, but not lower than necessary together with all other income to be derived from or in connection with the housing project, to produce reasonably stable revenues sufficient to provide for the payment of the operating expense;

"(c) after the close of each project fiscal year, the borrower shall apply 75 percent of any net income for such year to advance amortization of the principal of the loan made pursuant to section 303 hereof; and

"(d) the borrower shall comply with such other terms and conditions as the Commissioner finds, prior to the execution of the loan contract, are necessary or desirable to carry out the purposes of this title.

"ADMINISTRATIVE PROVISIONS

"SEC. 306. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner, as the making of loans and preliminary advances hereunder, and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(3) make an annual report to the President, for transmission to the Congress, to be

submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Principal repayment on loans made hereunder shall be applied to the retirement of notes or other obligations issued by the Commissioner pursuant to section 303 hereof, and other receipts and assets obtained or held by the Commissioner in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for loans and advances hereunder), and all funds available for carrying out the functions of the Commissioner under this title shall be available in such amounts as may from year to year be authorized by the Congress for the administrative expenses of the Commissioner in carrying out such functions. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for administrative expenses in carrying out the purposes of this title, and such sums as may be necessary to meet payments on notes or other obligations issued by the Commissioner pursuant to section 303 hereof.

"GENERAL POWERS AND PROVISIONS

"SEC. 307. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commerce any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan pursuant to this title;

"(3) notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real and other property by the United States, the Commissioner shall have power to pay all expenses or charges in connection with, and to deal with, complete, reconstruct, rent, renovate, modernize, insure, manage, make contracts for the management of, or establish suitable agencies for the management of, or sell for cash or credit or lease in his discretion, in whole or in part, any project acquired pursuant to this title, and to pursue to final collection by way of compromise or otherwise all claims acquired by, or assigned or transferred to, him in connection with the acquisition or disposal of any housing project pursuant to this title: *Provided,* That any such acquisition of real property shall not deprive the State or any political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under State or local laws of the inhabitants on such property;

"(4) enter into agreements, with respect to any real property acquired and held under this title which had been subject to taxes immediately prior to its acquisition by the Commissioner, to pay annual sums in lieu of taxes to the State or local taxing authority, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(6) obtain insurance against loss in connection with property and other assets held;

"(7) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title;

"(8) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved; and

"(9) make such rules and regulations as he deems necessary or desirable to carry out the purposes of this title.

"(b) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for hazard insurance, or to any purchase or contract for services or supplies on account of any property acquired pursuant to this title if the amount of such purchase or contract does not exceed $1,000.

"(c) To assist in achieving the purposes of this title, the Commissioner is authorized and directed to furnish technical advice and assistance in the organization of nonprofit cooperative ownership housing corporations or trusts of the character described in section 310 (a) hereof, and in the planning, initiation, development, construction, acquisition, and operation and management of their housing projects. In any case where a nonprofit cooperative ownership housing corporation or trust which has been assisted by the Commissioner in its organization pursuant to this subsection desires to make application to the Federal Housing Commissioner for mortgage insurance under the National Housing Act, the Commissioner shall advise the Federal Housing Commissioner as to whether, in his opinion, the organization of such cooperative is in accord with the policies declared in the second sentence of section 301 hereof, and shall furnish such other available information concerning such cooperative as may be requested by the Federal Housing Commissioner.

"(d) In the administration of this title, the Commissioner shall take such steps as he deems necessary and desirable to assure that the benefits of the nonprofit character of any borrower hereunder are not dissipated through speculative devices, and shall require that, under such terms and conditions as he shall prescribe, major contracts in connection with the development of the housing project shall be fixed-price contracts, and shall be awarded after public advertisement or other adequate publicity.

"(e) Any person who induces or influences a borrower hereunder to purchase or acquire property or to enter into any contract, in connection with any housing project to be financed with a loan made under this title, and willfully fails to disclose any interest, legal or equitable, which he has in such property or such contract, or any special benefit which he expects to receive as a result of such contract, shall be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

"PROTECTION OF LABOR STANDARDS

"SEC. 308. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to section 303 hereof shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Commissioner, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development, and to all maintenance laborers and mechanics employed in the administration, of the housing project involved, and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the housing project involved; and the Commissioner shall require certification as to compliance with the provisions of this subsection prior to making any payment under such contract.

"(b) The provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any housing project financed in whole or in part with funds made available pursuant to section 303 hereof.

"(c) Any contractor engaged on any housing project financed in whole or in part with funds made available pursuant to section 303 hereof shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular housing project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"VETERANS' PREFERENCE

"SEC. 309. Every contract made pursuant to section 303 hereof for a loan for a housing project shall require that in the selection of tenants for, or members entitled to occupy, dwellings in such housing project preference shall be given, as among eligible applicants for occupancy of dwellings of given sizes and at specified rents, to families of veterans and servicemen (including families of deceased veterans and servicemen), and that as among applicants entitled to the preference provided in this section, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service connected: *Provided,* That nothing in this title or in any other act shall preclude a nonprofit cooperative ownership housing corporation or trust, the permanent occupancy of the dwellings of which is restricted to the members of such corporation or the beneficiaries of such trust, from accepting, without regard to the preference provided in this section, nonveteran members of such corporation or nonveteran beneficiaries of such trust as occupants of dwellings in the housing project. For the purposes of this section the term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

"DEFINITIONS

"SEC. 310. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Eligible borrower' or 'borrower' shall mean (1) any private nonprofit cooperative ownership housing corporation or private nonprofit cooperative ownership housing trust the permanent occupancy of the dwellings of which is restricted to the members of such corporation or the beneficiaries of such trust, or (2) any private nonprofit corporation or private nonprofit trust authorized to provide dwellings (i) the occupancy of which is to be permitted in consideration of agreed charges, or (ii) for sale to a corporation or trust of the character described in clause (1) of this subsection.

"(b) 'Housing project' shall mean a project (including all property, real and personal, contracts, rights, and choses in action

acquired, owned, or held by a borrower in connection therewith) of a borrower designed and used primarily for the purpose of providing dwellings: *Provided*, That nothing in this title shall be construed as prohibiting the inclusion in a housing project of such stores, offices, or other commercial facilities, recreational or community facilities, or other nondwelling facilities as the Commissioner shall determine to be necessary or desirable appurtenances to such housing project.

"(c) 'Development cost' shall mean (1) the amount of the reasonable costs, as approved by the Commissioner, incurred by the borrower in, and necessary for, carrying out all works and undertakings for the development of a housing project and shall include the cost of all necessary surveys, plans and specifications, architectural, engineering, or other special services, land acquisition, site preparation, construction, and equipment; administrative expenses and carrying charges (including interest) incurred during the development of the housing project up to and including the occupancy date; initial working capital for the administration of the housing project; necessary expenses (including any initial operating deficit, as defined by the Commissioner) in connection with the initial occupancy of the housing project; and the cost of such other items as the Commissioner shall determine to be necessary for the development and financing of the housing project, or (2) the cost, as approved by the Commissioner, incurred by the borrower in, and necessary for, the acquisition of a housing project developed with a loan made pursuant to section 303 hereof.

"(d) 'Gross income' for any operating year shall mean the total rents and revenues and other income derived from, or in connection with, the housing project during such operating year.

"(e) 'Operating expenses' for any operating year shall mean the amounts, as approved by the Commissioner, necessary to meet the reasonable and proper costs of, and to provide for, operating and maintaining the housing project, and to establish and maintain reasonable and proper reserves for repairs, maintenance, and replacements, and other necessary reserves (including any required for sound operations on a cooperative basis) and shall include amortization and interest payments on the loan made hereunder, necessary expenses for real-estate taxes, special assessments, administrative expenses, and insurance charges, together with such other expenses as the Commissioner shall determine to be necessary for the proper operation and maintenance of the housing project.

"(f) 'Net income' for any operating year shall mean gross income remaining after the payment of operating expenses.

"(g) 'State' includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(h) 'Rent' shall mean the monthly charges, to the members, in the case of a borrower of the character described in clause (1) of section 310 (a) hereof, or to the tenants, in the case of a borrower of the character described in clause (2) of section 310 (a) hereof, in consideration of which occupancy of a dwelling in a housing project is permitted by the borrower.

"(i) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract."

Mr. SPENCE. Mr. Chairman, I make the point of order that this is a substitute to the substitute and is not in order.

Mr. JAVITS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman may proceed.

Mr. JAVITS. Mr. Chairman, this is an amendment to the substitute because it seeks to insert in the substitute the title for direct loans to cooperatives in the sum of $1,000,000,000.

Mr. SPENCE. Mr. Chairman, I withdraw my point of order. I understood that it was offered as a substitute for the substitute.

Mr. JAVITS. Mr. Chairman, in view of the fact that this is the amendment relating to the direct loans to cooperative housing organizations which was discussed yesterday, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. RICH. Mr. Chairman, reserving the right to object, does this amendment call for $1,000,000,000?

Mr. JAVITS. It calls for $1,000,000,000 in loans, all of which are good.

Mr. RICH. Where are you going to get the money?

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. BURLESON. Mr. Chairman, I offer an amendment, which is now at the Clerk's desk, and to which the committee agreed on yesterday.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: On page 31, after line 17, insert the following new subsection:

"(c) The second proviso of section 505 (a) of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby repealed."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment to the substitute offered by Mr. MARCANTONIO: "Prohibition Against Discrimination." At the end of the amendment insert a new section:

"No person possessing all other qualifications which are or may be prescribed by law shall be disqualified for admission, rental, or tenancy through discrimination by segregation or otherwise, in any housing developed under his act, by reason of the race, color, creed, or national origin of the person otherwise qualified; and any officer or other person charged with any duty in the admission, rental, or tenancy of housing provided for under this act who shall exclude or discriminate against any citizen for the cause aforesaid shall, on conviction thereof, be deemed guilty of a misdemeanor and be fined not more than $5,000. Every contract or commitment entered into by the Government or any agency or instrumentality thereof as authorized herein with regard to any housing provided for in this act shall contain a provision prohibiting discrimination by reason of race, color, creed, or national origin, and shall carry a warning of the penalty of this act for violation thereof."

Mr. SPENCE. Mr. Chairman, I make the point of order against the amendment that it is substantially the Dollinger amendment that was just voted down.

Mr. MARCANTONIO. Mr. Chairman, I would like to be heard on the point of order.

This is the amendment that was offered yesterday, word for word. The amendment is not the same as the Dollinger amendment. The Dollinger amendment falls far short of dealing with discrimination in housing. My amendment goes way beyond the Dollinger amendment. My amendment deals with tenancy, occupancy, rental, contract, as well as construction. It is the same amendment that this Committee adopted yesterday. You went up the hill yesterday, and now it is evident that you are going down the hill. The deal has been consummated to sacrifice a good housing bill, including loans for veterans, in order to kill my civil-rights amendment. However, the country will know that the administration leadership in this House is responsible for this sacrifice of veterans and of the Negro people.

The CHAIRMAN (Mr. MANSFIELD). The Chair is ready to rule.

The Chair overrules the point of order.

The question is on agreeing to the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 76, noes 101.

Mr. MARCANTONIO. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 142, noes 39.

So the amendment was agreed to.

Mr. RODINO. Mr. Chairman, I believe that I am speaking for a whole generation of my fellow Americans when I urge the absolute and overwhelming necessity for enactment of housing legislation for the so-called middle-income citizens. By and large, the heads of families in this country today who are under age 40 have not achieved incomes that enable them to purchase or rent homes at prevailing terms and prices. It is true that many young couples have actually purchased homes costing $10,000 or more and many have been obliged to obligate themselves to pay rentals of $80 a month or more. The truth is, however, that they cannot actually afford these prices and are meeting these costs by borrowing from relatives, by doubling up with other members of their families, or by having both husband and wife continue as breadwinners during those years when the wife should be giving her time to the care of young children.

The Housing Act of 1949 was a splendid achievement. But it is only an installment. A much larger part of the

job still needs to be done. About 10,000,000 of our fellow Americans are in the income class which renders them eligible for public housing. At least 20,000,000 of our people are in the income class between $2,000 and $5,000 annually. There may be some difference of opinion as to whether the person earning $5,000 should be included in the middle-income category. On the basis of experience in large metropolitan areas such as the one I represent, there can be no doubt that it will be necessary to go as high as $5,000. In some other sections the top limit may be set at $4,000 or $4,500.

The middle-income bill should be so drawn that the agency in charge of its administration would have the authority to fix precise limits on who is or is not eligible in a particular part of the country. The absolute limit, however, should probably be $5,000. This figure could be revised by amendment in future sessions of Congress based on experience and further research.

The proponents of the middle-income housing legislation are seeking to meet what has become a serious and tragic unmet demand for decent, safe, and sanitary shelter at moderate cost. The housing industry as presently constituted has failed to meet that need for this whole segment of our society. Ultimately the housing industry must be reorganized and its methods must be revolutionized by voluntary action of those who are members of the industry. The cost of shelter must be drastically reduced. This legislation, however, does not specifically address itself to that aspect of our housing problem.

Although we have been accused of sponsoring socialistic measures, the truth is that the Members of Congress who have introduced legislation aimed at helping the middle-income family are not urging governmental intervention which would force the housing industry to do anything it does not want to do, although there is a crying need for reform in this whole area of our economy. At this point we have confined our proposals to the matter of finances. We are seeking to cut the costs of credit to the absolute minimum, but without subsidy of any kind. In fact, we are proposing to create a volume of demand for certain types of housing which will be much greater than anything that private builders have been aiming at in many years. We realize that there is no exact analogy between producing automobiles and producing homes, still it is safe to say that if the mass demand for housing increases the unit cost should come down. The point I am trying to drive home is that it is altogether possible and highly probable that by reducing the cost of financing the sale of housing, we should at the same time do a great deal towards enabling private industry to cut unit costs by improved methods and greater efficiency. This is one reason why there should be some flexibility on the matter of income limitation. If housing costs are reduced, income limits would probably have to be revised also.

For more than a decade now the housing industry in this country has required Government assistance and intervention for its very existence. Only the tiniest fraction of the volume of housing which has been erected in the past 10 years would have actually been constructed without Government insurance of mortgages, and without the massive governmental support behind the whole mortgage market. The real conflict on this legislation is between a special interest group who demand a generous extension of governmental backing and support to an unwilling and inefficient private industry, and those, of whom I am one, who say that governmental assistance but no subsidies must also be provided to those of our fellow citizens whose needs are manifestly not being met by the private builders who are, in the true sense of the term, having their operations underwritten by means of governmental aids.

Experience has proven the value and necessity of FHA insurance and the secondary markets for mortgages. But experience has proven beyond all question of doubt that FHA financing as practiced up to this point has served only a narrow segment of our national need. It is a glaring fact that no practical person can gainsay, that few operative builders—the people who put up most of the houses that are sold in this country today—conduct their businesses with what is properly called private capital. Of course the law requires that the builder assume certain risks; theoretically the enterpriser, so-called, is supposed to have put some money of his own into his operations. Yet it cannot be denied that it does not work out that way in actual practice. The average builder has very little, if any, risk capital involved in his business; he works with funds which he is able to borrow because the Government has guaranteed the lender against loss. My purpose, however, is not to expose or attack commonly and widely accepted practices in the home building industry. What I am calling attention to is the hypocrisy and cruelty of those who would be out of business tomorrow if they had to really risk large sums of their own money, yet at the same time attack proposals for extension of governmental credit to enable people in need to obtain necessary shelter at a cost they can afford. I believe that the real estate interests now opposing legislation to cut housing finance costs are being utterly shortsighted. All over this country we now find new houses in outlying or suburban areas either for rent or sale which are unoccupied despite terrific shortages in the same areas. There is only one reason for this: the rentals and sale prices are beyond the reach of millions of families who need and could afford shelter at a moderate cost. It is painfully evident that the building industry cannot sell houses now unsold by depriving other people of the opportunity of meeting their needs in a different price bracket.

If you really want to face facts about the housing market today, the FHA itself, under its present regulations, says to the private builder: "You must not sell to families whose income does not allow them to meet your scale of payments." True, these regulations are not strictly applied, but the principle of not permitting customers of housing to assume obligations they cannot fulfill is well recognized and long established.

Therefore, there is no important departure in principle from accepted methods of home financing contained in H. R. 5631. In truth, what we are trying to do in this legislation is what FHA was originally set up to do. The basic purpose of FHA was to reduce costs of financing home purchases so that the market could be extended and the economy strengthened. The building industry was prostrate when FHA was first established by Congress. Builders were put back on their feet all right, but as things worked out housing costs increased instead of decreasing. FHA stamped out a great deal of jerry building. FHA has other notable achievements to its credit, but admittedly it has not produced the cheap housing which this country needs. We do not propose to scrap FHA nor undermine it in any way; we are giving it a bigger job to do and giving it the means to be of much greater usefulness to the country as a whole.

The testimony of the national veterans' organizations as to the need for direct financing is ample and irrefutable. The major labor organizations have shown that private lenders, in most cases, refuse to advance money to nonprofit housing societies, although all of these groups can show proof positive that successful projects have been built and operated by such groups in all parts of this country. The experience of the Amalgamated Clothing Workers in New York City, which has operated bona fide cooperative apartment houses in that congested area for more than 20 years, is an outstanding example. The Amalgamated Clothing Workers has done such an outstanding job that it is being asked by the city of New York to expand its present program of low-rent cooperative-apartment construction.

The veterans' organizations in recent years have proven that the average man in the street, if he pools his small resources with a group of his fellows, can save money on housing costs and provide satisfactory shelter for people of moderate means. It is the conviction of those of us who are advocating direct loans for nonprofit housing enterprises that private institutions will quickly change their policies once the Government is authorized to enter this field. Even if the private lenders lag behind for a year or two and the Government is obliged to go ahead and issue a number of loans under this proposed provision, there will be no real risk attached to such investments providing only that reasonably intelligent supervision is exercised by the housing agency. Certainly the great veterans' organizations, the labor unions, and our national cooperative societies who will, in all likelihood, sponsor most of the nonprofit housing groups now waiting for the enactment of this legislation, will see to it that they do not engage in projects which are likely to go into default. Several of our State governments in the past few years have entered the housing field under authorization from their respective legislatures. In most cases these State bodies are aiming at the middle income group since they do not provide subsidies,

or indeed in many cases, tax exemption. Actually what the States are doing is to show that public bodies can drastically reduce the cost of home construction by using the cheaper credit which public financing makes possible. The Commonwealth of Massachusetts, I am informed, is able to borrow money from private institutions for its middle income housing program at rates of interest lower even than is contemplated in this bill. I mention these points merely to show that we are not urging the Federal Government to embark upon uncharted seas or engage in risky or hairbrained ventures.

Only one argument that, to me, makes any sense at all, has been offered against the direct-loan program. The question is asked, "Why should the Government do more for a group than it does for an individual?" Certainly none of the sponsors of this type of legislation are unwilling to find ways and means of making low-cost financing available to nonveteran members of society who are in this income group but who do not wish to join cooperatives or nonprofit ventures. What we are offering here is a practical and an interim proposal. Until the building industry completely revises its methods the only way that savings can be achieved is by group action and public financing in some form. In the field of housing you simply cannot provide the same advantages for a family that wants to go off by itself that can be afforded to a group of reasonable size. The Government cannot protect its investment unless it deals with a group and unless it builds a number of houses in a neighborhood so that the environment is reasonably controlled. The economics of housing and the physical necessities of planning, and so forth, require group action if lower costs are to be obtained for millions now needing homes. Nor are we giving any subsidy to an individual. What we are doing is to arrange it so that the individual citizen who is willing to do something for himself, make certain efforts and undertake certain reasonable obligations, can earn a given advantage for himself. If the Government was actually giving that single and solitary family a hand-out, I could then see the logic of saying that the group is being afforded something that the individual is denied. This is not so. What we are actually doing here, if you will analyze our proposal carefully and with an open mind, is to make it possible for the individual, through self-help in the good old American tradition, to better himself. The man or woman who goes into a nonprofit housing venture has to do certain things, accept specific responsibilities which otherwise the private builder would assume. In other words, if the ordinary overhead and speculative profits of the operative builder are to be eliminated to get lower costs, the prospective home owner has to do without payment in his spare time much of the promotion work which the private enterpriser now gets paid for. This objection regarding the group versus the individual has no merit when carefully examined.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MANSFIELD, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill (H. R. 6070) to amend the National Housing Act, as amended, pursuant to House Resolution 336, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. BIEMILLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BIEMILLER. In the event that the amendment is rejected will the situation then be that the original bill and the amendments thereto will be before the House for a vote?

The SPEAKER. If the amendment is rejected, the original bill will be up for passage.

Mr. MARCANTONIO. As amended?

The SPEAKER. Not as amended. The only amendment reported is the amendment that was just adopted in the Committee of the Whole. If this amendment is defeated the vote will then recur on the original bill as introduced without the amendments supposed to have been adopted yesterday.

The question is on the amendment.

The amendment was agreed to.

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

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The gentleman qualifies; the Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill (H. R. 6070) to the Committee on Banking and Currency.

By unanimous consent, the previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed. A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

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

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

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.*

SUSPENSION OF RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that it may be in order today for the Speaker to recognize Members to move to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, suspend the rules on what bill?

The SPEAKER. There may be a condition arise under which the bill just passed could not pass both bodies during the recess. This is simply to allow the Speaker to recognize a Member to suspend the rules and pass a continuing resolution. In any event we would have some housing legislation.

Mr. MARCANTONIO. Mr. Speaker, if the resolution comes up under suspension of rules, no amendment is permitted. It is my desire to offer my civil-rights amendment to the continuing resolution; therefore I am constrained to object.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. CORBETT, Mr. KEATING, and Mr. McDONOUGH asked and were given

permission to extend their remarks in the RECORD and include editorials.

Mr. WHITE of Idaho. Mr. Speaker, I expect to make some investigations during the period that the House and the Senate are not in session, and while the RECORD is being printed I ask unanimous consent that I may have the privilege of inserting in the Appendix of the RECORD within the prescribed limit remarks in several instances.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in five instances and include excerpts.

CARE AND CUSTODY OF INSANE PERSONS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 936) to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is a unanimous report from the Committee on the Judiciary.

Mr. HOBBS. Yes; with amendments.

Mr. MARTIN of Massachusetts. What are the amendments?

Mr. HOBBS. Three perfecting amendments which we think are not material to the purposes of the bill.

Mr. MARTIN of Massachusetts. Will the gentleman tell the House in a word what this bill does?

Mr. HOBBS. I will be delighted to have the gentleman from Ohio [Mr. McCULLOCH] do that. He is the committee member who made the report.

Mr. McCULLOCH. Mr. Speaker, the committee amendments make mandatory hearings to determine the insanity of the person charged with being insane. As the gentleman from Alabama has indicated, the amendments are to strike the word "may" in two instances and insert in lieu thereof the word "shall."

