

SEPTEMBER 19, 1949.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to the authority heretofore granted, the Clerk received today from the Secretary of the Senate the following message:

That the Senate had passed without amendment the bill H. R. 4040, entitled "An act for the relief of Agnes Tarjani."

Very truly yours,

RALPH R. ROBERTS,

Clerk of the House of Representatives.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had on September 19, 1949, examined and found truly enrolled a bill of the House of the following title:

H. R. 4040. An act for the relief of Agnes Tarjani.

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the authority granted on August 26, 1949, he did on September 19, 1949, sign the following enrolled bill:

H. R. 4040. An act for the relief of Agnes Tarjani.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5268. An act to amend certain provisions of the Internal Revenue Code.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. JOHNSON of Colorado, Mr. LUCAS, Mr. MILLIKIN, Mr. TAFT, Mr. BUTLER, and Mr. WILLIAMS to be the conferees on the part of the Senate.

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 and a joint resolution of the House of the following titles:

On September 16, 1949:

H. R. 1211. An act to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes; and

H. J. Res. 295. An act to erect a memorial to the memory of Mohandas K. Gandhi.

On September 19, 1949:

H. R. 4040. An act for the relief of Agnes Tarjani.

ADJOURNMENT

Mr. SHEPPARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 3 minutes p. m.), pursuant to House Resolution 345, the House adjourned until tomorrow, Wednesday, September 21, 1949, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII,

Mr. RANKIN (by request) introduced a bill (H. R. 6176) to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as

amended, to extend the period for which employees may be detailed for training and research, and for other purposes, which was referred to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. RIBICOFF introduced a bill (H. R. 6177) for the relief of Dr. Hsiang-Tung Chang, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

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

1491. By the SPEAKER: Petition of Veterans of Foreign Wars of the United States, Washington, D. C., relative to Resolution No. 423, adopted at the Fiftieth Annual Convention of the Veterans of Foreign Wars, held at Miami, Fla., August 21 to 26, 1949, concerning American shipping as it relates to national defense; to the Committee on Merchant Marine and Fisheries.

1492. Also, petition of Hawaiian Government Employees' Association, Honolulu, T. H., requesting the Congress of the United States to grant statehood to the Territory of Hawaii; to the Committee on Public Lands.

SENATE

WEDNESDAY, SEPTEMBER 21, 1949

(Legislative day of Saturday, September 3, 1949)

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

Rev. Ira D. S. Knight, pastor, First Baptist Church, Virginia Beach, Va., offered the following prayer:

Our Heavenly Father, in gratitude for a nation of life, liberty, and the pursuit of happiness, we give Thee our thanks. May our Nation continue to be grateful for these chosen Senators. Continue to give them Thy judgments, O God. Increase our vision and their vision of a world at peace and a land of prosperity. Be with them through this day, and give them Thy wisdom. In Jesus' name we ask it. Amen.

THE JOURNAL

On the request of Mr. HOEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 20, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

CALL OF THE ROLL

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Aiken	Chapman	Eaton
Anderson	Connally	Ellender
Bricker	Cordon	Ferguson
Bridges	Donnell	Flanders
Byrd	Downey	Frear
Cain	Dulles	Fulbright

George	Langer	Reed
Gillette	Leahy	Robertson
Graham	Long	Russell
Green	Lucas	Saltonstall
Gurney	McCarthy	Schoeppel
Hayden	McClellan	Smith, Maine
Hendrickson	McFarland	Sparkman
Hill	McKellar	Stennis
Hoey	McMahon	Taft
Holland	Magnuson	Taylor
Humphrey	Malone	Thomas, Okla.
Ives	Martin	Thomas, Utah
Jenner	Maybank	Thye
Johnson, Colo.	Miller	Vandenberg
Johnson, Tex.	Millikin	Watkins
Johnston, S. C.	Murray	Wherry
Kem	Myers	Wiley
Kerr	Neely	Williams
Kilgore	O'Connor	Withers
Knowland	Pepper	Young

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Mississippi [Mr. EASTLAND] are absent on public business.

The Senator from Illinois [Mr. DOUGLAS] is absent by leave of the Senate.

The Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. McCARRAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent on official business.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Massachusetts [Mr. LODGE], and the Senator from South Dakota [Mr. MUNDT] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from Oregon [Mr. MORSE] is necessarily absent.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate.

The PRESIDENT pro tempore. A quorum is present.

LEAVE OF ABSENCE

Mr. AIKEN asked and obtained consent to be absent from the sessions of the Senate for the remainder of the week.

Mr. YOUNG asked and obtained consent to be absent from the Senate on Thursday and Friday of this week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MURRAY, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet this afternoon while the Senate is in session.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Acting Attorney General, withdrawing the name of Remedios

Tamayo Hamm from a report relating to aliens whose deportation was suspended more than 6 months ago, transmitted to the Senate on March 15, 1949; to the Committee on the Judiciary.

ACCEPTANCE BY LESLIE W. KNOTT OF DECORATION BESTOWED BY KING OF GREECE

A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of proposed legislation granting permission to Leslie W. Knott, senior surgeon, Public Health Service, to accept and wear a certain decoration bestowed upon him by the King of Greece (with an accompanying paper); to the Committee on Foreign Relations.

MEMORIAL

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the McKean County Medical Society, Bradford, Pa., protesting against the enactment of legislation providing compulsory health insurance, which was referred to the Committee on Labor and Public Welfare.

WORLD GOVERNMENT AND MILITARY ASSISTANCE TO FOREIGN NATIONS—RESOLUTIONS OF YOUNG DEMOCRATIC CLUB OF DISTRICT OF COLUMBIA

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD resolutions which were adopted by the Young Democratic Club of the District of Columbia on August 25, 1949, relating to world government and military assistance to foreign nations.

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

To the Committee on Foreign Relations:

"Resolution 1

"Whereas the processes of history show that the surest and best way to resolve the conflicts that naturally arise among intimate groups of people is through government; and

"Whereas the conflicts now threatening the people of the world on an international plane point to the prospect of atomic and bacteriological destruction: Now, therefore, be it

Resolved, That the Young Democratic Club of the District of Columbia put itself on record as favoring a government of the world to be developed from the United Nations, giving that body power to make, interpret, and enforce world law upon individuals and states; and be it further

Resolved