Mr. MARTIN of Massachusetts. In other words, this is to make it compulsory that we have a hearing rather than commit them without a hearing?

Mr. McCULLOCH. Yes.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That title 18, United States Code, chapter 313, is amended by adding at the end thereof the following sections:

"§ 4244. Mental incompetency after arrest and before trial.

"Whenever after arrest and prior to the imposition of sentence or prior to the expiration of any period of probation the United States Attorney has reasonable cause to believe that a person charged with an offense against the United States may be presently insane or otherwise so mentally incompetent as to be unable to understand the proceedings against him or properly to assist in his own defense, he shall file a motion for a judicial determination of such mental competency of the accused, setting forth the ground for such belief with the trial court in which proceedings are pending. Upon such a motion or upon a similar motion in behalf of the accused, or upon its own motion, the court shall cause the accused, whether or not previously admitted to bail, to be examined as to his mental condition by at least one qualified psychiatrist, who shall report to the court. For the purpose of the examination the court may order the accused committed for such reasonable period as the court may determine to a suitable hospital or other facility to be designated by the court. If the report of the psychiatrist indicates a state of present insanity or such mental incompetency in the accused, the court shall hold a hearing, upon due notice, at which evidence as to the mental condition of the accused may be submitted, including that of the reporting psychiatrist, and make a finding with respect thereto. No statement made by the accused in the course of any examination into his sanity or mental competency provided for by this section, whether the examination shall be with or without the consent of the accused, shall be admitted in evidence against the accused on the issue of guilt in any criminal proceeding. A finding by the judge that the accused is mentally competent to stand trial shall in no way prejudice the accused in a plea of insanity as a defense to the crime charged; such finding shall not be introduced in evidence on that issue nor otherwise be brought to the notice of the jury.

"§ 4245. Mental incompetency undisclosed at trial.

"Whenever the Director of the Bureau of Prisons shall certify that a person convicted of an offense against the United States has been examined by the board of examiners referred to in title 18, United States Code, section 4241, and that there is probable cause to believe that such person was mentally incompetent at the time of his trial, provided the issue of mental competency was not raised and determined before or during said trial, the Attorney General shall transmit the report of the board of examiners and the certificate of the Director of the Bureau of Prisons to the clerk of the district court wherein the conviction was had. Whereupon the court shall hold a hearing to determine the mental competency of the accused in accordance with the provisions of section 4244 above, and with all the powers therein granted. In such hearing the certificate of the Director of the Bureau of Prisons shall be prima facie evidence of the facts and conclusions certified therein. If the court shall find that the accused was mentally incompetent at the time of his trial, the court shall vacate the judgment of conviction and grant a new trial.

"§ 4246. Procedure upon finding of mental incompetency.

"Whenever the trial court shall determine in accordance with sections 4244 and 4245 of this title that an accused is or was mentally incompetent, the court may commit the accused to the custody of the Attorney General or his authorized representative, until the accused shall be mentally competent to stand trial or until the pending charges against him are disposed of according to law. And if the court after hearing as provided in the preceding sections 4244 and 4245 shall determine that the conditions specified in the following section 4247 exist, the commitment shall be governed by section 4248 as herein provided.

"§ 4247. Alternate procedure on expiration of sentence.

"Whenever the Director of the Bureau of Prisons shall certify that a prisoner whose sentence is about to expire has been examined by the board of examiners referred to in title 18, United States Code, section 4241, and that in the judgment of the Director and the board of examiners the prisoner is insane or mentally incompetent, and that if released he will probably endanger the safety of the officers, the property, or other interests of the United States, and that suitable arrangements for the custody and care of the prisoner are not otherwise available, the Attorney General shall transmit the certificate to the clerk of the court for the district in which the prisoner is confined. Whereupon the court may in its discretion cause the prisoner to be examined by a qualified psychiatrist designated by the court and one selected by the prisoner, and shall, after notice, hold a hearing to determine whether the conditions specified above exist. At such hearing the designated psychiatrist or psychiatrists may submit his or their reports, and the report of the board of examiners and other institutional records relating to the prisoner's mental condition shall be admissible in evidence. All of the phychiatrists and members of the board who have examined the prisoner may be called as witnesses, and be available for further questioning by the court and cross-examination by the prisoner or on behalf of the Government. If upon such hearing the court shall determine that the conditions specified above exist, the court may commit the prisoner to the custody of the Attorney General, or his authorized representative.

"§ 4248. Termination of custody by release or transfer

"Whenever a person shall be committed pursuant to section 4247 of this title, his commitment shall run until the sanity or mental competency of the person shall be restored or until the mental condition of the person is so improved that if he be released he will not endeavor the safety of the officers, the property, or other interests of the United States, or until suitable arrangements have been made for the custody and care of the prisoner by the State of his residence, whichever event shall first occur. Whereupon the Attorney General or his authorized representative shall file with the court which made said commitment a certificate stating the termination of the commitment and the ground therefore: *Provided, however,* That nothing herein contained shall preclude a prisoner committed under the authority of section 4247 hereof establishing his eligibility for release under the provisions of this section by a writ of habeas corpus. The Attorney General or his authorized representative shall have authority at any time to transfer a prisoner committed to his custody under the authority of section 4246 or section 4247 hereof to the proper authorities of the State of his residence."

SEC. 2. The analysis of chapter 313 of such title, immediately preceding section 4241, is amended by adding at the end thereof the following:

"4244. Mental incompetency after arrest and before trial.

"4245. Mental incompetency undisclosed at trial.

"4246. Procedure upon finding of mental incompetency.

"4247. Alternate procedure on expiration of sentence.

"4248. Termination of custody by release or transfer."

SEC. 3. The Attorney General may authorize the use of any unexpended balance of the appropriation for "Support of United States prisoners" for carrying out the purposes of title 18, United States Code, sections 4244 to 4248, inclusive, or in payment of any ex-

penses incidental thereto and not provided for by other specific appropriations.

SEC. 4. If any provision of title 18, United States Code, sections 4244 to 4248, inclusive, or the application thereof to any person or circumstance shall be held invalid, the remainder of the said sections and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

With the following committee amendments:

Page 4, line 25, strike out "may in its discretion" and insert "shall."

Page 5, line 6, strike out "may" and insert "shall."

Page 5, line 13, after the period, insert the following sentence: "At such hearing the court may in its discretion call any other witnesses for the prisoner."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROHIBITING THE PICKETING OF UNITED STATES COURTS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5647) to prohibit the picketing of United States courts.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That chapter 73 of title 18 of the United States Code is hereby amended by adding at the end thereof the following new section:

"§ 1507. Picketing, parading, and causing noises in or near Unted States courts.

"Whoever participates in picketing, parading, or causing noises in or near a building wherein a court of the United States is being held, or which is being used by a judge, juror, witness, or other court officer, in a manner which impedes, obstructs, or interferes with the administration of justice, shall be fined not more than $1,000 or imprisoned not more than 6 months, or both.

SEC. 2. The analysis of chapter 73 of title 18 of the United States Code is hereby amended by adding at the end thereof the following: "1507. Picketing, parading, and causing noises near courts."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUREAU OF PRISONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1859) 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.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this is merely the transfer of some land?

Mr. RANKIN. That is right. It has been requested by the Department of Justice, and that request is concurred in by the Veterans' Administration. There is no controversy.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following-described tract of land containing approximately three hundred seventy-nine and one-tenth acres, more or less, including improvements, if any, now under control of the Administrator of Veterans' Affairs, is hereby transferred to the possession, control, and jurisdiction of the Attorney General of the United States for the use of the Bureau of Prisons:

A plot of ground being at the western boundary of the United States Veterans' Administration Hospital holdings in Ross County, Ohio, and starting at U. S. Monument 168 thence south seventy-eight degrees two minutes forty-four seconds west for a distance of six hundred seventy-four and thirty one-hundredths feet to U. S. Monument 169, thence south eighty-two degrees two minutes thirty-two seconds west for a distance of two thousand three hundred twenty-eight and three one-hundredths feet to U. S. Monument 175, thence north forty-two degrees fifty-six minutes thirty-six seconds west for a distance of one thousand nine hundred eighty and sixty-five one-hundredths feet to U. S. Monument 178, thence north thirty-four degrees six minutes forty-three seconds east for a distance of one thousand seventy-seven and thirty-five one-hundredths feet to U. S. Monument 180, thence north sixty-seven degrees ten minutes forty-two seconds west for a distance of six hundred and fourteen feet to U. S. Monument 182, thence north seventy-seven degrees fifty-seven minutes thirty-eight seconds east for a distance of one thousand three hundred twelve and seventy one-hundredths feet to U. S. Monument 184, thence north ten degrees nineteen minutes thirty-two seconds west for a distance of eight hundred fifty-nine and six one-hundredths feet to U. S. Monument 186, thence north eleven degrees forty-eight minutes twenty seconds west for a distance of five hundred seventy and twenty-one one-hundredths feet to U. S. Monument 188, thence north eleven degrees twenty-one minutes fifty-eight seconds west for a distance of one thousand seven hundred seventy and eighty-seven one-hundredths feet to U. S. Monument 190, thence north sixty-eight degrees twenty-eight minutes fifty-two seconds east for a distance of two thousand four hundred fifty-one and eighty one-hundredths feet to U. S. Monument 193, thence on a bearing of north twelve degrees twelve minutes forty-seven seconds west in a southeasterly direction for approximately six thousand six hundred and thirteen feet to point of beginning, said tract now being occupied and used by the Federal Reformatory at Chillicothe, Ohio, and being a portion of the land described in a permit dated March 20, 1928, executed by Frank T. Hines, Director, United States Veterans' Bureau, in favor of the aforesaid Bureau of Prisons.

SEC. 2. The transfer provided for in this act shall be effected without reimbursement or transfer of funds.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF LAND TO MILWAUKEE COUNTY, WIS.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2298) to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, this is a transfer of land from the Federal Government to Milwaukee County?

Mr. RANKIN. That is right, and there is no objection on the part of the Veterans' Administration.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to (1) convey by quitclaim deed the lands described in section 2 of this act as parcels I and II, part of the lands of the Veterans' Administration center at Wood, Wis.; and (2) lease for a period of 20 years the land described in section 2 of this act as parcel III, also part of the lands of such Veterans' Administration center, to Milwaukee County, a municipal subdivision of the State of Wisconsin: *Provided*, That Milwaukee County pay one-half the appraised market value of parcels I and II, and a fair yearly rental for parcel III, as determined by the Administrator of Veterans' Affairs.

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

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

Parcel II. That tract of land located in the northeast quarter of section 35, township 7 north, range 21 east, and described, in general, as follows: Beginning at the intersection of the east line of Forty-fourth Street and the north line of section 35 and running thence west along the north line of section 35 to the northwest corner of the

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

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

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF VETERANS' HOSPITALS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, will the gentleman from Mississippi tell us what this bill does?

Mr. RANKIN. Yes. This relates to the 16,000 hospital beds, the construction of which was suspended last year. We have found that they are absolutely necessary. The appropriation has already been made for them.

Mr. CASE of South Dakota. There is already authority and funds to proceed with these hospitals.

Mr. RANKIN. This is a direction to construct them.

Mr. CASE of South Dakota. When the budget estimate came before the Appropriations Subcommittee for Independent Offices this year the committee print as submitted by the Bureau of the Budget included language which proposed to rescind the appropriations that had heretofore been made and the authority for the construction of these hospitals.

The subcommittee of which I am a member, and which is headed by the gentleman from Texas [Mr. THOMAS], canvassed the situation and decided that we would simply not include the Budget proposal for the rescission of the funds and the authority. Consequently, they were not included in the bill, and the funds and the authority still exist.

Of course, I do not intend to object to the consideration of this bill because it would be somewhat inconsistent with the idea the Committee on Appropriations had in mind, but I must call attention to the fact that these hospitals could be built today if the President were simply to release his order to the Administrator of Veterans' Affairs suspending proceeding with the construction.

We asked the Administrator of Veterans' Affairs whether this was a decision made by the Veterans' Administration. He said it was not, that action to withhold the letting of contracts and the advertising for bids was not a decision made by the Veterans' Administration but was a decision made by the Bureau of the Budget and the President.

In that event, I am wondering what can be accomplished by the passage of this bill. In any event, the bill will go to the President ultimately for signature. All he has to do to confirm his prior action is to simply withhold placing his signature on the bill. Even if it were passed, it still would be within the province of the President to direct the executive agencies not to proceed, to hold the money in suspension, to freeze the funds in fact.

The gentleman from Mississippi will certainly recall that in the fall of 1946, when money had been appropriated for the prosecution of certain river and harbor and flood-control projects, the President directed through the Bureau of the Budget that the construction money be held up, and projects all over the country were suspended. Some of them were released a few days before a certain date in November, notably the one at Louisville, Ky., about which there was considerable discussion at the time. But since this is a discretionary matter within the province of the President, I personally do not see what you are going to accomplish by the passage of the legislation.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I do not think there has ever been more sentiment for anything than there is for the building of these hospitals. The Committee on Appropriations approved it—the amount of the authorization—and I believe this building should go ahead at this time.

Mr. CASE of South Dakota. I would like to ask either the gentleman from Mississippi or the gentlewoman from Massachusetts whether any evidence was presented before your committee which would indicate that if this bill is passed the President will rescind his former decision and actually proceed with the construction of this hospital.

Mr. RANKIN. This is a direction to the Veterans' Administration to go ahead and build these hospitals. The money is already appropriated. It is in the bill now.

Mr. CASE of South Dakota. Will the resolution be effective without the signature of the President?

Mr. RANKIN. There are a great many of these young men who are now in jail all over the United States because of the lack of hospitals.

Mr. CASE of South Dakota. Will the gentleman from Mississippi please answer my question, and, if not, I will have to decline to yield to him further and seek the information elsewhere. I want to know whether or not the Committee on Veterans' Affairs has received any assurance that the President will now recede from his former position and proceed with the construction.

Mr. RANKIN. We have received no message from the President on that question.

Mr. CASE of South Dakota. Does the gentleman have any idea that the President will sign this bill if it is passed?

Mr. RANKIN. I am confident he will sign it.

Mr. CASE of South Dakota. If the gentleman feels confident of that, on what does he base his confidence?

Mr. RANKIN. Simply because of the necessity that now exists. I tried to tell the gentleman from South Dakota [Mr. CASE] just a moment ago that our jails throughout the country are being filled up with nervous cases, men who are broken down who went through this war, and this stalling in the construction of these 16,000 beds is one of the causes of that condition.

Mr. CASE of South Dakota. Where does the stalling exist? In the opinion of the gentleman, where does this stalling exist?

Mr. RANKIN. We are trying to overcome the stalling in Congress with this resolution.

Mr. CASE of South Dakota. There is no stalling in Congress. We have appropriated funds and created additional contract authority and refused to rescind it. Where does the stalling exist? Authority exists today for the building of these hospitals. The money is appropriated. The contract authority exists today. There is only one place where there is any stalling on this, and it is not at this end of Pennsylvania Avenue.

Mr. RANKIN. All right, but we are merely doing our duty by the passage of this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. RICH. As I understand it, legislation was passed for the construction of hospitals which the Veterans' Administration and the President held up, is that correct?

Mr. CASE of South Dakota. The Veterans' Administration testified before the Committee on Appropriations that it was not the Veterans' Administration that held them up, but that the suspension of the letting of contracts came from the administration.

Mr. RICH. Evidently the President had information that there were more authorizations than were necessary according to the requirements to take care of the veterans, and that is the reason he held them up. Is that the case?

Mr. CASE of South Dakota. I do not know what information the President had. I know he held them up. Presumably he had information which made him think that these beds or at least some of them were not needed. The gentleman from Mississippi says that the jails are filled with people who ought to be in hospitals. That information should be available to the President. He has full authority to act now or at anytime when the need is shown to him.

Mr. RICH. Now, that does not sound good to me—that anybody in this country, the President of the United States or anybody would want to have veterans in jail when they ought to be in hospitals. I think if the President of the United States is holding this up, and the Committee on Appropriations is holding it up, I do not think we ought to consider it here now under suspension of the rules.

Mr. RANKIN. No such statement was made.

Mr. CASE of South Dakota. No, the Committee on Appropriations did not hold up the construction; on the contrary, the Committee on Appropriations did hold up the rescission of funds and contract authority which was proposed by the Bureau of the Budget. We declined to destroy the authority. We left things so the President could direct the Veterans' Administration to proceed with the construction at anytime—today, if he so decides.

Mr. RICH. Mr. Speaker, it seems to me that this proceeding is not in accordance with good sound business to bring this up by unanimous consent at this time. I think the bill ought to be brought up on the floor in the regular way so that we could take our time on it and get both sides of the question. I want to help the veterans. I think there comes a time in the life of this country when we have to consider these facts and the real reasons why we ought to pass bills. I have not heard where they have any veterans in jails who ought to be in hospitals.

Therefore, Mr. Speaker, I object.

Mr. RANKIN. The gentleman from Pennsylvania objects. There are several of these hospitals in Pennsylvania, and many of the boys are in jail suffering as a result of not having these hospitals.

Mr. RICH. Let me say to the gentleman from Mississippi that if he is trying to point his finger at me as putting the boys in that position, I want to say that he is on the wrong track. I am for complete hospitalization.

Mr. RANKIN. I am merely stating the facts. I hope the gentleman will withdraw his objection.

The regular order was demanded.

Mr. RICH. Mr. Speaker, I object.

The SPEAKER pro tempore (Mr. COOPER). Objection is heard.

BOOKER T. WASHINGTON HOSPITAL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6034) to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. CANNON. Reserving the right to object, Mr. Speaker, in this morning's CONGRESSIONAL RECORD reference is made in the proceedings of another body to proposals to "discipline the House of Representatives."

In the course of debate on the subject a distinguished Member of the other body said:

> The House refuses adamantly to adopt conference reports.

Mr. Speaker, quite the contrary is true. It is the Senate managers who refuse to adopt conference reports. The House has agreed to every important amendment added by the Senate to the ECA bill except the two small items referred to and merely asks that those two items be taken back for a vote in the two Houses. The Senate has not receded on a single consequential amendment in disagreement and refuses to take the two items back for a vote. The Senate demands surrender on the part of the House on every item.

One of the amendments is an appropriation of $344,000 for the "smelling committee." The other item is an appropriation for a review of the dismantling of plants in Germany which have just been turned over to the new Commissioner, John J. McCloy, who succeeds General Clay. The House does not ask the Senator to yield on these two amendments which the Senate has tacked on the bill but merely asks the Senate conferees to take them back for a vote in the Senate. The House has already voted on the smelling amendment and instructed its conferees to resist the expenditure—by a decisive vote of 210 to 164. Where one House has voted specifically on an amendment in disagreement it is customary for the other House to yield or take it back to their own House for a vote. The Senate conferees refuse to do that.

The debate, as reported in this morning's RECORD, completely ignores the governing practice of conferences. Under immemorial custom the House which injects material producing a stalemate between the two Houses accepts responsibility for delay or failure of the measure involved. Here are citations from the authorities:

> According to the unwritten rule of conference, the House proposing an amendment on which agreement cannot be secured must recede or accept responsibility for failure of the bill (VIII, 3209; IV, 3904–3908). (Procedure in the House of Representatives, p. 125.)
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> 3209. On July 3, 1930, in the Senate, Mr. James E. Watson, of Indiana, in the course of debate on the conference report on the bill (H. R. 13174) to amend the World War Veterans' Act, said:
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> "When one House makes a decided and determined stand on a bill the other House has amended, and it looks as if there is going to be a sure deadlock, it is the business of the House that put the amendment into the bill to recede from that amendment or be responsible for the defeat of the legislation.
>
> "The conferees on the part of the Senate did make a determined stand on these amendments, but the House, backed by a letter from the President of the United States, written while the conference was in session, insisted that we recede. We knew with that stand of the President of the United States and with the stand of the House of Representatives, that unless we did recede, under the rules of conference, this legislation would be lost and the veterans would not be pensioned. That is the rule of conferences, I will say to the Senator." (Cannon's Precedents.)
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> 3905. It was very early insisted on as a principle that, where one House proposes to an appropriation bill an amendment firmly resisted by the other, the proposing House should recede.
>
> On February 6, 1818, the House insisted on their disagreement to the first amendment of the Senate to the bill making appropriations for the military service of the United States for the year 1818.
>
> On February 12 the managers reported in their respective Houses that the conference, after being continued as long as there was any prospect of arriving at a favorable result, terminated without the conferees of the two Houses being able to come to any agreement on the subject thereof.
>
> If either branch of the Legislature determines that it will not make the great mass of necessary appropriations while there remains one unprovided for, which it considers to be proper, it throws upon the other branch the necessity of concurring in an appropriation which it may believe that neither the law nor the public interest requires, or of endangering all the appropriations of the Government.
>
> As the conferees of the Senate, through the objections urged by the House of Representatives to the course pursued by the Senate, that it made the passage of the large number of appropriations in which both Houses concur depend upon that of one in respect to

which they differ—an objection inapplicable to the subject—the committees were obliged to separate without agreeing on the subject of the Senate's amendment.

On February 16 a message from the Senate announced that they had receded from their amendment. Thereupon the bill was enrolled and duly signed. (Hinds' Precedents.)

3906. The principle seems to be generally accepted that the House proposing legislation on a general appropriation bill should recede if the other House persist in its objection.

On June 10, 1896, a condition of prolonged disagreement between the House and Senate was existing as to certain Senate amendments to the sundry civil appropriation bill.

In the House, when this disagreement was under discussion, Mr. Joseph G. Cannon, of Illinois, chairman of the Committee on Appropriations, and the Member in charge of the bill, said:

"Under all parliamentary precedents the body proposing legislation, when the other body will not assent, recedes; and if the Senate, proposing legislation in this case, lets this bill fail because the House will not assent to the legislation, then let the responsibility be upon the Senate. * * * The man who has read the history of his country understandingly in the parliamentary contests in 1878, 1879, and 1880 understands—and this contest began before the breaking out of the late war—that the rule is unvarying that the body proposing legislation as a rider upon a money bill must recede if the other body will not assent."

In the Senate, in the discussion of the same disagreement, Mr. John Sherman, of Ohio, said:

"It has always been, so far as I know, the custom in the Senate, and also in the House of Representatives as well, where there is a disagreement between the two Houses threatening to defeat the passage of an important appropriation bill—and it is the only true rule that can be applied to such a case—that the House proposing the amendment which is firmly resisted by the other House ought to recede from the amendment."

In 1860 the House of Representatives undertook to reduce as much as possible the appropriations for the support of the Government.

During that session when an appropriation bill came to the Senate, the Senate attached an appropriation for the expenditure of half a million dollars for a public building at New Orleans and a half million dollars for a public building at Charleston.

When the bill was returned to the other House with the amendment, the House struck out the amendment and insisted upon its action. Whenever the Senate of the United States undertakes to force upon the House of Representatives an appropriation it goes beyond the limits of its power. It may insist; it may hold on and continue debating until probably the House will be wearied; but, after all, if the House of Representatives says "No" definitely, the appropriation ought not to be made; and it is equally true that if the House should insist upon an appropriation to which the Senate is opposed, and the Senate says, "We will not agree to that; we are opposed to it; it is wrong," or "It should not be appropriated at this time," as a matter of course the House would have to recede.

It is only by the adoption of the two Houses of such a rule that we can get along at all with our appropriations. We may insist and insist, but when the time comes when we must choose between the passage or the defeat of appropriation bill, then, as a matter of course, the House proposing the disputed proposition must withdraw it. (Hinds' Precedents.)

Both amendments on which the conferees are deadlocked are amendments added by the Senate. Under the practice, the Senate must withdraw the offending amendments or accept responsibility for the delay. They have thrown the monkey wrench into the machinery and under the established practice of conferences it devolves on them to take it out.

Furthermore, Mr. Speaker, the delay in the conference on the Civil Functions bill is due directly and specifically to the action of the managers on the part of the Senate, as they by unanimous vote on a motion entertained by the chairman of the conference, as reported by the House conferees on page 10373 of the CONGRESSIONAL RECORD for July 28, 1949, refused to further confer with the House conferees until after the disposition of the ECA bill. The ECA bill has not yet been disposed of, and, in conformity with the vote of the Senate managers, conference on the civil functions bill awaits action on the ECA bill.

So far as responsibility for delay on the appropriations bills is concerned it is only necessary to call attention to the fact that two of the most important appropriation bills, the armed services appropriation bill, and the Interior Department appropriation bill, carrying aggregate appropriations in excess of $13,000,000,000 passed the House and were messaged over to the Senate on April 13 and March 30, respectively, and today—more than 4 months later have not been returned to the House.

(Mr. CANNON asked and was given permission to revise and extend his remarks and include certain citations.)

The SPEAKER pro tempore. Is there objection?

Mr. RANKIN. Mr. Speaker, let me say that this bill is for the construction of a veterans hospital at the home of Booker T. Washington in Virginia. The representatives of the Booker T. Washington Foundation came before the committee, and with them was Booker T. Washington's daughter. When they got through with their presentation the committee reported this bill out.

I hope there will be no objection, and that it may be passed, and passed by the other body, and that this construction may be proceeded with at once.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

Mr. CHUDOFF. Mr. Speaker, this is a bill providing for the establishment of a segregated hospital at Booker T. Washington's home in Virginia. I have no objection to the hospital being named Booker T. Washington Hospital, but I do object to $5,000,000 of hospital funds being used for the erection of a segregated hospital, and I therefore object.

Mr. RANKIN. This does not provide for a segregated hospital, it says a Negro veterans hospital.

Mr. CHUDOFF. It says, "An all Negro hospital."

Mr. RANKIN. It reads: "Suitable site and erect thereon a hospital for Negro veterans." The Negroes want it, and the white people of the area want it. We have an all-Negro veterans' hospital at Tuskegee, Ala., and there is no reason why we should not have one in Virginia.

Mr. CHUDOFF. Mr. Speaker, I object.

INCREASE OF COMPENSATION FOR CERTAIN EMPLOYEES OF DEPARTMENT OF MEDICINE AND SURGERY OF VETERANS' ADMINISTRATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6022) to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill and the reasons for it?

Mr. RANKIN. The bill increases the pay of the medical personnel in the Veterans' Administration, Department of Medicine and Surgery.

Mr. MARTIN of Massachusetts. They are all in that one department?

Mr. RANKIN. Yes, that is right. This bill increases the pay of medical personnel in the Veterans' Administration Department of Medicine and Surgery.

This action is necessary in order to permit the Veterans' Administration to continue employment of competent medical personnel and meet the competition provided by private practice, and other service in Federal medical departments.

The bill as reported places the Veterans' Administration medical personnel on a parity with medical officers serving in the Army, Navy, and Air Corps under the terms of legislation passed by the House and reported in the Senate; strongly supported by all service organizations and the Veterans' Administration; first-year cost approximately $6,000,000.

Mr. MARTIN of Massachusetts. Does the gentleman know how much it will cost?

Mr. RANKIN. The first year cost will be $6,000,000.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act of January 3, 1946, as amended (Public Law 293, 79th Cong., 59 Stat. 675; 38 U. S. C. 15), is amended as follows:

(1) Subsection (a) is amended to read as follows: "The office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed eight Assistant Chief Medical Directors, and such other personnel and employees as may be authorized by this act."

(2) Subsection (b) is amended by striking out the figures "$12,000" and substituting therefor "$16,000."

(3) Subsection (c) is amended to read as follows: "The Deputy Chief Medical Director shall be the principal assistant of the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such the Deputy Chief Medical Director shall be paid a salary of $15,000 a year."

(4) Subsection (d) is amended to read as follows:

"Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $13,000 minimum to $14,000 maximum: *Provided*, That one Assistant Chief Medical Director shall be a qualified doctor of dental surgery who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service. Not to exceed 20 directors of service or chiefs of division, designated by the Chief Medical Director, shall, within the limitations otherwise prescribed in this act, be paid a salary of $11,500 minimum to $12,500 maximum."

(5) Subsection (e) is amended by striking out the figures "$8,000" and substituting therefor "$10,000", and striking out the figures "$7,000" and substituting therefor "$8,800."

(6) Subsection (f) is amended by striking out the figures "$6,000" and substituting therefor "$8,800."

SEC. 2. Section 7 (a) of said act of January 3, 1946, as amended, is hereby amended to read as follows:

"The grades and per annum full-pay ranges for positions provided in subsection (a) of section 4 of this act shall be as follows:

"MEDICAL SERVICE

"Chief grade, $10,000 minimum to $11,000 maximum.

"Senior grade, $8,800 minimum to $9,800 maximum.

"Intermediate grade, $7,600 minimum to $8,600 maximum.

"Full grade, $6,400 minimum to $7,400 maximum.

"Associate grade, $5,400 minimum to $6,400 maximum.

"Junior grade, $5,000 minimum to $5,750 maximum.

"DENTAL SERVICE

"Chief grade, $10,000 minimum to $11,000 maximum.

"Senior grade, $8,800 minimum to $9,800 maximum.

"Intermediate grade, $7,600 minimum to $8,600 maximum.

"Full grade, $6,400 minimum to $7,400 maximum.

"Associate grade, $5,400 minimum to $6,400 maximum.

"Junior grade, $5,000 minimum to $5,750 maximum.

"NURSING SERVICE

"Assistant Director, $6,400 minimum to $7,400 maximum.

"Senior grade, $5,400 minimum to $6,400 maximum.

"Full grade, $4,600 minimum to $5,350 maximum.

"Associate grade, $4,000 minimum to $4,800 maximum.

"Junior grade, $3,400 minimum to $4,200 maximum."

SEC. 3. Section 8 (d) of the said act of January 3, 1946, as amended, is hereby amended by striking out the figures "$11,000" and substituting therefor "$12,000."

SEC. 4. Section 11 of the act of January 3, 1946, as amended (Public Law 293, 79th Cong.; 38 U. S. C. 15), is amended by substituting a period for the colon immediately preceding the last proviso and by deleting the said last proviso.

SEC. 5. This act shall become effective on the first day of the second calendar month following the date of enactment of this act.

Mr. ALLEN of Louisiana. Mr. Speaker, I rise in support of this bill. I introduced this bill because I reached the conclusion that it was very necessary to increase the salaries of doctors and nurses in our veterans' hospitals if we are to keep the doctors and nurses we now have and attract new ones. The Veterans' Affairs Committee after exhaustive hearings reached the same conclusion. We now have 105,409 beds in operation, but we have 4,154 beds closed because we do not have enough doctors and nurses to staff them properly. These closed beds are scattered all over the Nation in the various hospitals.

When we wrote the present medical bill, Public Law 293 of the Seventy-ninth Congress, we were assured that the salary schedule therein stated would be sufficient to enable the Chief Medical Director to employ the right kind of medical help and a sufficient number to properly staff our hospitals, but we have found that the pool of doctors and nurses in the Nation is so low and the demand for them so great and the competition so keen in various fields that we are actually losing doctors and nurses from our veterans' hospitals and find it practically impossible to recruit new ones. The Army, the Navy, the Public Health Service and the field of private practice are all competing for doctors and nurses at this time of great scarcity of such. I think I am correct in saying that the salaries in these other fields have been increased and we all know that in private practice doctors and nurses are doing exceedingly well. The result of the whole thing is that we are having to close beds in our hospitals, as I said, and have actually closed 4,154. The Veterans' Administration tells us that it has lost 320 doctors in the last 12 months, many of these to go into private practice or other lines which paid more. We are, therefore, face to face with the fact that unless we take some step like this, we will have a growing shortage of doctors and nurses.

We do not contend that the passage of this bill will completely solve the doctor and nurse situation, but the testimony shows that it will go a long way to do that. Frankly, I would have preferred to have increased the salaries more than is proposed in this bill, and we may find later that it is necessary to do that. The schedule of salaries in this bill, I will say to the House frankly, was suggested by top men in the Veterans' Administration medical set-up and I hope very much that this bill will be passed speedily by both Houses and then we will be able to determine the effect of it in actual operation.

I think I should bring to the attention of the House also at this time that in addition to the 105,409 beds which we now have, we have under construction at this time additional buildings which will increase the number of beds between eight and nine thousand. The Veterans' Administration doctors testified that to do the right sort of job they actually need 746 more doctors right now with the present beds we have and that the eight or nine thousand additional beds will call for about 300 more doctors. That all adds up to the fact that when the present beds now under construction are finished within the next few months, we will be short more than a thousand doctors. I say this to emphasize the importance of passing this bill which gives the Veterans' Administration a chance to remedy this situation as far as we can, even if it will not completely answer the problem. I hope that the House will give this bill a unanimous vote.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REHABILITATION ASSISTANCE FOR CERTAIN DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2146) to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. RANKIN. Yes. This bill amends the Paraplegic Housing Act to provide specially adapted housing for the following types who have lost the use of their lower extremities:

Amputees, ankylosis—stiffness of the joint, progressive muscular distrophies, defective nutrition of muscles, and paralysis.

Disease or injury must result in such a loss as to preclude locomotion without the use of braces, crutches, cane, or wheel chair.

The law being amended limits the contribution of the Government to $10,000 per house.

Approximately 3,000 cases involved at a total estimated cost of $20,000,000.

Mr. MARTIN of Massachusetts. Why were these eliminated originally from the program?

Mr. RANKIN. It was an oversight; it was not intended to leave them out in the first place; it was an oversight.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (g) of section 1, title I, Public, No. 2, Seventy-third Congress, as added by Public Law 702, Eightieth Congress, approved June 19, 1948, is hereby amended to read as follows:

"(g) Any person who served in the active military or naval service of the United States who is entitled to compensation under the provisions of Veterans Regulation No. 1 (a), as amended, for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, shall be entitled to assistance in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the person's disability, and necessary land therefor, subject to the provisions and limitations of

Veterans Regulation No. 1 (a), as amended, part IX."

SEC. 2. Paragraph 1, part IX, of Veterans Regulation No. 1 (a), as added by Public Law 702, Eightieth Congress, approved June 19, 1948, is hereby amended to read as follows:

"1. The Administrator of Veterans' Affairs is authorized, under such regulations as he may prescribe, to assist any person (hereinafter referred to as 'veteran') who served in the active military or naval service of the United States, who is entitled to compensation under the provisions of this regulation for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor: *Provided*, That the regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (a) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (b) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (c) that the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PURCHASE OF AUTOMOBILES OR OTHER CONVEYANCES BY CERTAIN DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

The Clerk read the title of the bill.

Mr. KEARNEY. Mr. Speaker, reserving the right to object, will the gentleman from Mississippi inform me at this time whether it is proposed to offer any amendments to this bill?

Mr. RANKIN. I do not know.

Mr. KEARNEY. I would like to have that assurance.

Mr. RANKIN. There is one committee amendment, a clarifying amendment, which is printed in the bill.

Mr. KEARNEY. Is that the Wheeler amendment?

Mr. RANKIN. It provides for World War I veterans. That is the only amendment the committee proposes to offer.

Mr. KEARNEY. I would like to ask the gentleman from Georgia if he intends to offer his amendment.

Mr. WHEELER. Yes.

Mr. KEARNEY. Then, Mr. Speaker, I shall have to object.

Mr. WHEELER. If the gentleman will withdraw his objection, I will not offer this amendment.

Mr. KEARNEY. I will withdraw the objection on the understanding that the gentleman not offer his amendment.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That, subject to the conditions hereinafter set forth, the Administrator of Veterans' Affairs is authorized and directed to provide or assist in providing an automobile or other conveyance, by paying on the purchase price of such automobile or other conveyance not to exceed $1,600, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran of World War II who is entitled to compensation under the laws administered by the Veterans' Administration for any of the following:

(a) Loss or permanent loss of use of one or both feet;

(b) Loss or permanent loss of use of one or both hands;

(c) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than twenty degrees in the better eye.

SEC. 2. The benefits of section 1 shall be granted under the following conditions:

(a) That under such regulations as the Administrator may prescribe the furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran.

(b) The United States shall not be liable for the repair, maintenance, or replacement of any automobile or other conveyance provided under the provisions of the first section of this act and shall not be liable to any person by reason of any damage caused by the use of such automobile or other conveyance.

(c) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this act; and no veteran who has received or may receive an automobile or other conveyance under the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, shall be entitled to receive an automobile or other conveyance under the provisions of this act.

(d) The benefits provided in this act shall not be available to any veteran who has not made application for such benefits to the Administrator within 3 years after the effective date of this act, or within 3 years after the date of the veteran's discharge from the armed forces if the veteran shall not be discharged until on or after said effective date.

(e) Any automobile or other conveyance furnished any veteran pursuant to this act shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

(f) After enactment of this act, any automobile or other conveyance heretofore furnished any veteran under the provisions of the paragraph heading "Veterans Administration" in the First Supplemental Appropriation Act, 1947, as amended, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

With the following committee amendment:

Page 1, line 10, at the beginning of the line insert the words "World War I and."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INSTITUTIONAL TRADE AND INDUSTRIAL TRAINING FOR VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5833) relating to full-time institutional trade and industrial training for veterans.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what this bill does?

Mr. RANKIN. May I request the gentleman from Georgia [Mr. WHEELER] to explain the bill.

Mr. WHEELER. I may say to the gentleman that this merely defines that which constitutes vocational training. It does this in effect: Where vocational training is being carried on in public schools the veteran trainees will be allowed to construct or to gain manipulative training in their vocational schools by building something worth while, such as improvements to a school building, confined to public-school property, instead of being required, as the Veterans' Administration now requires them to do, to build dummy walls and kick them down again at a terrific expense to the Federal Government.

Mr. MARTIN of Massachusetts. Is that the only thing the bill does?

Mr. WHEELER. That is essentially it. I have one clarifying amendment.

Mr. MARTIN of Massachusetts. They are doing something useful?

Mr. WHEELER. Yes.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Tennessee.

Mr. SUTTON. It so happens this has been the practice up until about 3 months ago.

Mr. WHEELER. Until February 1.

Mr. SUTTON. Then there was an order that went over to the Attorney General's office to see whether or not they could do it. A clarifying report has not come out yet. This simply clarifies it and lets them work on public buildings.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. It seems to me that if the veterans can construct something that is really worth while and for the benefit of the veterans and for the benefit of the country they ought to be permitted to do it, regardless of whether it belongs to that school or not.

Mr. WHEELER. I may say to the gentleman from Pennsylvania that it is confined to public-school property so that

the federally subsidized laborers will not be in competition with general labor.

Mr. RICH. If they can make something that is constructive and really worth while, they should not be compelled to destroy it, if it is for the permanent good of the people of this country. I hope the gentleman will broaden his amendment so that these veterans might gain the knowledge that they get from these schools and put it into practical application for the good of everybody.

Mr. WHEELER. I completely agree with the gentleman. He has stated the purpose of the bill.

Mr. BURTON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Virginia.

Mr. BURTON. I may say to the gentleman from Pennsylvania this also is necessary so that the veterans may work in the programs in connection with our high schools.

Mr. RICH. I think it is a good bill and they are doing a fine job.

Mr. TEAGUE. Mr. Speaker, on June 22, 1944, Congress passed what is known as the Servicemen's Readjustment Act, or the GI bill. In establishing the GI bill of rights, the Congress of the United States guarantees eligibility of training to every veteran in the United States who served honorably in excess of 90 days. Since this bill was passed millions of veterans have received training in the college level and below college level training. Approximately 43 percent or nearly 7,000,000 veterans have at one time or another had training under Public Law No. 16 or the GI bill; about 500,000 under Public Law 16 and the remainder under the GI bill.

Public Law 16 is the act which provided education benefits for disabled veterans for the purpose of restoring their ability of earning a living despite their handicap. I am sure that the GI bill has been abused, both by the veterans and by the citizens of our country who were trying to make money out of the GI bill of rights. But I have talked with leading educators in this country who say that the benefits that our country will derive from the education that these young men have and are receiving through the GI bill will be of such value that it is impossible to put a monetary value on it.

Last year the Veterans' Administration asked for some $8,000,000 which they said was to be used in screening veterans going to school and would save the Government about $150,000,000. When they could not get this appropriation, they went to the Members of Congress on the Appropriations Committee and after leading them to believe that none of our GI schools were good they talked them into adding an amendment to an appropriation bill which tends to destroy all veteran schooling and all vocational schools except those which were in existence prior to June 22, 1944, the date of the enactment of the GI bill.

If the Veterans' Administration had been honest in what they were trying to do, they would have gone to the Veterans' Affairs Committee of either the House or Senate and asked that a bill be passed limiting this training. I do not agree that a veteran should be allowed to take baking one year, dancing the next year, and then photography the next. The Veterans' Administration have led Members of Congress to believe that every person connected with the GI schooling is doing nothing except trying to feather his own nest. They have led people to believe that every school is dishonest and that every veteran going to these schools is interested only in the money he can get by attending these schools.

The second proviso of paragraph 1 of Public Law 266, Eighty-first Congress, approved August 24, 1949, states in part:

> That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition fees or other charges, for any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act.

I would certainly not object to this provision if it had not been made retroactive, but it is certainly not fair or honest to our citizens of this country who have honestly put their money into schools and then have such a ruling as this be passed. If it required in the future that the school be in operation for 1 year, then I think it would be a very good provision in the law.

Immediately following the passage of Public Law 266 the Veterans' Administration Central Office, Washington, D. C., issued a very arbitrary interpretation of Public Law 266 and extended the 1-year operating clause to changes of ownership, changes of location, schools with less than 25 students, public schools in leased buildings, and new courses in public and private schools. Since this regulation was first put out the Veterans' Administration has relaxed on a number of points, with particular reference to public schools. If there has ever been an example of a Government agency doing by regulation what they could not secure by legislation, this is the most perfect by far.

I have seen correspondence from Mr. Sterling to some of the Congressmen in which he has attempted to evade the issue and has stated that the Veterans' Administration has not declared schools or courses started after June 22, 1944, are avocational. However, instruction 1–A does not make an outright statement that the schools and courses started after June 22, 1944, are avocational, but these courses are not exempt; therefore, veterans are required to justify their entrance into courses started after June 22, 1944, as they do in dancing and bartending schools.

Texas has about 800,000 veterans, and at the time the Servicemen's Readjustment Act was passed the educational facilities of Texas were heavily loaded with civilian students and were not sufficient to accommodate the large number of veterans wishing to take advantage of the GI bill of rights. Therefore, the facilities of training men at below college level were inadequate. In an effort to meet the demands the public and private schools of Texas expanded their facilities and a number of new schools were established. During the period of June 22, 1944, and September 1, 1947, the Veterans' Administration surveyed schools and recommended approval. Under the Veterans' Administration approval program a great many private schools sprang up throughout Texas.

On September 1, 1947, the Texas State Approval Agency was organized and all schools and on-the-job training establishments training veterans under Public Law 346 were resurveyed in accordance with standards published by the Texas State Approval Agency. As a result of this survey, approval was removed from approximately 300 schools which had been previously set up by the Veterans' Administration. After September 1, 1947, strict standards for buildings, equipment, teachers, and training programs were enforced. An extensive effort has been made throughout the State of Texas by institutions of higher learning, the State board for vocational education and the junior colleges, private schools, veterans' organizations, and the Texas State Approval Agency to improve the quality of the veterans' training program and provide training facilities for veterans eligible for training under the GI bill of rights.

At a time when the veterans training program is at a peak in Texas and serving approximately 130,000 veterans, the Veterans' Administration has issued arbitrary interpretations of Public Law 266 (81st Cong.), which in my opinion have gone far beyond the intent of Congress and if not changed will greatly curb the veteran training program in Texas and the whole United States.

It is my belief the Veterans' Administration wants to wipe out all veteran enrollment in vocational schools except those in existence prior to June 22, 1944. I believe they are going to discourage veterans from taking any kind of part-time courses by delay and making the veteran go through so much red tape that he will give up and quit. They are also going to prevent veterans from reentering any training after having completed or discontinuing one course of educational training.

Under the new regulations issued by the Veterans' Administration, veterans are placed in four groups. The first group is a new veteran who has never trained under the GI bill and applies for training for the first time. The second is the veteran who has interrupted his training due to sickness, employment, change of address, financial or other reasons, and who desires to enroll in the same institution and same course. Third, is the veteran who is training in a course, for example, auto fender and body repair, and desires to change his course to a related course, say auto mechanics or a combination welding course. The fourth is the veteran who completes a course of training, for example, cabinet making, and desires to follow up in a related course, furniture upholstering and refinishing.

In the past, a new veteran was enrolled by an approved institution, his enrollment papers were forwarded to the

regional office of the VA and the veteran started in the class of his choice on the day he enrolled. The veteran was approved retroactive to the date on which he started training, and subsistence was paid from that date. Under regulations 1 and 1–A, the new veteran must complete his enrollment papers stating the course of his desire and justify his reasons for picking this course. These papers must be forwarded to the regional office and then referred to the Registration Research Division for review and approval. The veteran cannot start to class until he receives an approval from the regional office.

Now, down at Texas A. and M. College, in my district, they have trained some 25,000 veterans and of that number, approximately 8,000 of them did not have VA approval when they arrived on the campus. In reviewing the veteran's request, the regional office may determine that the veteran must go through advisement and guidance and be subjected to various aptitude tests. The Veterans' Administration may change the course of his choice, say, for example, cabinetmaking to a course they have decided on, baking or barbering, or they may approve him for the course he selected.

But what has happened to the veteran during all this time? He is without a job or financial aid because he came to a school to learn under his entitlement. I am afraid that in most cases he will be subjected to endless delay and red tape and neglect while the VA decides what course he will be allowed to train in, if any, and where he may take his training.

Now, let us look at the veteran who has interrupted his training temporarily due to any reason or many reasons and who desires to enroll in the same course or the same institution. In the past, all the veteran had to do was enroll on a simple form known as No. 1909. He started to class that day and subsistence began on that day. He merely started where he had left off.

Now, under the new rulings, the veteran's privilege of reentering is practically destroyed. He must prepare a complete justification for the Veterans' Administration and he must show why he had to interrupt his course and why he wants to resume the course. He must establish sufficient proof of his intentions in a course he had been training in for months. The veteran cannot start to class, nor will he draw benefits until finally approved by the VA. The VA Registration and Research Division will review his case and in some cases they may send him through the advisement and guidance division for aptitude tests. Even though he may be two-thirds of the way through his course, they may determine that he is not eligible to continue his training. They have given themselves the authority to declare the veteran ineligible and his training and entitlement are over. The greatest objection to this instruction 1–A is the red tape and delay that the individual veteran trainee will suffer.

The next type of veteran affected is the one who is training in a particular course and desires to change his course to a related subject. In the past this veteran filled out papers for a change of objective, the change was approved by the school and the veteran was allowed to start to his new class in the same day. The approval and subsistence also started that same day. Under the new ruling, this veteran must prepare a complete justification to the VA and the VA Registration Office will look over the request and decide whether or not the change is within the regulations. Their decision, if unfavorable to the veteran, may be appealed by requesting advice and guidance. Do not forget that during all this time, the veteran cannot draw subsistence and must pay his own tuition.

The fourth type of veteran affected is the one who has completed one course and desires to follow up in a related course. In the past this veteran was simply reenrolled by the institution in the related course and the veteran was approved retroactive and subsistence was paid from the reenrollment date. He was allowed to start immediately. Under the new rulings this veteran must again prepare a complete justification for the VA regional office and he must justify the need for this additional related training. There is no knowledge as to how long a veteran will have to wait for his approval or disapproval, but many are estimating that it would be sufficient to knock him out of a whole school term.

Mr. Speaker, there are many restrictions on vocational training under the new regulations. First of all you are barred from attending, at Government expense, any private vocational school that was less than a year old on August 24 of this year. Secondly you are barred from taking any course in a privately owned school whether the school is new or old, if the course you want to take has been offered for less than 1 year as of August 24 of this year, or unless that course meets the VA requirements. Third, if the school you want to attend, public or private, was established after June 22, 1944, you will have to satisfy the VA officials that the course you want in that school will be of bona fide use to you in your present occupation or business. That, in effect, means if you want to attend a certain school to study a certain type of course, you can attend a school that was established before the GI bill without any red tape providing it is your first entry in GI training. But if the school of your choice was established after the GI bill was enacted, you will have to go through plenty of red tape.

Mr. Speaker, I have introduced H. R. 6254, a bill relating to education and training of veterans under title II of the Servicemen's Readjustment Act, Public Law 346, Seventy-eighth Congress, June 22, 1944. This bill will leave restrictions on the avocational and recreational schools, but it will prohibit the VA from completely destroying the GI program. I certainly do not believe that veterans should be allowed to study baking one year, barbering the next, and so forth. But neither do I believe that the VA should make it so difficult for a veteran to go to school that many of them will forego their training which many of them are entitled to under the GI bill of rights.

Mr. BURTON. Mr. Speaker, this bill, H. R. 5833, provides that as part of their institutional trade and industrial training veterans be permitted to work on so-called live or useful projects, so long as such work is confined to public-school property.

All educators I have known deem it not only desirable but necessary that in training of this character the trainees be permitted to work on useful construction, rather than being restricted to practice work, such as building a brick wall to be immediately torn down.

Permanent construction was the usual practice until prohibited by Veterans' Administration order of February 1, 1949, which order was issued on account of broad license taken in a few localities in the construction of private building. The proposed bill confines this work to school property, and by this restriction, in my opinion, provides against competition with general labor.

For years the State of Virginia has conducted a most successful vocational-training program under the Smith-Hughes Act. Pride in the work accomplished has been a large factor in retaining interest in these courses, and repairs and additions to school property have provided much needed facilities, especially in rural areas, that could not otherwise have been secured.

Since our public vocational-training schools train on live projects, it is necessary that veterans under the GI bill of rights be permitted to work on such projects that they may participate in the established programs. I am in favor of this bill and hope the House will pass it and permit the successful continuance of this most important veterans' training program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 4 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by striking out "(including apprenticeship, refresher or retraining and institutional on-farm training)" and by inserting in lieu thereof "(including apprenticeship, refresher or retraining, institutional on-farm training, and full-time institutional trade and industrial training)."

SEC. 2. Paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by striking out "The Administrator shall pay to the educational or training institution, including the institution offering institutional on-farm training," and by inserting in lieu thereof "The Administrator shall pay to the educational or training institution including the institution offering institutional on-farm training and (the institution offering full-time institutional trade and industrial training)."

SEC. 3. Paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by striking out "While enrolled in and pursuing a course under this part including an institutional on-farm training course" and by inserting in lieu thereof "While enrolled in and pursuing a course under this part, including an institutional on-farm training course and (a full-time institutional trade and industrial course)."

SEC. 4. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following new paragraph:

"(d) As used in this part the term 'full-time institutional trade and industrial training' shall include any course of instruction provided by a public school and approved by the appropriate agency of the State or the Administrator. Such course shall be considered a full-time institutional course when it combines (1) instruction in related technical information of a minimum of 260 hours per year (and of at least 5 hours per week) at an educational or training institution, with (2) instruction and supervision in trade process given on real jobs which provide work experience under conditions closely simulating employment conditions in industry for a minimum of 1,040 hours per year (and of at least 20 hours per week). This instruction may be given in a shop or laboratory on school premises, or in the building trades courses, the institution may provide for training on projects on or off the school premises, such training, however, to be under the instruction and control of the school instructor. To be approved, such a course shall be developed with consideration to the needs of the veteran and to the peculiar requirements of the trade for which he is training, the skills to be mastered, the technical and related information to be acquired, and the jobs and operations to be performed. Such a course shall, in addition, satisfy the requirements of either of the following:

"1. If the veteran performs all of his courses in an educational or training institution—

"a. he shall receive not less than 5 hours of instruction in technical and related subjects per week;

"b. he shall receive not less than 20 hours of instruction per week in the manipulative phases or practices of the trade in which he is training on a useful or productive basis;

"c. he shall receive sufficient repetitive training to bring him up to the point where he has sufficient knowledge and skill to meet employment standards;

"d. the course of training will provide for progressive experience, avoiding exploitation, and the basis of the veteran's progress will be on individual performance ability;

"e. the institution must provide sufficient equipment to teach all of the manipulative skills and operations essential for the trade in which the veteran is enrolled. This equipment will be housed in a suitable building properly lighted, ventilated, and equipped with the necessary safeguards.

"2. If a portion of the veteran's manipulative instruction is provided for outside the school shop on or off the school premises—

"a. he shall receive not less than 5 hours of instruction in technical and related subjects per week, such instruction to be given by the instructor in charge of the class in a suitable classroom or laboratory at the institution offering the full-time institutional trade and industrial course;

"b. he shall receive not less than 20 hours of useful or productive instruction per week in the manipulative phases or practices of the trade in which he is training:

"c. such instruction will be done on a project selected, planned, approved, and controlled by the institution;

"d. the institution, in planning projects will consider the various operations, kinds of instructional tasks to be performed, machines and tools to be used, application of related knowledge acquired, provisions for adequate practice and progressive experience which the project will afford;

"e. the veteran, while receiving instruction on this on or off the school premises project will be completely under the control of the school instructor and the instructor will be paid entirely from school funds;

"f. extreme caution shall be exercised by the institution to select projects for their training content. No profit may accrue to the school, any individual, or organization. This does not, however, preclude the constructing, finishing, remodeling, or repairing of buildings for charitable organizations, veterans organizations, and tax supported institutions: *Provided, however*, That all materials going into such project must be paid for by the individual, organization, or institution for which the work is being performed;

"g. while engaged in instruction on such on or off the school premises project, which is a part of his prescribed course, the veteran shall receive no pay and there shall be no employer, contractor, or agent in control of the project;

"h. instruction on such projects, approval by the institution offering the 'full-time institutional trade and industrial course' in which the veteran is enrolled, shall be considered a part of his institutional course, fulfilling the requirements for practical instruction on a useful and productive basis, and shall in no wise be considered as on-the-job training as described under paragraph 11 (a) and 11 (b) 1, 2, and 3;

"i. the Administrator of Veterans' Affairs is authorized to contract with approved institutions for such courses where the Administrator finds that the agreed cost is reasonable and fair."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the provisions of section 3 of Public Law 679, Seventy-ninth Congress, shall not apply to public schools giving courses in vocational training: *Provided*, That manipulative training performed is confined to public-school property."

Mr. WHEELER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHEELER to the committee amendment: Page 6, line 22, after the word "training" insert "and such course shall be deemed to be institutional training."

Mr. RANKIN. Mr. Speaker, we accept the amendment.

The amendment was agreed to.

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress."

VETERANS' ADMINISTRATION HOSPITALS

Mr. RANKIN. Mr. Speaker, I ask to return to the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes, and ask unanimous consent for its immediate consideration. I hope the gentleman from Pennsylvania will withdraw his objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. May I ask if that is the same bill that we had under consideration a few moments ago?

Mr. RANKIN. Yes.

Mr. RICH. Mr. Speaker, how often in a session of the Congress can the same bill be brought up by unanimous consent after it has been objected to?

The SPEAKER pro tempore. The Chair will recognize anyone to submit a request, and it is within the control of the House. One objection will control.

Mr. RICH. Mr. Speaker, reserving the right to object, I have listened to the discussion that was held here some time this afternoon. I also read the reports that were made by the President of the United States about a year ago when this hospital program was up. Now, it is not my desire in any manner to try to prohibit the building of hospitals that are necessary to take care of the veterans and I do not want to be the one that would do that. But, I do not think that this afternoon, under the present tempo of the House of Representatives, and the way it has been for the last 3 or 4 days, is any time to discuss legislation that is going to require the expenditure of millions and billions of dollars.

Mr. RANKIN. Not billions.

Mr. RICH. Well, millions and hundreds of millions.

Mr. RANKIN. The gentleman must have in mind foreign aid.

Mr. RICH. Certainly, the President of the United States—and you do not find me speaking up for him very much, because I cannot—has given real consideration to the requirements of the veterans and the Veterans' Administration, and I do not know why he would object to it unless he felt that it was not necessary, and that it was something that was really worth while in economizing. He is not for economizing very often; he is a spender. But, here is one instance where I am going to try to find out whether it is not the right time to consider this matter at a time when the House can give it 2 or 3 days time and discuss every point in this legislation. I do not want to build hospitals if they are not needed, because I know that we build a lot of hospitals and a lot of things in this country that we do not need. We have built a lot of fish hatcheries, more than we needed, and then we turned them over to the States. But, we have done a lot of things that should not have been done. If I understand the issue, it is not necessary; that we can take care of all of the veterans with the private hospitals that we now have in this country. They have sufficient beds so that they can be taken care of. We have got to be careful in trying to do these things for the veterans, or after a while the veterans will have nothing. We are only going to swamp this country. I am just giving you my version of this. I objected to this once and I cannot see any reason why that objection should not stand.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to ask the gentleman whether he thinks the President of the United States, who is busy with millions of things, knows more about the building of hospitals than General Gray does? General Gray wants to build these hospitals.

The private hospitals are filled and overcrowded. I recently knew of a veteran who died because there was not a bed for him. I know the gentleman does not want that.

Mr. RICH. The gentlewoman does not want to take care of the veterans that need help more than I do.

Mrs. ROGERS of Massachusetts. That is right.

Mr. RICH. No; the gentlewoman does not. I want to take care of them with the hospitals that we have in this country. We have sufficient beds in order to take care of them, and we are going to take care of them. They are not in jails, like some would have you believe. We are taking care of them. The reason that I am standing up here is that I am for them, and I want to tell you that if you do not stop squandering the money that belongs to the people of this country, sending it to foreign countries and doing all the things you are doing today, our veterans will not be taken care of pretty soon. They will not have anything, and I am going to protect our veterans to the extent that I am going to stop that squandering.

I object, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I be permitted to move to suspend the rules and pass the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I merely wish to repeat, since this matter came up again, in substance what I brought out before, and that is that authority exists today for the building of these hospitals; not merely authority, but also the money and the contract authority to obligate additional funds, so that the Veterans' Administration may proceed with the construction of these hospitals today. Discretionary authority exists with the President right now. The Appropriations Committee refused to rescind that authority when such action was proposed by the Bureau of the Budget.

Mr. RANKIN. The money is already appropriated. The gentleman knows the President cannot investigate everything. General Gray knows more about this than the President does. The members of this committee, the distinguished gentleman from New York [Mr. KEARNEY], the gentlewoman from Massachusetts [Mrs. ROGERS], the gentleman from Louisiana [Mr. ALLEN], the gentleman from Texas [Mr. TEAGUE], the gentleman from Georgia [Mr. WHEELER], and the gentleman from North Carolina [Mr. JONES] have gone all through this proposition. We know the conditions. This bill ought to pass now. I am sure when it is debated and they understand it there will be not a dissenting vote.

Mr. CASE of South Dakota. I have just been handed a copy of this bill. In one respect, a hurried reading indicates, the bill is not in accord with the facts.

The bill starts out by stating:

That the Administrator of Veterans' Affairs is directed to proceed with the construction of the additional facilities to provide approximately 16,000 additional hospital beds previously approved by the President, authorization for which was dropped in the budget estimates for the fiscal year 1950, as presented to the Congress by the President, pursuant to determination by the President to cancel or reduce the size of certain hospital projects.

The authorization was not dropped, Mr. Speaker. It exists today. What the Bureau of the Budget did propose was that the appropriation bill should specifically rescind the contract authority to proceed with the construction of those hospitals. The Committee on Appropriations did not report that language. It was the belief of the members of the Appropriations Subcommittee handling this item that the authority should continue, so that if the need should be demonstrated in any place in the country the President, the Administration could direct the Veterans' Administration to proceed to build and meet the need.

This legislation is not needed either to create the authority or to provide the money.

Mr. RANKIN. Mr. Speaker, in order that the gentleman from South Dakota may not wear himself out, I withdraw the request for the time being. The gentleman has been talking about this bill long enough. I demand the regular order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman withdraws his request.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks at this point in the RECORD on the bills that have just been considered, coming from the Committee on Veterans' Affairs.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BRYSON. Mr. Speaker, I regret that there has been objection to the request of the gentleman from Mississippi, Chairman RANKIN, for a suspension of the rules so as to immediately consider H. R. 5965.

The statement which was made this morning that veterans who honorably served our country in time of war are incarcerated in the common jails of the country is no exaggeration. It was never the intention of Congress to leave these gallant sons to whom we are so greatly indebted in neglect and misery.

The finest and most logical way to encourage young men to serve their country in its several branches of defense is to treat their fathers, who have served before them, like human beings.

There is a crying need to proceed with the erection of the hospitals as heretofore authorized. I cannot urge upon the Congress too strongly that we should go forward with this program; and I hope to see the enactment of H. R. 5965 without further delay.

Following is a previous statement which I have made:

The proposed hospital beds for South Carolina are greatly needed. Even with the additional beds, we will be far below the national average. Under present conditions, we have scarcely half the required beds. Hundreds of veterans have filed requests for hospitalization and have been approved, but many of them have to wait as long as 40 to 60 days before gaining admission. The large number of veterans who have been processed for hospitalization does not reflect the need for additional beds. Many veterans in need of hospitalization refrain from asking for the service because they know how difficult it is to get favorable action. There can be no question but that the need is great.

Since the contemplated additional beds for South Carolina are to be for general medical treatment, I should like to point out there appears to be no acute shortage of general medical doctors and nurses. Proof is evident that we can staff the hospitals.

I speak with special reference to the authorized veterans' general medical hospital for Greenville, S. C. This project was approved by the Federal Board of Hospitalization, the director of the Bureau of the Budget, the Director of Veterans' Administration, and the President of the United States.

As we seek to economize let it not be said that the ax of economy struck first at the disabled veterans. I sincerely hope that the veterans' hospitals heretofore provided for may be constructed without further delay. As a part of my remarks, I herewith attach a statement I made before the special Senate committee:

"STATEMENT OF HON. JOSEPH R. BRYSON, OF SOUTH CAROLINA, ON VETERANS' HOSPITAL CUT-BACK, MARCH 24, 1949

"Mr. Chairman, I should like to make a statement concerning the cut-back in the veterans' hospital construction program which was announced by the Administrator of Veterans' Affairs some time ago and which is currently under investigation by this committee. This program involves the complete elimination of 24 projects and an alteration downward of 14 others. The facilities for a total of approximately 16,000 hospital beds will thus be eliminated, including 11,000 in the projects completely abandoned and 5,000 in the projects which are scheduled for reduction.

"After a study of the available facts and data I am opposed to this cut-back. Neither the interests of the veterans nor the country as a whole will be served if this cancellation of the construction program is allowed to stand. In my own State of South Carolina there is at present only one veterans' hospital in operation. This hospital is located at Columbia and has a standard bed capacity of 606 beds. According to available figures there are 167,000 World War II veterans in the State and an additional 34,000 veterans from other wars, making a total of 201,000 veterans. With the standard bed capacity of this hospital being 606, that makes an average of 332 veterans for each bed. However, the hospital has made use of 94 emergency beds to expand the facilities to a total of 700 beds, 670 of which are currently in use, and the remaining 30 are being held in reserve for emergencies. Even with this use of emergency beds, there is still available an average of only 1 bed per 290 veterans. This figure shows that available facilities are only one-third those of 1945 and the ratio is even lower if the standard figure of 606 beds, which is the maximum available over a long period of time, is used. This situation was to be remedied considerably by the expansion of the hospital at Columbia to a standard operating capacity of 800 beds, an increase of 194 over the present facilities. There was also to be constructed at Greenville a new 200-bed hospital. Both of these projects are among those to be eliminated. Even with the addition of these 394 beds the ratio of veterans to beds in South Carolina would remain at 200 to 1. The national figures, which are considered far too high for the safety of our veterans' health, are in the vicinity of 178 veterans for each bed. It is obvious from these figures that the average in South Carolina would still be above the present national average

even with the addition of the 394 beds. That these beds are sorely needed is evidenced by the waiting lists. As of January 31, 1949, there was a total of 964 veterans who had been cleared for admission through the former branch office at Atlanta, Ga. This office was headquarters for South Carolina and for other Southern States, so the figures as to how many were waiting for admission to the hospital at Columbia are not available. Nevertheless, the number was substantial, probably running into the hundreds. Of these 964 veterans awaiting admission to hospitals, 370 were forced to wait up to 20 days, 191 waited from 21 to 40 days, and 403 were waiting over 40 days. These are appalling figures. Almost two-thirds of these veterans had to wait over 20 days, and almost one-half had to wait over 40 days. As alarming as these figures are, they still do not tell the whole story. Often only veterans with emergency non-service-connected afflictions are being admitted because of the bed shortage, and when the veterans or their representatives learn this fact, they do not even apply for admission. These facts are incontrovertible evidence that more veterans' hospitals are urgently needed in South Carolina.

"In explaining the reduction of the hospital program the Veterans' Administration officials stated that, while more hospitals may be needed, there are not enough doctors to staff them. I am not prepared to discuss this aspect of the question as a whole for the country at large, but I am familiar with conditions in South Carolina. In Greenville the hospital under construction was to be of the general medical type. There does not appear to be a great shortage of general medical doctors in this area, at least not a sufficiently great shortage to warrant the cancellation of the project.

"An additional reason to continue building the hospital at Greenville is to prevent a large sum of money from being wasted with no benefits accruing to anyone. A total of $303,000 has been spent on the project so far. All of this money will be lost if the project is not finished. I am not one who believes in throwing good money after bad, but that analogy will not hold in this instance. This hospital is badly needed, and it is needed now. We owe it to the veterans on the waiting lists to see that it is completed. Nothing that Veterans' Administration officials say can change the following facts: First, that although the number of veterans has jumped from 66,000 to 201,000, the number of authorized hospital beds is being maintained at 606; the fact that 94 more beds have been temporarily made available by the use of porches and corridors is no argument at all, since the standard figure is still 606. Second, that hundreds of veterans are awaiting admission and the average number of beds available in this area is far below the national average, which is itself too low. Third, that plans have been laid, hundreds of thousands of dollars spent, and that facilities and personnel are available to run this hospital upon its completion. Any arguments against the completion of this hospital seem spurious if we are sincere in the belief that our veterans must be protected.

"Now let us examine the national picture concerning this cut-back. I do not pretend to have as much knowledge about the national situation as about my home State. However, many of the general facts have been made available to me, and it is not difficult to draw conclusions.

"It was the Veterans' Administration which originally recommended the construction of the hospital facilities which have now been ordered canceled. Before the cancellation, this recommendation had been approved by the Federal Board of Hospitalization, the Director of the Bureau of the Budget, and the President of the United States. The cancellation order affects construction in 18 States and the District of Columbia. While it is evident that certain sections of the country need additional hospitals more than others, available figures show that more hospitals are needed everywhere. On January 31 of this year there were 16,188 veterans who had had their applications approved and were awaiting hospitalization. The number who did not apply because of the long waiting lists is naturally not known, but such number is undoubtedly huge. From a moral standpoint, this is a sad state of affairs, but from the practical viewpoint, it seems even more foolish. Failure to hospitalize veterans promptly will in many cases result in aggravation of injuries, not to mention the suffering, and these injuries may some day result in added claims against the Government. If this program of reduction is being promoted in the interest of economy, its authors had better think twice. In the long run it will cost the Government far more than the cost of completing the hospitals.

"The national ratio of hospital beds per veteran is today 1 to 178. That figure is supposed to drop to 142 when the construction now under way is completed, but it would drop to 124 if the canceled projects are restored. In 1940, less than 10 years ago, the Federal Board of Hospitalization approved, and the President approved in principle, a construction program which would have made a ratio of 1 bed per 40 veterans available within 10 years. Any figure which is three times that amount seems high. Any figure more than three times as high seems entirely out of reason if the interests and the welfare of the veterans are to be protected.

"As I previously stated, I am not entirely familiar with all of the special problems concerning the veterans' hospitals in other sections of the country, but every section has a problem of some type. In certain sections of the far West hospitals are so far apart as to be almost inaccessible. In my own section of the country there is such a scarcity of available beds that veterans in direst need must often wait long periods of time before being admitted. Just when a partial solution to these problems was in sight, the solution suddenly vanished. We must not allow this to happen. In spite of the argument advanced that doctors are not available to staff these proposed hospitals, several of the cities in question have submitted evidence that the medical talent is available.

"In view of these facts and figures, I am of the firm opinion that the cancellation of the hospital program must not be allowed to stand. In the case of my own State a particular hardship will be visited upon the veterans, who have, and will continue to have, facilities so far below the national average that the situation is almost disgraceful. I sincerely believe that a restoration of the program for 16,000 additional beds is desirable and necessary for the veterans and that the whole country will be benefited by this program."

Mr. BENNETT of Florida. Mr. Speaker, I heartily support H. R. 5695. Each Member of Congress knows from study of this situation that there is an urgent need for the construction of hospitals for veterans today. We have made appropriations for the hospitals. This bill will require the hospitals to be built. I have introduced a bill similar to the one before us. I feel sure that our personal experiences in trying to get beds made available for specific veterans, many times in emergency cases, gives us each a personal knowledge of the need for this legislation. I hope that the legislation will pass unanimously.

CHEYENNE-ARAPAHO INDIAN TRIBES OF OKLAHOMA

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6114) 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.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I note that this is a transfer of land which was orginally acquired from the Indians and for which land the Government now has no use.

Mr. MORRIS. I would not say that the Government has no use for this land. I would like to make an explanation regarding the matter.

Mr. MARTIN of Massachusetts. I would be delighted to have the gentleman's explanation.

Mr. MORRIS. Mr. Speaker, in 1883 the then President of the United States, Chester A. Arthur, by Executive order set aside 9,493 acres of the Cheyenne and Arapaho Indian Reservation as a military reservation near El Reno, Okla. It was used by the War Department until recently. Following World War II it became surplus and was declared to be surplus to the needs of the United States Army.

Subsequently, by Act of Congress, it was provided that the Secretary of Agriculture, to whom it was turned over, should liquidate the Fort Reno Remount Service on or before December 31, 1949. It was first used by the Army. It became surplus to the Army and it was then turned over to the Department of Agriculture for a remount station and a light horse breeding operation. Now they must liquidate that operation by December 31, 1949. Therefor some disposition of this land must be made. Originally it was taken over for the ostensible purpose of protecting these two tribes of Indians from other marauding Indian tribes. The Government just overstayed. They kept on staying there. The Indians claim that they have received no compensation whatsoever. The highest compensation that I know of even being claimed is about 50 cents an acre. So the Committee on Public Lands on going into this matter decided unanimously that the Indians ought to have this land back.

Mr. MARTIN of Massachusetts. Is it valuable land?

Mr. MORRIS. Yes, sir; it is very valuable land now and can be used by this tribe to make them self-sustaining or at least go a long way toward making the two tribes self-sustaining.

So now we propose to give not all of the land, but most of it back to the Indians.

Mr. MARTIN of Massachusetts. Do they get the mineral rights to the land?

Mr. MORRIS. Yes, they get all the land.

Mr. RICH. How much of this land is going to remain when you deduct what you are giving to the Indians now?

Mr. MORRIS. About 1,600 acres. To be exact, 1,594 acres are being transferred to the Bureau of Prisons, a reformatory which is located in that area, a Federal Government set-up, with the understanding that the Indians have a right to go into the Court of Claims and establish a money value for that, if they can.

Mr. RICH. Let me ask the gentleman this, concerning these two tribes of Indians which you are trying to look after. For the past 18 years, since I have been in Congress, they have been trying to get the Indians on a self-sustaining basis. When do you figure that these Indians in these two tribes will be self-sustaining and will be able to look after themselves, after they receive this land?

Mr. MORRIS. That is a good question. I will say to the distinguished gentleman from Pennsylvania that I believe reasonably soon. I could not give the exact date, of course. But I can say that because of the transfer of this land, within a reasonable time they will be able to become self-sustaining. It is the purpose of the Subcommittee on Indian Affairs of the Committee on Public Lands, and it is the policy of the Committee on Public Lands as it is now constituted in the House of Representatives, to do the very best we can to try to bring about a situation whereby the Indians will be assimilated and rehabilitated and accepted into society where we may eventually look forward to the proposition of doing away with the Indian problem.

But as to these two particular tribes I believe the transfer of this land to them for tribal use under their supervision, together with the supervision, of course, of the Department of the Interior, will bring about a situation where they may be practically, if not completely, self-sustaining.

Mr. RICH. Now the gentleman says "soon." Does that mean 2 years or 3 years or 5 years? Can the gentleman give me a date? I have heard so many people say "soon." In the 18 years of experience I have had here, we have been trying to get the Indians on a self-sustaining basis. It costs more money to take care of the Indians today than it did 20 years ago—ten times over. It is getting worse all the time. When do you think these two tribes will be able to support themselves?

Mr. MORRIS. I cannot say. I cannot go on record as fixing an exact date. I cannot tell you for certain that they ever will be self-sustaining.

Mr. RICH. When do you think they ought to be self-sustaining?

Mr. MORRIS. These two particular tribes?

Mr. RICH. Yes.

Mr. MORRIS. With this kind of a set-up, I think they ought to be self-sustaining reasonably soon except probably for a few matters—I think the Government ought to a carry on with the education of their children. They have a good school in that vicinity and I do not think that should be disposed of. I do not know just when. I would not like to state an exact time, but I would say within the next 5 or 10 years.

Mr. RICH. Within the next 5 or 10 years at the outside?

Mr. MORRIS. Well, I would not say for certain.

Mr. RICH. Now, you are just like all the rest of these fellows.

Mr. MORRIS. Why should I not be? Can you name a time?

Mr. RICH. Yes. If they were in my State, I would try to take care of them within 5 years, and I would do everything then that I could to see that they did take care of themselves, and stop the United States being guardian for these Indians, in 5 years, which they could.

Mr. MORRIS. Well, I will say we are working to this end. I do not take your statements as in any way critical of our program. I will say that we will do the very best we can. I cannot answer the gentleman any more specifically than that.

Mr. RICH. What gets me is that something is always going to happen but it never happens. I would say 5 years, and if I were a Member of Congress from that State I would try to see to it that they were self-sustaining in that time. I would not object to it if you will say that it is going to be within 5 or 10 years, but if you are not going to give us some idea, then I think the Federal Government ought to control it.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. GRANGER. This is one of the big remount stations of the country, is it not?

Mr. MORRIS. Yes, sir.

Mr. GRANGER. And it is some of the best land in Oklahoma?

Mr. MORRIS. Yes, sir.

Mr. GRANGER. I congratulate the gentleman on giving the Indians something that is worth while.

Mr. RICH. I am not going to object to your giving them something that is worth something, but Oklahoma used to be called Indian Territory, did it not?

Mr. MORRIS. Yes; some referred to it as such.

Mr. RICH. And now you have got it—Oklahoma. You have got it away from the Indians. Let the Indians have a little freedom. Let us see that they are not going to be looked after by Members of Congress but that they are going to have the same rights and privileges and chances that you have in Oklahoma.

Mr. MORRIS. If the gentleman will see me privately, we will sit down and discuss it. I will welcome the ideas that the gentleman may have. I will work with the gentleman if I possibly can, toward that very objective that we have all been working toward. I will sit down and talk it over with the gentleman.

Mr. RICH. I want to try to help these Indians to help themselves, instead of our increasing two or three times more the amount of money that we have to give them to support them and then not give them ground so that they can help themselves.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. DAVIS of Georgia. What disposition has been made or will be made of the remount facilities on this ground? Do they go with the ground?

Mr. MORRIS. Provision is made that the Secretary of the Interior will have authority to make disposition of the buildings and facilities.

Mr. DAVIS of Georgia. They do not go to the two tribes along with the land?

Mr. MORRIS. Not necessarily, but the Secretary of the Interior, may dispose of the buildings and improvements as he deems advisable.

Mr. DAVIS of Georgia. It is a matter within the discretion of the Secretary?

Mr. MORRIS. Yes, sir.

Mr. GRANGER. I understand further that the remount stock has been disposed of already.

Mr. MORRIS. Oh, yes. The stock is being disposed of and will be disposed of.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That title to the following-described lands situated in Canadian County, Okla., being a part of the Fort Reno Reservation, is hereby vested in the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma:

All of sections 1, 2, 3, and 4, township 12 north, those portions of sections 25 and 26 lying south of the North Canadian River, that portion of the west half of the west half of the northwest quarter of section 26 lying west of the North Canadian River channel change, and all of sections 27, 28, 33, 34, 35, and 36, township 13 north, range 8 west, Indian meridian.

SEC. 2. All of sections 9 and 10 and the west half of section 11 (except that portion which the Secretary of War was directed by the act of May 24, 1937 (50 Stat. 200), to transfer to the control and jurisdiction of the Attorney General), township 12 north, range 8 west, Indian meridian, are hereby transferred to the control and jurisdiction of the Attorney General, for use in connection with the Federal Reformatory at El Reno, Okla.: *Provided, however,* That the the provisions of this section shall not be construed to deprive or prejudice the Cheyenne-Arapaho Tribes of Indians of Oklahoma from asserting such claim or claims for just compensation they may have, if any, for the taking of the lands described in this section.

SEC. 3. The Secretary of the Interior, with the consent of the governing body of the Cheyenne-Arapaho Tribes of Indians of Oklahoma, may lease or sell all or any part of the south half of section 1 and the south half of section 2, township 12 north, range 8 west, Indian meridian, to the United States for use by the Bureau of Prisons of the Department of Justice in connection with the Federal Reformatory at El Reno, Okla. In the event no sale or lease is made to the United States, the lands described in this section, except the northeast quarter of the southeast quarter of section one, shall be restricted in use to the grazing of livestock.

SEC. 4. (a) Any nonrevocable easement, license, permit, or commitment heretofore granted or made for a specific period of time by the Secretary of War or by the Secretary of Agriculture with respect to certain portions of the lands described in the first section of this act shall continue in effect for the period for which granted or made. The Secretary of the Interior is authorized to renew, in his discretion, any such easement, license, permit, or commitment upon such terms and conditions as he deems advisable.

(b) The Secretary of the Interior is further authorized to continue in effect, and

to renew, in his discretion, any easement, license, permit, or commitment with respect to the lands described in section 1, which is revocable or of indefinite duration, if, in his opinion, such continuance or renewal is in the public interest.

SEC. 5. With respect to the buildings and other improvements on the lands described in section 1, the Secretary of the Interior may, in his discretion, (1) make such buildings and improvements available to the Cheyenne-Arapaho Tribes for housing purposes, (2) lease or otherwise make available such buildings and improvements, for governmental purposes, to any department or agency of the Federal Government or to any State or political subdivision thereof, or (3) make such other disposition and use of such buildings and improvements as he deems advisable.

SEC. 6. The Secretary of the Interior may, with the consent of the governing body of the Cheyenne-Arapaho Tribes, make leases or assignments of, or for homestead purposes, issue patents in fee to, portions of the lands described in section 1, to individual Cheyenne or Arapaho Indians who performed honorable service in the armed forces of the United States in World War I or II. Any such patent in fee may cover a portion of such lands of such size, not in excess of 2½ acres in the case of any such individual Indian, as the Secretary may determine.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING TIME FOR PAYMENT OF SUMS AUTHORIZED FOR CERTAIN PROPERTIES ABUTTING EASTERN AVENUE IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent for the immediate consideration of House Joint Resolution 337, a resolution extending the time for payment of sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia.

The Clerk read the title of the joint resolution.

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. McMILLAN of South Carolina. The purpose of this resolution is to extend for a period of 90 days the authority by which the claims authorized under Private Law 363 of the Eightieth Congress may be paid. Both of these claims have been certified to the Treasury Department. However, Private Law 363 expired before the payment had been made and this resolution simply extends this authority long enough for these two claims to be paid. There is no additional cost to the Federal Government or to the government of the District of Columbia. This resolution has the authority of and was requested by the Commissioners of the District of Columbia.

Mr. MICHENER. Does this resolution come from the committee with a unanimous report?

Mr. McMILLAN of South Carolina. This is reported by the committee unanimously.

Mr. MICHENER. Does the gentleman know of any objection anywhere?

Mr. McMILLAN of South Carolina. I know of no objection to the resolution.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There was no objection.

The Clerk read the resolution as follows:

Resolved, etc., That section 4 of the act entitled "An act for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia," approved June 19, 1948 (Private Law 363, 80th Cong.), is amended by striking therefrom "1 year after the date of enactment of this act" and inserting in lieu thereof "90 days after the date of enactment of this amended section", so that section will read:

"SEC. 4. The authority to pay the sums authorized by this act shall expire 90 days after the date of enactment of this amended section."

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SOCIETY OF THE COLONIAL DAMES OF AMERICA

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent for the immediate consideration of the bill (S. 973) to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia.

The Clerk read the title of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, does this bill come from the committee with a unanimous report?

Mr. McMILLAN of South Carolina. This bill is reported by the committee unanimously. The purpose of this bill is to exempt from taxation that certain property of the National Society of the Colonial Dames of America in the District of Columbia known as lot No. 801, in square No. 1285, with the improvements thereon located at 2715 Q Street NW. and including the furnishings therein. This property would be exempt from taxation as long as the same is used for nonprofit purposes.

Mr. MICHENER. It is a club building?

Mr. McMILLAN of South Carolina. That is right.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That certain property in the District of Columbia described as lot No. 801, in square No. 1285, together with the improvements thereon, known as premises No. 2715 Q Street NW., and the furnishings therein, owned by the National Society of the Colonial Dames of America, a corporation organized and existing under the laws of the District of Columbia, be exempt from taxation, national and municipal, so long as the same is used for nonprofit purposes.

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT ALCOHOL CONTROL ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent for the immediate consideration of the bill (H. R. 5912) to amend the District of Columbia Alcoholic Beverage Control Act to restrict the sale on credit of beverages, except beer and light wines, not consumed on the premises where sold.

The Clerk read the title of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, this bill would appear to be controversial. Is the committee united?

Mr. McMILLAN of South Carolina. It came out of the subcommittee with a unanimous report. I think there were one or two members against it in the full committee.

This bill gives the ABC Board of the District of Columbia permission to charge an additional license to C license holders who have authority to charge drinks on bills in the District of Columbia.

Mr. MICHENER. Whenever we deal with the subject of alcohol in the District of Columbia it is very controversial, and I will be constrained to object unless the bill comes from the committee with a unanimous report. If it is not unanimous then it should have its day in court, debated, and with an opportunity to amend.

Mr. McMILLAN of South Carolina. I may state to the gentleman from Michigan that the gentleman who objected is here. If he wants to offer an objection I will be glad to hear it.

Mr. HARRIS. Mr. Speaker, reserving the right to object, I would like to say that this is a bill proposed by the gentleman from Maryland [Mr. BEALL]. The purpose of the bill is to take care of a situation that has developed in one or two places here in the District of Columbia. For the last number of years, 12 or 14, whatever it is, the Alcohol Beverage Control Board has permitted the charging on a ticket on the bill for food, but due to something that developed in the last few weeks or months further legislation is needed. The Statler Hotel was suspended for a day because of a condition that existed down there. Now the Occidental restaurant is up before the Beverage Control Board under the same kind of situation.

This would merely permit the Beverage Control Board to allow the charging on tickets with food that they purchase there if the establishment would pay an additional license of $250 per year.

Mr. MICHENER. In other words, if the gentleman went into the Occidental Hotel and ordered his dinner and some cocktails he could pay for the whole bill on one ticket?

Mr. HARRIS. He could charge the whole bill on one ticket. Under the present situation he could only charge the food.

Mr. MICHENER. Provided they paid an alcohol tax of how much?

Mr. HARRIS. An additional license fee of $250 a year.

Mr. MICHENER. What was the opposition in the committee to this bill?

Mr. McMILLAN of South Carolina. One member voted against it.

Mr. GRANGER. I voted against it and there was more opposition in the committee than mine. There were three members against the bill. What it does is give a special right to a certain class of customers to charge liquor. The Alcohol Board recommended a thousand dollars additional license; the committee is recommending $250, and I am opposed to it.

Mr. MICHENER. Mr. Speaker, if there is opposition in the District Committee to this bill, I object.

MUNICIPAL COURT, DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 1370) authorizing the appointment of three additional judges of the municipal court for the District of Columbia, prescribing the qualifications of appointees to the municipal court and the municipal court of appeals, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. MICHENER. Mr. Speaker, reserving the right to object, how long has this bill been reported?

Mr. McMILLAN of South Carolina. This has been reported about a month. The Judiciary Subcommittee held hearings for about 3 months.

Mr. MICHENER. Did the District Committee ask for a rule on this bill?

Mr. McMILLAN of South Carolina. No; we have not asked for a rule.

Mr. HARRIS. We are not required to get a rule on District bills. We have regular days for the consideration of District of Columbia business. I may say to the gentleman that the last District day was taken up by a highly privileged matter and the distinguished chairman of the Committee on the District of Columbia, the gentleman from South Carolina [Mr. McMILLAN], was not permitted to call up District bills on that day.

Mr. MICHENER. How does the committee stand on the bill?

Mr. McMILLAN of South Carolina. There was some opposition.

Mr. MICHENER. There is opposition? May I say that up until recently where controversy existed in committee on these important bills—and this is a very important bill—they were not called up without notice. There is a method by which this bill may be called up if the Speaker wants to assume the responsibility of permitting the gentleman to call it up under suspension of the rules.

Mr. JONES of Alabama. I hope the gentleman will withdraw his objection to this bill inasmuch as there has been an undue delay in the consideration and in the presentation of it to the House. The testimony before the committee was that in the District of Columbia municipal courts today there are some 108,000 cases handled annually. They have a terrific problem.

Mr. MICHENER. I am fully cognizant of that and I believe they need additional judges here; but I am opposed to the practice that has grown up in the House of calling up bills by unanimous consent when the committee is divided. I want to hear both sides if there is opposition and I do not think we ought to pass a bill by unanimous consent when there is sincere opposition to the bill in committee.

Mr. HARRIS. I may say to the distinguished gentleman from Michigan that there was very little division in the committee. There was one member of the committee who recognized the need for additional judges here, but he had the viewpoint that two would probably suffice rather than three. That is the only division in the committee.

Mr. MICHENER. Yes; we have jurisdiction over Federal judges in the Committee on the Judiciary, and that same condition would often arise, whether it is 2 or 14, or 3 or 6. I think such matters should be disposed of by the committee in the ordinary way, and therefore if there is committee opposition, I am constrained to object. If there is no committee opposition, I will gladly consent.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I think the opposition noted to the bill was in the subcommittee and not in the full committee. As I recall, in the consideration of this bill in the full committee, it had a unanimous vote for the bill.

Mr. MICHENER. If the committee unanimously voted the bill out, then I shall not object. Others may.

Mr. JONES of Alabama. The gentleman from Minnesota [Mr. O'HARA], a member of that subcommittee, can attest to that.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Mr. Speaker, I did not come in here to get into this controversy. I will say this, Mr. Speaker, that I felt very strongly that there was no need for three judges. I did feel sure that there was a need for two. I am not personally objecting to the bill, but I do feel very strongly about the matter of two judges being sufficient for the municipal court. I still feel that way and I will feel that way a year from now.

Mr. MICHENER. Then it is a question of degree of feeling. The gentleman has the feeling but he will not object to the bill. Therefore, I do not know why I should assume the responsibility, and if the gentleman on the committee, who has heard the evidence, does not feel justified in objecting, certainly I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Iowa.

Mr. GROSS. How many judges do they have now?

Mr. McMILLAN of South Carolina. Ten, but the business has been increasing constantly.

Mr. GROSS. How many hours a day do the judges work?

Mr. McMILLAN of South Carolina. From the work sheets some of them almost work around the clock. I do not know how many hours. They dispose of a certain number of cases a day, but they are anywhere from a year to 18 months behind with their work.

Mr. GROSS. Will the gentleman accept an amendment to make it two judges?

Mr. HARRIS. Mr. Speaker, if the gentleman will yield, I recognize the feeling of those who think that perhaps two judges would be sufficient to increase the municipal judges from the present ten. But, if the gentleman will look over the work load and the backlog down in the municipal court and find out that any little, ordinary small case would take anywhere from a year to 18 months to be called up, I think he would come to the realization that they are faced with a practical situation down there.

Mr. GROSS. What I want to know is whether these judges are working or not.

Mr. HARRIS. The judges are working.

Mr. GROSS. A lot of people around here are not working.

Mr. HARRIS. We went into that thoroughly, and I think the gentleman from Minnesota should be highly commended, and I personally want to commend him, for bringing out that point and making an exceptionally good record. I know he said something in the presence of those judges working down there that was somewhat embarrassing, but I think he probably called it to their attention.

Mr. GROSS. Does the gentleman from Arkansas feel that an increase of three judges is justified?

Mr. HARRIS. I believe that is what they need in order to perform as they should down there in their service to the public.

Mr. McMILLAN of South Carolina. Mr. Speaker, if the gentleman will yield, the subcommittee went into this matter thoroughly and had the judges down there before them, and they concluded they needed three additional judges.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. RICH. I have been listening to this discourse. In the first place, I never objected to any bill coming out of the Committee on the Judiciary, because I am no lawyer.

Mr. MICHENER. This bill does not come from the Committee on the Judiciary. It comes from the Committee on the District of Columbia.

Mr. RICH. Do I understand then that the committee was not unanimously in favor of the bill?

Mr. HARRIS. There was no objection to the bill being reported by anyone from the committee.

Mr. MICHENER. These are not Federal judges; they are municipal judges for the District of Columbia.

Mr. RICH. Well, is this a unanimous report of the committee?

Mr. McMILLAN of South Carolina. They were not all exactly in favor of three additional judges.

Mr. RICH. It seems to me that the Committee on Rules should look after this and we should know what we are

talking about, and they should not permit a bill to go through that is not right. If I were on the Committee on the Judiciary I would want to know something about it, and I think you members on the Committee on the Judiciary are responsible for bringing in a bill here now that is going to let new judges come in here, and if they are unnecessary, then you should assume your responsibility and say so.

Mr. MICHENER. May I say to the gentleman from Pennsylvania that the Committee on the Judiciary appreciates his lecture. But, this is a District of Columbia matter. This has to do with municipal judges for the District of Columbia. The Committee on the Judiciary does not have any more to do with it than the gentleman's Committee on Expenditures.

Mr. RICH. The gentleman's Committee on Expenditures has a lot to do with it.

Mr. MICHENER. Then I know that the gentleman will do it.

Mr. RICH. Because you are going to put a lot of judges here that are not necessary. I know this, that you have some judges in the District of Columbia today that spend more time on the golf course than they spend in the judges' chambers, during working hours.

Mr. HARRIS. As I stated a moment ago, the gentleman from Minnesota [Mr. O'HARA] directed the investigation with reference to the amount of time these judges were spending on the job. They are required to go to work at 9 o'clock in the morning. They have to check in just like any other person who works, and they check out when they leave in the afternoon. They work from 9 o'clock in the morning until 5 o'clock in the afternoon. The record shows they work later many, many times.

Mr. RICH. If you have to watch a judge like that, I question what kind of a court you have. We do not even ask that of the employees who work in our mills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. I object, Mr. Chairman.

AUTHORIZING CONTRIBUTIONS TO COOPERATIVE FOR AMERICAN REMITTANCES TO EUROPE, INC.

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5953) to authorize contributions to Cooperative for American Remittances to Europe, Inc.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. CARNAHAN. I yield to the gentleman from Minnesota, the author of the bill, to explain it.

Mr. JUDD. Mr. Speaker, this bill seeks to make available to CARE for use in furnishing professional, scientific, and technical books, journals, and equipment to libraries abroad, the money that was paid by private employers during the war to conscientious objectors who worked for them under Government direction. The money was placed in a special deposit account in the Treasury and later covered into the Treasury as miscellaneous receipts.

These men, of course, worked without pay to themselves and when they worked on Government projects they sometimes even had to provide their own room and board. They gave over 8,000,000 days of service which has been estimated when figured at $50 a month to amount to about $21,000,000 of contributions to the public welfare by working in the forests, in health and sanitation projects, in mental hospitals, and so forth. About 1,200 of them worked in private dairies and as herd testers. They were paid the going wage, or rather, the going wage was paid by the employers into this special fund in the Treasury.

Last year a bill was introduced by our colleague the gentleman from New York [Mr. COLE] to have this money, amounting to about a million and a quarter dollars, transferred to the International Children's Emergency Fund. It was passed by the House but did not get through the Senate. Now the work of the International Children's Emergency Fund is being gradually closed down, and the men who earned the money and who have a moral equity in it would like to have it used for the rehabilitation of libraries, particularly in war-devastated countries. The money would be transferred to CARE, Inc., and be expended under its supervision and direction. As you know, CARE is a cooperative made up of 26 religious, charitable, labor, and educational organizations working in the field of international relief.

They believe the best way this fund can be used now is to buy technical, scientific, and professional publications and books, and educational and scientific equipment for libraries and institutions of learning abroad. CARE already has such a book program in operation. This would expand it. We are pretty well through programs of physical rehabilitation. The greatest need now in many countries is to feed the intellectual and spiritual hunger that remains.

Our Committee on Foreign Affairs was unanimously in favor of the bill, believing there is no more useful or beneficial purpose, both for the recipients and for building good will for the United States, to which this money could be spent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. SUTTON. I object, Mr. Chairman.

EXTENSION OF REMARKS

Mr. MACK of Washington (at the request of Mr. ELLSWORTH) was given permission to extend his remarks in the RECORD.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial.

EXCISE TAXES ON TRANSPORTATION SHOULD BE REPEALED

Mr. REES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, I have today introduced a bill to repeal wartime excise taxes on transportation. I believe that since this tax was imposed to increase revenues for the prosecution of the war it is high time it should be repealed. In fact, other wartime taxes should be repealed or at least drastically reduced.

Since it appears the House has taken no action in dealing with the entire problem of eliminating wartime excise taxes, I suggest this is a good place to begin.

Mr. Speaker, the war has been over for more than 4 years, yet no action taken by Congress on excise taxes.

Transportation tax, except in few instances, is not a luxury tax. Furthermore, the people of this country are paying just about all the traffic will bear for transportation expenses.

I realize the Government needs sufficient funds to carry on its operations. It is my judgment, however, the amount of this tax, approximately $600,000,000, can be easily saved in reduction of a lot of unnecessary expenses now charged against the Federal Treasury.

Mr. Speaker, we have got to begin reducing the tax burden against the people of this country. Here is one place where we can reduce taxes, and at the same time encourage business sufficiently to make up for an apparent loss sustained in revenues by reason of the repeal of this item. I hope the House will see fit to approve this legislation before the end of the year. I hope the House will also take favorable action on a bill I submitted several weeks ago to repeal taxes on telephone and telegraph messages. As I said at the beginning, all war excise taxes should either be repealed or drastically reduced. If the Congress will not do that, then certainly it ought to approve the measure I have submitted today.

RECESS

The SPEAKER. The House will stand in recess until 3:30 o'clock p. m.

Accordingly (at 2 o'clock and 37 minutes p. m.) the House stood in recess until 3:30 o'clock p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 30 minutes p. m.

MOTIONS TO SUSPEND THE RULES

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 342, Rept. No. 1326), which was referred to the House Calendar and ordered to be printed:

Resolved, That it shall be in order on August 25, 1949, for the Speaker to recognize Members for motions to suspend the rules.

Mr. COX. Mr. Speaker, I call up House Resolution 342 and ask for its immediate consideration.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House consider the resolution at this time?

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 270, nays 1, not voting 161, as follows:

[Roll No. 199]

YEAS—270

Abbitt
Abernethy
Addonizio
Albert
Allen, Calif.
Allen, Ill.
Allen, La.
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.
Andrews
Arends
Aspinall
Auchincloss
Barden
Baring
Barrett, Wyo.
Bates, Mass.
Battle
Beckworth
Bennett, Fla.
Bennett, Mich.
Bentsen
Biemiller
Bishop
Boggs, Del.
Bolling
Bolton, Md.
Bonner
Bosone
Boykin
Bramblett
Brooks
Brown, Ga.
Bryson
Buchanan
Buckley, Ill.
Burdick
Burke
Burleson
Burnside
Burton
Byrnes, Wis.
Camp
Canfield
Cannon
Carlyle
Carnahan
Carroll
Case, S. Dak.
Cavalcante
Chelf
Chesney
Christopher
Chudoff
Church
Cole, Kans.
Colmer
Cooper
Cotton
Cox
Crawford
Crook
Crosser
Cunningham
Davenport
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Deane
DeGraffenried
Delaney
Denton
D'Ewart
Dollinger
Doyle
Durham
Eberharter
Elliott
Ellsworth
Engle, Calif.
Fenton
Fernandez
Fisher
Flood
Forand
Ford
Frazier
Fugate
Gamble
Gary
Gathings
Gavin
Gordon
Gore
Gossett
Graham
Granger
Grant
Green
Gregory
Gross
Gwinn
Hagen
Hale
Hall, Leonard W.
Harden
Hardy
Hare
Harris
Harrison
Harvey
Havenner
Hays, Ark.
Hays, Ohio
Hedrick
Heller
Herlong
Herter
Heselton
Hobbs
Holifield
Hope
Howell
Huber
Hull
Irving
Jackson, Wash.
James
Jenison
Jensen
Johnson
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karst
Karsten
Kearney
Keating
Kelley
Kerr
Kilday
King
Kirwan
Kruse
Kunkel
Lane
Lanham
Larcade
LeFevre
Lemke
Lesinski
Lind
Linehan
Lovre
Lucas
Lynch
McCarthy
McConnell
McCulloch
McDonough
McGrath
McGuire
McKinnon
McMillan, S. C.
McMillen, Ill.
Mack, Ill.
Mahon
Mansfield
Marsalis
Michener
Miller, Calif.
Miller, Md.
Miller, Nebr.
Mills
Mitchell
Monroney
Morgan
Morris
Morrison
Multer
Murdock
Murray, Tenn.
Nicholson
Nixon
Noland
Norblad
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
O'Sullivan
O'Toole
Pace
Passman
Patman
Patterson
Perkins
Peterson
Phillips, Tenn.
Plumley
Poage
Polk
Preston
Price
Priest
Rabaut
Ramsey
Rankin
Rees
Rhodes
Rich
Rodino
Rogers, Fla.
Rogers, Mass.
Rooney
Sabath
St. George
Sasscer
Scott, Hardie
Scrivner
Scudder
Secrest
Simpson, Ill.
Sims
Smathers
Smith, Va.
Smith, Wis.
Spence
Staggers
Stanley
Steed
Stefan
Sullivan
Sutton
Taber
Talle
Tauriello
Teague
Thomas, Tex.
Thompson
Trimble
Van Zandt
Wagner
Walter
Weichel
Welch, Calif.
Werdel
Wheeler
Whitaker
White, Calif.
White, Idaho
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Okla.
Wilson, Tex.
Winstead
Withrow
Wolcott
Wolverton
Worley
Young

NAYS—1

Marcantonio

NOT VOTING—161

Angell
Bailey
Barrett, Pa.
Bates, Ky.
Beall
Blackney
Bland
Blatnik
Boggs, La.
Bolton, Ohio
Breen
Brehm
Brown, Ohio
Buckley, N. Y.
Bulwinkle
Byrne, N. Y.
Case, N. J.
Celler
Chatham
Chiperfield
Clemente
Clevenger
Cole, N. Y.
Combs
Cooley
Corbett
Coudert
Curtis
Dague
Davies, N. Y.
Dawson
Dingell
Dolliver
Dondero
Donohue
Doughton
Douglas
Eaton
Elston
Engel, Mich.
Evins
Fallon
Feighan
Fellows
Fogarty
Fulton
Furcolo
Garmatz
Gillette
Gilmer
Golden
Goodwin
Gorski, Ill.
Gorski, N. Y.
Granahan
Hall, Edwin Arthur
Halleck
Hand
Hart
Hébert
Heffernan
Hill
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Horan
Jackson, Calif.
Jacobs
Javits
Jenkins
Jennings
Kean
Kearns
Kee
Keefe
Kennedy
Keogh
Kilburn
Klein
Latham
LeCompte
Lichtenwalter
Lodge
Lyle
McCormack
McGregor
McSweeney
Mack, Wash.
Macy
Madden
Magee
Marshall
Martin, Iowa
Martin, Mass.
Mason
Merrow
Meyer
Miles
Morton
Moulder
Murphy
Murray, Wis.
Nelson
Norton
Patten
Pfeifer, Joseph L.
Pfeiffer, William L.
Philbin
Phillips, Calif.
Pickett
Potter
Poulson
Powell
Quinn
Rains
Redden
Reed, Ill.
Reed, N. Y.
Regan
Ribicoff
Richards
Riehlman
Rivers
Roosevelt
Sadlak
Sadowski
Sanborn
Scott, Hugh D., Jr.
Shafer
Sheppard
Short
Sikes
Simpson, Pa.
Smith, Kans.
Smith, Ohio
Stigler
Stockman
Tackett
Taylor
Thomas, N. J.
Thornberry
Tollefson
Towe
Underwood
Velde
Vinson
Vorys
Vursell
Wadsworth
Walsh
Welch, Mo.
Whitten
Wier
Wilson, Ind.
Wood
Woodhouse
Woodruff
Yates
Zablocki

So (two-thirds having voted in favor thereof) the House agreed to consider the resolution.

The Clerk announced the following pairs:

Mr. Roosevelt with Mr. Nelson.
Mr. McCormack with Mr. Brown of Ohio.
Mr. Feighan with Mr. Fellows.
Mrs. Norton with Mr. Halleck.
Mr. Boggs of Louisiana with Mr. Hand.
Mr. Murphy with Mr. Hugh D. Scott, Jr.
Mr. Moulder with Mr. Vursell.
Mr. Tackett with Mr. Hoffman of Michigan.
Mr. Kee with Mr. Case of New Jersey.
Mr. Doughton with Mr. Towe.
Mr. Keogh with Mr. Taylor.
Mr. Bates of Kentucky with Mr. Angell.
Mr. Gorski of Illinois with Mr. Dondero.
Mr. Furcolo with Mr. Gillette.
Mr. Vinson with Mr. Lichtenwalter.
Mr. Richards with Mrs. Bolton of Ohio.
Mr. Joseph L. Pfeifer with Mr. Brehm.
Mr. Klein with Mr. McGregor.
Mr. Celler with Mr. Holmes.
Mr. Hébert with Mr. Horan.
Mrs. Woodhouse with Mr. Jackson of California.
Mr. Hart with Mr. Jenkins.
Mr. Dingell with Mr. Cole of New York.
Mr. Clemente with Mr. Beall.
Mr. Barrett of Pennsylvania with Mr. Wadsworth.
Mr. Kennedy with Mr. Simpson of Pennsylvania.
Mr. Sheppard with Mr. Blackney.
Mr. Fogarty with Mr. Coudert.
Mrs. Douglas with Mr. Dague.
Mr. Cooley with Mr. Corbett.
Mr. Heffernan with Mr. Macy.
Mr. Regan with Mr. Martin of Massachusetts.
Mr. Gilmer with Mr. Wilson of Indiana.
Mr. Garmatz with Mr. Woodruff.
Mr. Whitten with Mr. Short.
Mr. Evins with Mr. Shafer.
Mr. Dawson with Mr. Sadlak.
Mr. Bailey with Mr. Reed of Illinois.
Mr. Granahan with Mr. Elston.
Mr. Philbin with Mr. Vorys.
Mr. Sikes with Mr. Hoeven.
Mr. McSweeney with Mr. Dolliver.
Mr. Miles with Mr. Hinshaw.
Mr. Sadowski with Mr. Smith of Ohio.
Mr. Buckley of New York with Mr. William L. Pfeiffer.
Mr. Combs with Mr. Phillips of California.
Mr. Wood with Mr. Kilburn.
Mr. Rivers with Mr. Latham.
Mr. Pickett with Mr. Hoffman of Illinois.
Mr. Chatham with Mr. Kean.
Mr. Madden with Mr. Kearns.

The result of the vote was announced as above recorded.

Mr. COX. Mr. Speaker, the purpose of this resolution is simply to make this a suspension-of-the-rules day. The gentleman from Illinois [Mr. ALLEN] has indicated that no one on his side wants time, and no one on this side wants time. Therefore, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

AMENDMENT TO THE NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended, with an amendment.

The Clerk read as follows:

Resolved, etc., That the National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "September 1, 1949" and inserting in lieu thereof "November 1, 1949."

(2) by striking out of the proviso in section 203 (a) "$5,300,000,000" and inserting in lieu thereof "$5,500,000,000" and by striking out of such proviso "$5,500,000,000" and inserting in lieu thereof "$6,000,000,000."

(3) by striking out of the second proviso in section 603 (a) "August 31, 1949" in each place where it appears therein and inserting in lieu thereof "October 31, 1949."

The SPEAKER. Is a second demanded?

Mr. WOLCOTT. Mr. Speaker, I demand a second.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this joint resolution has been presented for the consideration of the House out of an abundance of precaution. It is essential to a continuation of the building program that title I and section 608 of title VI of the National Housing Act be extended. Under the present law, both of these titles will expire on the first of next month. It is also essential to increase the insurance authority of title II, if it shall continue to operate because this authority is fast diminishing. It is necessary to extend this power to insure loans by half a billion dollars.

The provisions extending title I and section 608 of title VI and increasing the authorization of title II are in the bill that was passed today. But there are other provisions in the bill which may require some time for consideration by the other body. With the simple extension of these titles and the additional authorization of title II we feel confident that the other body will immediately agree to our amendments and that this will become a law before the expiration date.

It is certainly essential that this should be continued. The Government of the United States has been greatly successful when it has gone into the business of furnishing insurance which cannot be furnished by private enterprise. That was demonstrated in the war-risk insurance, and it was demonstrated by the FHA. It has been demonstrated by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation.

Mr. Speaker, this is not a gratuity that we are giving to those who are insured. Loans are insured as the result of the payment of a premium of one-half of 1 percent. That premium has not only been enough to pay the liabilities, but has been enough to amass a reserve of $50,000,000 in the last year.

This is a sound proposition, Mr. Speaker. It has inured to the benefit of the builders of America and has also inured to the benefit of the home purchasers of America. There are many men and women in the United States now living in homes which they are paying for who would have had no opportunity to purchase their homes if it had not been for the FHA.

Mr. Speaker, I hope the bill will be passed with the same unanimity that the rule was adopted.

Mr. Speaker, I yield back the balance of my time.

Mr. WOLCOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, housing units are being built today at the rate of something over a million a year. It is largely because of FHA financing that this is possible. The bill which we passed this afternoon, as my esteemed colleague, the chairman of the Committee on Banking and Currency has just said, provided for the continuance of title I, title VI, and the extension of title II FHA financing. But because of the situation in the other body there seems to be some doubt as to whether this extension might take place previous to August 31.

In the resolution which we passed almost 2 months ago we continued title I and title VI financing up to August 31 of this year. In order that there may be no interruption in home construction and in order that we might keep up this momentum of home construction for the balance of the year, I quite agree with the gentleman from Kentucky that it is desirable to pass this resolution.

It will be noted that we are considering a Senate resolution which continues title I and title VI financing, strikes out all after the enacting clause and continues title I and title VI financing up to October 31, 1949, and provides for another $500,000,000 of authority to insure under title II.

That will give the FHA ample insurance authority to continue the program fully and will also assure the home purchasers and home builders that there is going to be no interruption in the insurance program.

Mr. Speaker, it is to be hoped that the other body will accept this amendment immediately so that there will be no lapse of insurance.

It is also hoped that they will give sympathetic consideration to the major bill which we passed this afternoon, H. R. 6070, and that it will pass it substantially as the House has passed it. If so, there will be double assurance that FHA financing will be continued for a sufficient length of time and in such manner as to assure adequate production and that we will finally satisfy the market for homes.

I hope that the bill as amended will be enacted.

I yield back the balance of my time.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, will the House suspend the rules and pass the Senate joint resolution as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was passed.

SESSIONS OF THE HOUSE UNTIL SEPTEMBER 21

Mr. COX, from the Committee on Rules, submitted the following resolution (H. Res. 345), which was referred to the House Calendar and ordered printed:

Resolved, That until Wednesday, September 21, 1949, the House shall meet only on Tuesday and Friday of each week unless otherwise ordered.

Mr. COX. Mr. Speaker, I ask for immediate consideration of the resolution.

The SPEAKER. The question is, Will the House consider the resolution?

The question was taken; and (two-thirds having voted in favor thereof) the House decided to consider the resolution.

The Clerk read the resolution (H. Res. 345) as follows:

Resolved, That until Wednesday, September 21, 1949, the House shall meet only on Tuesday and Friday of each week unless otherwise ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

STANDARD SCHEDULES OF RATES OF PAY OF CERTAIN EMPLOYEES OF THE FEDERAL GOVERNMENT

Mr. COX (in behalf of Mr. SMITH of Virginia), from the Committee on Rules, reported the following privileged resolution (H. Res. 346), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5931) 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. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ADDITIONAL BENEFITS FOR CERTAIN POST-OFFICE EMPLOYEES

Mr. COX (in behalf of Mr. SMITH of Virginia), from the Committee on Rules, reported the following privileged resolution (H. Res. 319), which was referred to the House Calendar and ordered printed:

The Committee on Rules, having had under consideration House Resolution 319, reports the same to the House with the recommendation that the resolution do pass, with the following amendments: On page 1, line 1, after the word *"Resolved,"* strike out all that follows and insert the following: "That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 4495) to provide additional benefits for certain postmasters, officers, and employees in the postal service with respect to annual and sick leave, longevity pay, and promotion, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit."

BUSINESS IN ORDER UNTIL SEPTEMBER 21, 1949

Mr. MICHENER. Mr. Speaker, it is understood that the House will take 3-day recesses as provided in the resolution.

What business will be permitted on the days the House meets?

The SPEAKER. The Chair will state, in answer to the inquiry of the gentleman from Michigan, that if the Senate had agreed to cooperate with us and had passed the resolution as the House passed it yesterday, of course, there would have been an adjournment from tomorrow until September 21. The Senate did not see fit to cooperate with us in that. Of course, during that time there would have been no business whatever transacted.

The Chair thinks, under the circumstances, that when the House meets on Tuesdays and Fridays it will meet only to adjourn. No public business will be transacted; there will be no 1-minute speeches or extensions of remarks.

And, as the gentleman made this inquiry, the Chair takes the opportunity to give all Members assurance that there will be no business of any kind transacted until the 21st of September.

Mr. MICHENER. How about extensions of remarks?

The SPEAKER. The Chair today will recognize any Member to ask unanimous consent that all Members may have 5 days after adjournment tomorrow within which to extend their remarks.

With reference to extensions of remarks, it is something like 1-minute speeches: A Member may say something in a 1-minute speech to which, if there were one other Member present at the time, he might take exception, might ask that his remarks be taken down, and then it would necessitate a quorum to determine the question. In an extension of remarks someone might make a statement to which some other Member or Members on the floor might object seriously.

So, in order that all of us may feel free, the Chair states that there will be no business at all transacted.

Mr. MICHENER. I am sure, Mr. Speaker, the House appreciates the clear statement, the fair statement the Chair has made.

There seems to be some question as to whether tomorrow is included within the statement just made by the Speaker.

The SPEAKER. When the House adjourns tomorrow it will recess 3 days at a time.

On tomorrow the Chair will recognize Members to extend remarks and to make 1-minute speeches for a short while.

Mr. MICHENER. But there will be no business tomorrow. Am I correct?

The SPEAKER. No business will be considered tomorrow, not even the consideration of bills by unanimous consent.

The Chair will now recognize Members to submit consent requests.

EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Appendix of the RECORD and include the tentative draft of a bill he may later introduce.

Mr. KUNKEL. Mr. Speaker, if no one else will do so, I ask unanimous consent that all Members may have 5 days after adjournment tomorrow within which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GWINN asked and was given permission to extend his own remarks in the RECORD and include extraneous matter.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include a letter received from a veterans' organization.

Mr. PATMAN asked and was given permission to extend his own remarks in the RECORD in three separate instances and in each to include extraneous matter.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter in each.

The SPEAKER. Under the previous order of the House the gentleman from Georgia [Mr. DAVIS] is recognized for 30 minutes.

GOVERNMENT EXPENDITURES

Mr. DAVIS of Georgia. Mr. Speaker, it is an amazing fact according to United States News and World Report, that in the past 4 years our Federal Government has spent $10,000,000,000 more than it spent in the first 152 years of its existence. Federal spending in the years 1946 through 1949 was $177,000,000,000. Total Federal spending from the time of Washington's first inauguration in 1789 until the year 1940 was $167,000,000,000. This 152-year period included every war in which our country participated after 1789 except World War II.

A comparison of the year 1940 with the year 1949 gives this additional interesting information. In the fiscal year 1940 the Federal Government spent approximately $9,000,000,000. It collected from the people in taxes approximately $5,500,000,000. In the fiscal year 1949 it spent approximately $40,000,000,000, and collected in taxes approximately $38,225,000,000. Our Federal taxes for the fiscal year 1949, a peacetime year, were nearly seven times as great as they were during the peacetime year 1940, before the beginning of World War II.

The increase in State taxes and local taxes is nothing like the increase in Federal taxes. Total State and local taxes in 1940 were approximately $9,000,000,000. They increased in 1949 to only approximately $15,000,000,000, which is an increase of less than double. The same years show an increase in Federal taxes of nearly 700 percent. The great increase in taxation has come not in State and local taxes. It has come in Federal taxes.

The fiscal years 1947 and 1948 were the only years since 1930 in which we have kept expenditures within the revenue. Each year since 1930, except these two, our Federal Government has operated on a deficit basis, the deficits ranging all the way from $461,000,000 in 1931 to $57,000,000,000 in 1943.

Instead of decreasing our spending as World War II recedes into the past, our spending is now on the increase. Nineteen forty-nine spending increased approximately $4,000,000,000 over 1948 spending, while 1949 revenue decreased approximately $6,500,000,000 compared with 1948.

Instead of decreasing the number of civilian employees of the Government, these are steadily increasing. The latest report of the Byrd joint committee on reduction of nonessential Federal expenditures, issued August 8, 1949, shows that on June 30, 1949, there were 2,114,433 civilian employees on the Federal pay roll. This was an increase of 30,680 over June 30, 1948, when the total was 2,083,753. This same report states that on June 30, 1949, the National Military Establishment was employing one civilian for each one and eight-tenths men in uniform, and that this ratio of civilian employment to uniformed personnel was identical with that existing when the Armed Services Unification Act became effective in September 1947, nearly 2 years ago. It further carries the statement that the ratio at the war peak in July 1945 was one civilian employee for each four and seven-tenths men in uniform.

It cost the taxpayers $550,712,000 in the month of May 1949 to pay the salaries of the more than 2,000,000 civilian employees on the pay roll. At this rate the annual salary of these civilian employees amounts to $6,608,000,000. This salary item alone is nearly twice the total annual cost of operating the Federal Government just 20 years ago in 1929. Total Government spending in that year was $3,738,000,000. The total number of Federal employees was 559,000. By 1940 the number of civilian employees had almost doubled, being 1,014,000. By this year, 1949, the number has more than doubled again, being 2,114,000 on June 30.

As shocking as it may seem, we have reached the point where almost $1 out of every $4 income of an American citizen goes for taxes, Federal, State and local. That means that a wage earner must work one day out of four to pay his taxes. To pursue this thought further, based on population, taxes collected last year averaged $372 for every man, woman and child in the United States. These figures are given in a report to a congressional committee on August 8, 1949, by Chairman McCabe of the Federal Reserve System. This means that the wage earner for the average-sized family of four people must earn $1,488 per year to pay his taxes before he can buy food, clothing, coal, medicine, and other essentials for them.

If our plans for Government spending continue to expand, the ratio of taxation to income will continue to increase. It will not be long until taxes will take $1 out of every $3 income.

The time to make payments upon our huge national debt is while our national income is high and while national revenue is high. The interest alone on our present debt of approximately $255,000,000,000 is about $5,500,000,000 per annum. This item of interest alone is nearly twice the total cost of operating the Federal Government 20 years ago in 1929. This is one item of expense which through

economy and the practice of thrift, it is possible to reduce. Instead of reducing the debt, however, in the fiscal year 1949, we have added to it.

I am glad to see that one department of our Government has at last realized the fact that we have far too many employees on Federal pay rolls, and that necessity demands that only those employees be retained who are needed to conduct the Government's business. On yesterday Secretary of Defense Louis Johnson announced that the Military Establishment has 135,000 more civilian employees than it actually needs. Having reached this conclusion, Secretary Johnson has taken the only step which can be taken under the circumstances by an official who respects his obligation to the people of America. He has ordered them taken off the pay roll. He will, of course, be condemned and censured by a lot of people. However, in taking this action, he has performed his duty just as a surgeon does his duty in performing a painful but necessary amputation when the life of the patient demands it.

Secretary Johnson, in making the announcement, said that he intends to get a dollar's worth of defense for every dollar the Congress gives him. He said that the reductions in force made yesterday will save approximately a half billion dollars annually. He made the positive statement that these reductions are made because the employees affected are not necessary in the sufficiency of the defense of the United States.

When these 135,000 employees have been eliminated, that will still leave 1,979,000 civilian employees on the pay roll. This is one of the reasons why every wage earner must work 1 day out of 4 to pay taxes, why the average family must contribute $1,480 per annum for Government cost, and why the enormous revenue collected is running far behind the enormous spending of the Government.

After Secretary Johnson prunes his pay roll, the 1,979,000 civilian employees remaining will be more than three times the number of civilian employees in 1929, and more than twice the number of civilian employees in any year prior to 1940. The number almost doubles the 1,014,000 Federal employees in the year 1940, the last normal peacetime year before World War II.

Certainly, it is going to be a painful process to reduce the Federal pay rolls. No one can see a fellow citizen separated from his job and derive pleasure from it. On the other hand, unless the job calls for work to be done, no possible excuse can be found for paying out tax money. We cannot lose sight of the eternal truth that public office is a public trust, and those entrusted with affairs of Government owe the duty to the people to administer them faithfully.

Another increase to be noted is the increase in funds going from the United States to foreign countries. In 1946 fiscal year we advanced to other countries approximately $1,500,000,000, of which about half was for foreign relief, through the UNRRA, and most of the remainder in the form of loans by the Export-Import Bank.

In 1947 American aid to other countries increased to approximately $6,500,000,000. In 1948 it amounted to approximately $4,750,000,000, and in the fiscal year 1949 it amounted to approximately $7,225,000,000. Our officials are asking that the sum be increased this year in amounts ranging from a minimum of $8,000,000,000 to a possible maximum of $10,000,000,000. If these requests are granted, that will mean that in the 5-year period since the end of the war, foreign relief, and foreign military aid will have amounted to $28,000,000,000 to $30,000,000,000.

We are being told that there can be no tax reduction for American taxpayers. This, at the same time, when we see our neighbor to the north, Canada, cutting its income taxes 32 percent, and eliminating 750,000 persons from its tax rolls, retroactive to January 1, 1949, while reducing corporation taxes and entirely eliminating excise taxes on many items, ranging from long-distance telephone calls to chewing gum.

Our domestic policy is about as undetermined and indefinite as our foreign policy and our foreign spending. Since hostilities ceased, we have hailed various foreign-spending plans as being the certain remedy for the ills of the world. Plan after plan has been brought forward for recovery, for stopping communism, for bringing unity to Europe. Each has been unhesitatingly proclaimed as being indispensable, and as being the one necessary step to ward off imminent and threatening disaster. These have been voted, largely on faith in the representation of our officials, only to find after the money has been spent and the plans tried, that as a matter of fact they would not solve, and have not solved, the problems in question. Instead of retrenchment, the cry is always more aid, more aid abroad, more spending at home.

With reference to foreign nations, what we proposed to do was not to take them on our backs as a permanent burden, but to aid them in their own efforts to get on their feet. I hope we will not lose sight of this fact.

Under the spending program which has been proposed for the next fiscal year we will add still more to the national debt and still more to the annual burden of interest upon it.

One of our crying needs in this country is for economy. Economy cannot be had by hit-or-miss action. Constant and continued effort toward economy is needed. From a legislative standpoint, concentration on this one goal is necessary. The Hoover Commission report is going to have to be studied and understood by Members of Congress.

In my opinion, proper attention cannot be devoted by Congress to the important recommendations of the Hoover Commission at the same time that general legislative matters of every other nature are being considered. The present session is an example of the fact that while general legislation is under consideration, the Hoover Commission reports will be pushed into the background. We have only scratched the surface in considering and acting upon Hoover Commission reports. Responsible and trustworthy statesmen have said that more than $3,000,000,000 per year savings can be effected through placing these recommendations into operation. These savings are sorely needed by our Government. They are sorely needed by the taxpayers. It is no part of wisdom or statesmanship to continue to defer action upon the Hoover Commission recommendations.

I think that we have placed the cart before the horse in increasing the salaries of Cabinet members and high-bracket employees before considering the Hoover Commission report. This is typical of the spending complex which dominates the Federal Government. What should have been done was to first make such reorganizations in the various departments as are intended to be made. When this has been done, then would be the proper time to fix the salaries for the positions finally determined upon, at the proper figure to attract brains and ability to the job. We have had no definite plans. We are traveling toward no definite goal. We are living from hand to mouth, and plans made today are discarded tomorrow and new ones hastily adopted, which, in turn, will also be discarded.

It does little good to complain of conditions and stop at that point. Criticism is not constructive, if criticism is all we have to offer. I do not make these remarks today merely for the sake of pointing out conditions with which I disagree.

I feel that the definite responsibility rests upon us as Members of Congress to do more than criticize. It is for that purpose that I am speaking today.

The Hoover Commission made the most comprehensive study of Government ever made. There were 24 research committees, consisting of 300 experts working under the bipartisan Hoover Commission headed by Herbert Hoover, former President of the United States. Their services extended over a period of nearly 2 years. They submitted 19 separate reports to Congress embodying recommendations for an orderly pattern of Government, which, according to conservative estimates, would result in a possible saving of three billion to four billion dollars annually, if placed into operation and followed.

This invaluable work will be lost to the people of the United States, unless Congress recognizes its responsibility, studies and understands the recommendations, and passes the necessary laws to place them into operation.

As I have already stated, the experience of the Eighty-first Congress up to this time clearly indicates that these recommendations cannot receive proper attention when sandwiched in with the volume of regular legislation we have had to consider. I believe that we should finish, as soon as it can properly be done, the regular legislation which

we have to consider, and that we should then take up exclusively the various reports and recommendations of the Hoover Commission and put our entire time on these recommendations and reports until each of them has been considered and acted upon. I believe that only in this way can we give to the American people the benefits which they are expecting to receive from the Hoover Commission recommendations. Up to this time, neither Congress nor the executive department has done more than scratch the surface so far as these recommendations are concerned. Only five bills have been enacted into law pursuant to these recommendations. There are at least 15 more legislative acts needed. Only a small portion of the Hoover Commission program can be effected by Presidential reorganization plans. Congressional action is going to be necessary to place the greater part of the program into effect. My purpose in making these remarks today is to suggest that as early as possible Congress devote itself exclusively to the consideration of the Hoover Commission recommendations. I submit this suggestion for your consideration. I earnestly urge that this action be taken in order that we may put into operation those portions of the Hoover Commission recommendations which will effect practical and needed economies.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. MICHENER. Does the gentleman contemplate a bill?

Mr. DAVIS of Georgia. Yes, indeed. I said at least 15 more legislative acts, in my judgment, are needed to place these recommendations in effect.

Mr. MICHENER. The gentleman distinguishes between bills by Congress and plans by the President, as provided for in the Reorganization Act?

Mr. DAVIS of Georgia. As I have just stated in my remarks, in my opinion, only a small portion of the recommendations of the Hoover Commission can be placed into effect by Presidential reorganization plans.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. WILLIAMS. I want to thank the gentleman for a splendid, forthright, and timely address. I think that economy is probably the most important consideration we have in this country. The need for economy should be our first consideration. I just want to express to the gentleman my appreciation for his address which I believe worthy of being read by every American citizen.

Mr. DAVIS of Georgia. I thank the distinguished gentleman from Mississippi for his remarks, and appreciate the fact that he concurs in my views.

The SPEAKER pro tempore (Mr. ROGERS of Florida). The time of the gentleman from Georgia has expired.

EXTENSION OF REMARKS

Mr. GWINN asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous material.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Montana [Mr. MANSFIELD] is recognized for 10 minutes.

AMERICAN AID TO CHINA

Mr. MANSFIELD. Mr. Speaker, a few weeks ago the State Department published a white paper which set forth in detail the great effort the United States has made to assist China, especially during the past 5 years. Since the issuance of that publication, strenuous attempts have been made in this country to discredit one of the principal conclusions drawn from that record—namely, that the very substantial aid provided by the United States to China failed to accomplish its purpose largely because of widespread incompetence and corruption in the National Government, including many persons in high places.

In the light of these disclosures, and the obvious efforts to discredit them and the officials of the United States Government responsible for having them made public, I want to draw particular attention to the following paragraphs in the article "Insiders" Got Rich on China Aid, published in United States News and World Report of August 26, 1949:

> Inside story shows how United States billions, sent to China, ended up in the pockets of wealthy Chinese, helped to build fortunes.
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> United States gold worth $220,000,000 at the United States price of $35 per ounce was sent to China under the 1942 agreement. The Chinese Government announced that the gold would be sold to the public to check inflation. On the basis of information given to United States officials, what happened was this: When the gold went on sale at a date and for a price "secretly" decided upon by high officials, the "insiders" and their agents were first in line. They carried suitcases full of inflated Chinese currency. They bought most of the gold, keeping it in the hands of a few while gold prices soared.
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> Automobile and truck parts, radios and electrical equipment, blankets and GI rations, even blood plasma, which were sent from the United States to the Chinese Army were sold by and to civilians. Wealthy Chinese whose connections inside the Nationalist Government enabled them to divert these supplies from military channels reaped handsome profits. Some of the material was actually purchased by Communist agents and smuggled out to Communist ports in ships borrowed for the purpose from the Chinese Navy.
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> Taking out the profits made from United States aid to China was an operation that began about 1946 and still continues. Hundreds of millions of dollars in gold and foreign currency were smuggled out through British Hong Kong and Portuguese Macao. More was carried out by Chinese with diplomatic passports carrying Chinese Government pouches. Huge fortunes were assembled in Zurich, Buenos Aires, New York, San Francisco and other cities out of reach of the Chinese people whom the United States sought to help. Most owners of these fortunes have fled China too.

I also want to point out a paragraph in the article to the effect that representatives of the United States Government diligently tried to assure effective control by this Government over the expenditure of American funds granted to China, but high Chinese officials persistently and successfully resisted all efforts to establish such controls by this Government. The pertinent paragraph from this article on this point says:

> First bonanza for Chinese came in the form of a $500,000,000 grant which was approved by the United States Congress early in 1942. The United States Ambassador to China, Clarence E. Gauss, and other United States officials urged that the Chinese Government be required to inform and consult with the Treasury Department on the use of the money. But the top leaders of Nationalist China objected. President Roosevelt, anxious to keep China in the war, waived the controls. The Chinese were allowed to use the money as they saw fit. Thus the squeeze began.

The term "squeeze" as used in the article is a slang expression for what is known in this country as outright graft. The high Chinese officials who flagrantly practiced "squeeze" during the war not only squeezed the American taxpayer who was supplying funds intended to defeat the common enemy; these Chinese officials who betrayed their high office also squeezed China's own down-trodden, long-suffering people, and ended by squeezing out of existence practically the last drop of respect and loyalty of the Chinese people for their government, with the result that the Communists today are taking over China virtually by default.

Because of the grave nature of some of the questions raised regarding the White Paper and the amazing statements contained in the article in United States News and World Report, I suggest it is in order that the Lobby Investigating Committee, provided for in House Resolution 298, investigate the activities of the lobby now brazenly being conducted in this country in behalf of the National Government of China and certain personalities connected with it.

I suggest that this committee seek to determine whether American money, originally appropriated to aid the Chinese Government and illicitly diverted to private use by the method described above, is actually being used to promote new legislation for aid to China by which more money would be made available.

I suggest that this committee inquire into whether American money provided to help China, but siphoned off for private use, is being used to finance attacks on our Secretary of State and other officials charged with conducting our relations with China.

I think it would be fitting for this committee to try to ascertain whether any of those individuals who are alleged to have privately profited from the diversion of American aid funds did in fact subscribe to Chinese victory bonds to help finance their country's war efforts.

I think it would be pertinent for the Lobby Investigating Committee to go thoroughly into the question, whether all the wealthy Chinese, and particularly those who have substantial holdings abroad, contributed to their country's support from their personal funds, or whether they are attempting by propaganda and similar means to have the American taxpayer foot the whole bill.

These are matters, Mr. Speaker, on which the American people are entitled to be fully informed. I propose that an investigation to get all the facts bearing on this matter be authorized forthwith.

Mr. Speaker, I ask unanimous consent that the article from the United States News and World Report of August 26, 1949, titled "Insiders Got Rich on China Aid" be inserted at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[From the United States News and World Report of August 26, 1949]

INSIDERS GOT RICH ON CHINA AID

(Reported from Hong Kong, New York, and Washington)

(Inside story shows how United States billions, sent to China, ended up in the pockets of wealthy Chinese, helped to build fortunes. United States gold, relief money, lend-lease supplies leaked into private hands. Profit taking started during World War II. Most big fortunes, personally held, now are out of China. They cannot be recaptured by any Chinese Government.)

The effort to find out what really happened to $4,530,000,000 of the American taxpayers' money given to China since 1941 is leading investigators to great personal fortunes amassed by a few Chinese.

Reports of graft and corruption thread through the State Department's white paper on China. But the white paper gives few details. It says that the United States Government does not know what became of much United States aid sent to China and that the Chinese Government, if it knows, will not tell.

Story behind the white paper is that a few Chinese highly placed in Generalissimo Chiang Kai-shek's Government have built up fortunes running into hundreds of millions of dollars. They are fortunes comparable to those made by Americans in the period of this country's industrial growth. But Americans, owing to United States law, no longer can acquire wealth in the amounts amassed by top Chinese who profited from United States aid to China.

These fortunes now are hidden away outside China. Some of the wealth is in Switzerland and some in South America. Much has come back to the United States in securities and in cash. Chinese owners of wealth in the United States are paying taxes on their incomes, but neither the United States Treasury nor the Chinese Government can get at the capital which was sucked out of United States aid to China into individual pockets.

Total overseas holdings of wealthy Chinese were set at more than $1,500,000,000 by United States officials 2 years ago. More wealth left China when the Communists crossed the Yangtze this year and the "insiders" decided that the boom days of money making were over. Estimates of private capital now held by Chinese outside their country run higher than $3,000,000,000. Even the Nationalist Government does not know, for sure, where all the money has gone. But the story of how fortunes were made in China and smuggled overseas can be told.

Squeezing the United States taxpayer was easy enough for wealthy Chinese with connections, once the Japanese attacked Pearl Harbor. Before 1941, United States aid to China was tied carefully to agreements on collateral and repayment. After 1941 and up to last year, the golden flow of United States aid to China consisted largely of gifts, not loans. Chinese who knew how to make money were able to work on funds provided by American taxpayers.

First bonanza for Chinese came in the form of a $500,000,000 grant which was approved by the United States Congress early in 1942. The United States Ambassador to China, Clarence E. Gauss, and other United States officials urged that the Chinese Government be required to inform and consult with the Treasury Department on the use of the money. But the top leaders of Nationalist China objected. President Roosevelt, anxious to keep China in the war, waived the controls. The Chinese were allowed to use the money as they saw fit. Thus the "squeeze" began.

On the receiving end of this aid was a one-party government dominated by Chiang Kai-shek and small cliques of his relatives and friends. Chief among them were the Soongs, the Kungs and the Chens. The Soongs included Madame Chiang, her three brothers and a sister. T. V. Soong reorganized the country's finances and served for a while as Premier. T. L. Soong ran the government's export and import office. T. A. Soong directed the salt-tax bureau which produced $34,000,000 for the government in 1947 alone. A sister, Ai-ling Soong, married H. H. Kung, an industrialist and banker of great wealth who was China's finance minister for 11 years. The Chen brothers, Li-fu and Kuo-fu, lifelong friends of the Generalissimo, managed the Kuomintang, China's state party. Today all the Soongs and the Kungs mentioned are in the United States. The Chens are in Formosa.

Down the line from the Government and the party leadership was the main body of 18,000,000 Chinese, including soldiers, who were employed by the Government. Civil-service salaries are low in China; posts similar to those paying $8,000 a year in the United States give Chinese only $960 a year. Many officials count on making their jobs pay by taking every advantage of their powers and responsibilities. To these officials, United States aid to China meant an opportunity for profit.

United States gold worth $220,000,000 at the United States price of $35 per ounce was sent to China under the 1942 agreement. The Chinese Government announced that the gold would be sold to the public to check inflation. On the basis of information given to United States officials, what happened was this:

When the gold went on sale at a date and for a price secretly decided upon by high officials, the insiders and their agents were first in line. They carried suitcases full of inflated Chinese currency. They bought most of the gold, keeping it in the hands of a few while gold prices soared.

How much the insiders made out of this gold is a matter of guesswork. United States Treasury officials in China were told that about $100,000,000 worth of gold was sold to the public up to June 30, 1945, and they do not know what was sold after that date. In any event, the gold buyers did not take their gold out of the country immediately. Most of them used it as security for loans of cash which they used to speculate in rice and other foodstuffs, thus increasing inflation, defeating the very purpose for which the gold was intended. Gold prices in China recently reached $75 an ounce while Chinese currency used to buy the gold vanished in runaway inflation. By the time the insiders realized their profits and left the country, the money they had made based on the original gold purchases ran into hundreds of millions of United States dollars.

United States dollars, actual currency totaling $200,000,000, were another source of private profit. The money was delivered to the Chinese Government as a fund for the eventual redemption in United States dollars of savings certificates and 10-year bonds issued by the Chinese Government. These were to be sold to the public.

American officials watching these securities found that they attracted few purchasers at first, though they sold at one-fifth the price of United States dollars on the free market. Apparently Chinese doubted that the securities would really be honored in United States currency when they matured. In addition, these securities drew only 4 percent interest while Chinese money lenders got as much as 40 percent.

Suddenly, however, the Government announced that the savings certificates, $100,000,000 worth of them redeemable within 3 years in United States dollars, had been "oversubscribed." Informers told American officials that "insiders" had taken over the issue. As the "insiders" had known, these certificates were in fact redeemed in United States currency, while the provision for United States dollar redemption of the 10-year bonds was revoked in 1946.

Again, wealthy Chinese with connections in the government had profited. "Insiders" who held bonds unloaded them before 1946. And, again, most of the profits in United States dollars remained inside the country, working against the government's effort to stabilize China's currency.

United States lend-lease to China started in 1941, but little of it reached the country until after the attack on Pearl Harbor. Cost to the United States taxpayer of all military aid to China, including lend-lease, before and after V-J day, was nearly $2,000,000,000. Most of the material bought with this money now is in Communist hands. Some was captured by Communists. But American officials learned that some was sold to Communists by high officers of the Nationalist Army. And some of the military aid never reached the fighting fronts, but was sold on the black markets of Shanghai and other cities.

Automobile and truck parts, radios and electrical equipment, blankets and GI rations, even blood plasma, which were sent from the United States to the Chinese Army were sold by and to civilians. Wealthy Chinese whose connections inside the Nationalist Government enabled them to divert these supplies from military channels reaped handsome profits. Some of the material was actually purchased by Communist agents and smuggled out to Communist ports in ships "borrowed" for the purpose from the Chinese Navy.

United States relief supplies and economic aid to China cost American taxpayers more than $2,000,000,000. But much went to profiteers. Information reaching United States officials showed that rice supplied by the United States for famine relief was resold by rich Chinese. American officials on relief agencies, required to work through parallel Chinese agencies, found that "insiders" were padding pay rolls and diverting supplies. United States textile machinery sent to factories owned by the Chinese Government ended up in privately owned factories. All along the line minor officials worked the "squeeze," but the biggest profits went to swell the fortunes of a few top "insiders."

Once, in 1947, the control committee of the Chinese Government's Treasury published a report charging corporations dominated by top officials in the Government with obtaining more than their quotas of foreign exchange. Army officers and civilian officials were denounced for speculating with public funds. Premier T. V. Soong, held responsible for the scandal, resigned. But the sums involved totaled only a few million dollars. Greater profits were not mentioned.

Taking out the profits made from United States aid to China was an operation that began about 1946 and still continues. Hundreds of millions of dollars in gold and foreign currency were smuggled out through British Hong Kong and Portuguese Macao.

More was carried out by Chinese with diplomatic passports carrying Chinese Government pouches. Huge fortunes were assembled in Zurich, Buenos Aires, New York, San Francisco, and other cities out of reach of the Chinese people whom the United States sought to help. Most owners of these fortunes have fled China, too.

China's millionaires are prepared to defend their activities. They deny that they did anything illegal under Chinese law. Officials who profited see nothing wrong in it. An $80-a-month bank examiner employed by the Chinese Government once personally gave a United States diplomat a $5,000 check for the United States Red Cross, explaining that he liked to see part of his "squeeze" going to an organization that was trying to help China. The wife of a Chinese top official once chided an American diplomat for sending an adverse report on her husband's honesty back to Washington. "Of course, we made money," she said. "What's the good of being on the inside if you make nothing out of it?"

Billion-dollar lesson learned in China is leading United States officials charged with policing aid to other countries to keep a close watch on expenditures. But wealthy Chinese, now out of their country, are holding on to profits made at the expense of the United States taxpayer.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include summary of hearings before Committee on Public Lands notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $266.50 to print.

The SPEAKER pro tempore. Under special order of the House heretofore entered, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized.

WHAT PSYCHOLOGICAL WARFARE MEANS TO CONGRESS

Mrs. ROGERS of Massachusetts. Mr. Speaker, today the need for a Special Committee on Psychological Warfare should be forcefully evident to Congress, as an institution, and to Members of Congress, as individuals.

Congress has a tremendous stake in psychological warfare.

Our Constitution has placed upon the legislative branch of Government the responsibility of providing for public welfare and national defense. Nor may we lightly forget that Members here today, in the Eighty-first Congress, made a vast contribution toward victory in World War II through encouraging resistance in enemy-occupied areas and through emphasizing to the enemy, themselves, the futility of further combat.

Mr. Speaker, I want to remind the House that during World War II, Mr. Davenport, formerly chief, Psychological Warfare Section, Washington News Division of Office of War Information, directed psychological broadcasts by Members of Congress to foreign countries.

Only a few days ago, six of the eight reorganization plans containing many of the recommendations of the Hoover Commission went into effect. This is an appropriate time to examine the efficiency of our "psychological peacefare," as embodied in the Voice of America; and to study the means by which psychological warfare could be brought into action should a war emergency arise. This examination, this study, could best be made through a special committee on psychological warfare. Through such a committee the House of Representatives would be intelligently meeting its constitutional responsibility for national defense and the public welfare.

Members of both Houses of Congress have good reason to be proud of their significant role in the battle of words in World War II.

For sheer volume, what the Members had to say in their broadcasts and their articles in foreign newspapers was outweighed by the day-to-day reporting of events which happened in the United States by the free American press and over the free American radio. Yet, no one can question the sheer power of the impact of congressional commentaries overseas, especially after the landing of our liberation forces in north Africa and after the battle of Midway in the Pacific.

Psychological warfare and military victory were the triumph twins. And Members of Congress had a well-defined part in our ultimate victory.

In all, 111 Members of Congress participated. There were 56 Democrats. There were 55 Republicans. What these Members had to say was printed in the press of neutral countries and smuggled into occupied nations. It was dropped over enemy lines. It was shot from Army ordnance in specially built shells. It was broadcast over the radio. Enemy, neutral, ally—alike—found Congress to be a basic source of information, a fountainhead of truth.

Where could a better source of truth be found than in Congress? Our Members come from every State in the Union. The Frenchmen in Rouen might never have beard of Oregon, but he certainly had heard of Louisiana. He accepted what men like Representative HÉBERT had to say. The Swede in Stockholm waited eagerly to read the comments in his own newspapers from Representative Frank Carlson, now Governor of Kansas. They discussed the broadcasts of Senator EDWIN JOHNSON of Colorado in the Swedish Parliament. Swedes might not have been so eager to accept the views of authorities of an origin other than their own.

But names alone did not matter. There were other potent factors. Certain Members were known to serve large numbers of specific national-origin groups in Congress. This knowledge extended to the so-called old country. Thus, Representative JOSEPH W. MARTIN enjoyed great popularity in Portugal because of the number of Americans of Portuguese ancestry in his district, while Senator FERGUSON was well-received in Warsaw because of the number of his constituents who were of Polish parenthood.

Furthermore, the occupations of Members before coming to Congress made an important springboard for action. Lawyers listened to lawyers. Doctors listened to doctors. Railroadmen listened to railroadmen. Editors listened to editors. Oriental scholars welcomed Representative MANSFIELD of Montana because he had taught the history of the Far East. Scandanavian editors looked forward to the comments of Representative HAGEN, of Minnesota because he had edited a Scandanavian-language newspaper. Women Members of Congress had a great unseen audience of women all over the world because this Republic freely gave American women the right to participate in Government.

Some of the Members were particularly successful in the field of psychological warfare due to the association of their position in the legislative branch and their past experience.

Representative JENSEN, of Iowa, made a major contribution toward the stiffening of Danish resistance. Not only is he, himself, of Danish ancestry; but he represents the largest community of Americans of Danish descent in the United States. His opinions were in continuous demand from Danish patriots.

Senator THOMAS of Utah paved the way for the final collapse of Japan. The Senator had been a missionary in that country. His broadcasts in Japanese were among the most effective of the war.

Representative KEARNEY, of New York, "General PAT of the Twenty-seventh Division," made daily commentaries during the Saipan and Okinawa campaigns. Strangely enough, these broadcasts gained their greatest results in Turkey and the Middle East for, in these regions, many of the more important legislators were men with distinguished military records and they preferred to listen to an American of comparable experience.

Then-Senator Truman spoke on American know-how and the uselessness of resisting the united strength of American production and military might. What he said drove home his theme to the industrial centers of Germany and Italy.

Representative STEFAN of Nebraska did double duty. Since he was born in what is now Czechoslovakia, his views were in great demand among that unfortunate but stout-hearted people. This background was matched by his tour of duty as a telegraphic communications expert in the Philippines. The Government of the Philippines recognized the value of what he said to the liberty-loving Filipinos by awarding him the Medal of Military Merit.

In embattled Norway, in invaded-but-not-conquered Poland, men, women, and children risked their lives to hear the fighting words of Senator WILEY of Wisconsin.

Speaker RAYBURN was considered by the overseas audience as a brilliant and logical exponent of the American legislative scene.

Senator WHERRY, of Nebraska, a World War I Navy aviator, materially aided in the shattering of the morale of the Nazi and Japanese Navy.

Representative VINSON, of Georgia, because of his intimate knowledge of naval affairs, consistently brought the shadow of inevitable doom close to Axis naval leaders.

Former Senator Capper, farmer and agricultural publisher, was a prominent figure in the Allied offensive to have farmers in all occupied nations sabotage the enemy war effort.

Representative MARTIN of Iowa, formerly a professor of military tactics at the University of Iowa, was given consideration by high Nazi officers because

of his profession. His speech on the floor of the House on the day before the 1944 anniversary of Hitler's beer hall putsch was one of the most dramatic triumphs of World War II in psychological warfare. On the day before Hitler spoke, Representative MARTIN accurately predicted 43 of the 47 points which Hitler made on the following day.

Each of the committee chairmen in both Houses—yes, and each of the ranking minority members of these committees—responded like soldiers, giving of their time and effort over and above the line of duty.

One hundred and eleven Members of Congress—the justly renowned "111 Club"—made possible the greatest psychological warfare triumph in all history. They were elected to office. Enslaved peoples could not elect nor be elected. Their right to express differing opinions on domestic issues and on foreign policies was without question. No European, no Asiatic, under totalitarian rule, could dare do that under pain of death. Each Member was aware of the field in which he was an authority and the area in which his thoughts would be most effective. Each one of the 111 went to the microphone or the recording device with the same degree of genuinely consecrated patriotism.

It is impossible, within this limited space and within this limited time, to list every Member of both House and Senate who participated wholeheartedly in psychological warfare. I have mentioned only a few.

This Congress knows psychological warfare because so many of its Members practiced it. This Congress has a great stake in psychological warfare. By means of a Special Committee on Psychological Warfare, this House could go on record as seeking more efficient handling of psychological "peacefare" and in preparing the necessary legislative groundwork for securing a psychological warfare agency in the event of a war emergency, with the least possible waste of money and with the least possible waste of time.

DISMANTLING GERMAN PLANTS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, this afternoon the chairman of the Committee on Appropriations [Mr. CANNON] referred to one of the questions that is in disagreement in the conference on foreign-assistance appropriations between the House and the other body, namely, the question of dismantling German plants.

There are few more disputed and important questions. For a sharp penetrating study of it may I call the attention of the House to this recently published book, The High Cost of Vengeance, by Freda Utley. If the Members would read this book during the recess and get the facts on what is being done in Germany, which is usually presented as being designed to keep Germany from becoming a military threat again, but which in the judgment of many is driving Germans toward some sort of militarism or nazism, we would become determined to end this senseless policy of destroying their ability to become self-supporting and thereby keeping them on the backs of our own taxpayers. I recommend the book highly.

Mr. Speaker, I did not intend to say anything further at this time, but in view of the speech just made by my friend and colleague the gentleman from Montana [Mr. MANSFIELD], I do want to say a word or two on the subject he discussed. I agree wholly with his view that if there is any question whatsoever of improper action on the part of an alleged Chinese lobby in this country or of improper use of our funds, it ought to be investigated the same as any other improper action should be investigated. It should be added, however, that the white paper reports that Generalissimo Chiang Kai-shek tried to get from our Government any information we had on Chinese who might have shipped money here or elsewhere and hid it, and we would not give it to him. His government tried and executed some several thousand people who were caught in graft and black marketeering, and there is no reason to doubt that he would have been as thoroughgoing with any others even at the top if he could have obtained positive information that they were engaged in such activities. So if a public investigation by Congress is the best or the only way to get the facts and make them available to all including those Chinese who want to police their own house and get it in better order, I think we ought to have it. The writer of the article from which he quoted must have received his alleged information from some Government official. Perhaps Congress could obtain it too; the writer ought to reveal his sources, for independent checking; or retract.

One more point: Our Ambassador to China, the Honorable John Leighton Stuart has said repeatedly in public as well as in private that most of those at top levels in the Chinese Government are as sincere, as high-minded, as able, as honest, and as patriotic as the men at similar levels in any government in the world. The difficulty in China has been to get enough good men in the lower and middle echelons of government service, because there just are not enough of them in China with the training, background, or experience to administer complicated governmental operations well, whether civilian or military. That is one of the problems in connection with which the Chinese need more sympathetic help, encouragement, and assistance and fewer moral lectures and denunciations. We have specialized in the latter and it does not help with the problem of keeping China free, which in my opinion is as important to ourselves as to the Chinese.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1565. An act for the relief of Doctor Ludovit Ruhmann.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On August 23, 1949:

H. R. 781. An act to amend title II of the Civil Aeronautics Act of 1938, as amended;

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

H. R. 1279. An act for the relief of George Hampton;

H. R. 2859. An act to authorize the sale of public lands in Alaska;

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park in the State of Texas, and for other purposes; and

H. R. 4498. An act to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes.

On August 24, 1949:

H. R. 4177. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Friday, August 26, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

885. A letter from the Acting Secretary, Department of Agriculture, transmitting a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease; to the Committee on Agriculture.

886. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins"; to the Committee on Banking and Currency.

887. A letter from the Acting Attorney General, transmitting additional information relative to a letter from the Attorney General dated April 15, 1949, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation of certain aliens in the case of Mrs. Maria Anna Elizabeth Falco (file No. A-6713078); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. GARMATZ: Committee on Joint Committee on the Disposition of Executive Papers. Disposition of sundry papers (Rept. No. 1321). Ordered to be printed.

Mr. GARMATZ: Committee on Joint Committee on the Disposition of Executive Papers. Disposition of sundry papers (Rept. No. 1322). Ordered to be printed.

Mr. MORRIS: Committee on Public Lands. 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; without amendment (Rept. No. 1323). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. House Joint Resolution 349. Joint resolution to amend the National Housing Act, as amended; without amendment (Rept. No. 1324). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 5903. A bill to amend the Hospital Survey and Construction act (title VI of the Public Health Service Act), to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes; with an amendment (Rept. No. 1325). Referred to the Committee of the Whole House on the State of the Union.

Mr. COX: Committee on Rules. House Resolution 342. Resolution providing that it shall be in order on August 25, 1949, for the Speaker to recognize Members for motions to suspend the rules; without amendment (Rept. No. 1326). Referred to the House Calendar.

Mr. COX: Committee on Rules. House Resolution 345. Resolution providing that until Wednesday, September 21, 1949, the House shall meet only on Tuesday and Friday of each week unless otherwise ordered; without amendment (Rept. No. 1327). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 346. Resolution providing for the consideration of H. R. 5931, a bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; without amendment (Rept. No. 1328). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 319. Resolution providing for the consideration of H. R. 4495, a bill to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, and promotion, and for other purposes; with an amendment (Rept. No. 1329). Referred to the House Calendar.

Mr. KARST: Committee on Post Office and Civil Service. S. 1479. An act to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes; with an amendment (Rept. No. 1330). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCARTHY: Committee on Post Office and Civil Service. S. 1825. An act to amend the Postal Pay Act of 1945, approved July 6, 1945, so as to provide promotions for temporary employees of the mail equipment shops; with an amendment (Rept. No. 1331). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 5951. A bill to amend section 3 of the Travel Expense Act of 1949; with an amendment (Rept. No. 1332). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. House Joint Resolution 340. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; without amendment (Rept. No. 1333). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CARNAHAN:

H. R. 6130. A bill 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; to the Committee on the Judiciary.

By Mr. GILMER:

H. R. 6131. A bill to extend for an indefinite period the reservation to the Osage Indians in Oklahoma of oil, gas, coal, and other minerals, provided in the act of June 28, 1906 (34 Stat. 539); to the Committee on Public Lands.

By Mr. JACKSON of Washington:

H. R. 6132. A bill to amend title XI of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. MORRIS:

H. R. 6133. A bill transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses; to the Committee on Public Lands.

By Mr. PATTERSON:

H. R. 6134. A bill for the relief of the Borough of Naugatuck, Conn.; to the Committee on the Judiciary.

By Mr. PLUMLEY (by request):

H. R. 6135. A bill to provide for the equitable assessment of taxes; to provide adequate social security for all American citizens; to solve the labor problem completely; to untax business and thus encourage full and efficient production and full employment; to cut the hidden sales taxes out of prices to reduce the high cost of living; to collect enough revenue to support the Government, reduce the national debt, and in due course revalue the dollar; to make the tax rate automatically adjustable to stabilize our economy on a rising standard of living; and for other purposes; to the Committee on Ways and Means.

By Mr. REES:

H. R. 6136. A bill to repeal the taxes on transportation; to the Committee on Ways and Means.

By Mr. SHORT:

H. R. 6137. A bill to amend the Federal Alcohol Administration Act with respect to the labeling and advertising of domestic whisky; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Michigan:

H. R. 6138. A bill to authorize the liberalization, in the case of small-business enterprises in labor-market areas where unemployment is serious, of certain requirements for obtaining financial assistance from the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. POTTER:

H. R. 6139. A bill to authorize the liberalization, in the case of small-business enterprises in labor market areas where unemployment is serious, of certain requirements for obtaining financial assistance from the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. SIKES:

H. R. 6140. A bill to provide for the conveyance to Gulf County, State of Florida, of a portion of St. Joseph Peninsula which is under the jurisdiction of the Department of Defense; to the Committee on Armed Services.

By Mr. SPENCE:

H. J. Res. 349. Joint resolution to amend the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. ANDERSON of California:

H. J. Res. 350. Joint resolution authorizing the Secretary of Labor to appoint a special assistant to aid in settling labor disputes affecting Pacific coast shipping; to the Committee on Education and Labor.

By Mr. LESINSKI:

H. Con. Res. 131. Concurrent resolution authorizing the printing of additional copies of Bulletin No. 940 of the Bureau of Labor Statistics of the Department of Labor, entitled "Occupational Outlook Handbook"; to the Committee on House Administration.

By Mr. COOPER:

H. Con. Res. 132. Concurrent resolution authorizing the printing of 10,000 additional copies of House Report No. 1300 on H. R. 6000, a bill to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; to the Committee on House Administration.

By Mr. WILSON of Oklahoma:

H. Con. Res. 133. Concurrent resolution to seek development of the United Nations into a world federation; to the Committee on Foreign Affairs.

By Mr. RANKIN:

H. Res. 343. Resolution to authorize the Committee on Veterans' Affairs to conduct an investigation of veterans' hospitals; to the Committee on Rules.

H. Res. 344. Resolution to provide funds for the expenses of the investigation authorized by House Resolution 343; to the Committee on House Administration.

By Mr. KEE:

H. Res. 346. Resolution providing for the consideration of the joint resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations; to the Committee on Rules.

By Mr. BURDICK:

H. Res. 347. Resolution providing for the appointment of a House committee to investigate the expenditures of public funds in connection with the acquiring of land for the Garrison (N. Dak.) Dam Reservoir; to the Committee on Rules.

By Mr. RANKIN:

H. Res. 348. Resolution providing for the consideration of H. R. 5965, a bill to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; to the Committee on Rules.

H. Res. 349. Resolution providing for the consideration of H. R. 6034, a bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; to the Committee on Rules.

By Mr. KEE:

H. Res. 350. Resolution providing for the consideration of the joint resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CHUDOFF:

H. R. 6141. A bill for the relief of Grassi Ambrogio; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 6142. A bill for the relief of Andrea Di Grazia; to the Committee on the Judiciary.

H. R. 6143. A bill for the relief of Mrs. Elisabeth Luger; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 6144. A bill for the relief of certain Latvians, Estonians, Lithuanians, Norwegians, and Polish persons; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6145. A bill for the relief of Carl Weitlanner; to the Committee on the Judiciary.

By Mr. KING:

H. R. 6146. A bill for the relief of Chung Joe Seong, Chu Kwock Po, Chu Tung Shing, and Chu Tung Chou; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6147. A bill for the relief of Riva Bunamavicius; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 6148. A bill for the relief of R. H. Hardin; to the Committee on the Judiciary.

By Mr. WHITAKER:

H. R. 6149. A bill to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors; to the Committee on Veterans' Affairs.

SENATE

FRIDAY, AUGUST 26, 1949

(Legislative day of Thursday, June 2, 1949)

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

Rev. Gerhard E. Lenski, pastor, Grace Lutheran Church, Washington, D. C., offered the following prayer:

Eternal and almighty God, whose we are and whom we serve, we lift our hearts and minds to Thee as we face the duties, the decisions, and the responsibilities that comprise this new day.

Let Thy mind be in us and Thy will clear before us. Make us more concerned to do the right than to have our own way. May we seek Thy divine approval rather than the praise of men. May we do this day such things as we will wish that we had done when finally we shall stand before Thee to render unto Thee our final account. So wilt Thou ever bless us as Thy servants and guide and keep us, even unto life eternal. Through Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. ELLENDER, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 25, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Hon. E. E. Cox, a Representative from the State of Georgia, was elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed the bill (S. 936) to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended, with an amendment, in which it requested the concurrence of the Senate.

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

H. R. 5647. An act to prohibit the picketing of United States courts;

H. R. 5833. An act to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress;

H. R. 6022. An act to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes;

H. R. 6114. An act 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; and

H. J. Res. 337. Joint resolution extending the time for payment of the sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia.

CALL OF THE ROLL

Mr. ELLENDER. 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:

Byrd	Ives	Murray
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Reed
Connally	Kefauver	Robertson
Cordon	Kem	Saltonstall
Donnell	Kerr	Schoeppel
Douglas	Kilgore	Smith, Maine
Ecton	Knowland	Smith, N. J.
Ellender	Langer	Sparkman
Flanders	Long	Stennis
Frear	Lucas	Taft
Fulbright	McCarthy	Taylor
George	McClellan	Thomas, Okla.
Gillette	McFarland	Thomas, Utah
Green	McKellar	Tydings
Gurney	McMahon	Vandenberg
Hayden	Magnuson	Watkins
Hendrickson	Malone	Wherry
Hickenlooper	Maybank	Wiley
Hill	Miller	Williams
Hoey	Millikin	Young
Holland	Morse	
Humphrey	Mundt	

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from California [Mr. DOWNEY] are necessarily absent.

The Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate 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] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from New York [Mr. DULLES], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

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

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

The VICE PRESIDENT. A quorum is present.

LEAVE OF ABSENCE

Mr. FLANDERS. Mr. President, I ask unanimous consent to be absent from the session of the Senate tomorrow because of a long-standing engagement to meet certain of my constituents.

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

Mr. CAIN asked and obtained consent to be absent from the sessions of the Senate from Saturday noon, August 27, to 4 o'clock on Tuesday next.

Mr. LANGER asked and obtained consent to be absent from the sessions of the Senate from tomorrow, Saturday, until Tuesday next at 4:30 p. m.

Mr. SCHOEPPEL asked and obtained consent to be absent from the session of the Senate on Saturday, August 27.

On request of Mr. IVES, and by unanimous consent, Mr. DULLES was excused from attendance on the sessions of the Senate until Tuesday next.

Mr. MAYBANK asked and obtained consent to be excused from attendance on the session of the Senate between the hours of 1:30 and 3 p. m. today because of an important engagement in one of the departments, and also to be absent tomorrow.

Mr. MAYBANK subsequently said: Mr. President, earlier today I requested unanimous consent to be absent from the Senate tomorrow. I now ask unanimous consent to be absent for several days next week, also.

The VICE PRESIDENT. Without objection, consent is granted.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. ELLENDER, and by unanimous consent, the Committee on Foreign Relations and the Armed Services Committee, sitting jointly, were authorized to meet this afternoon during the session of the Senate.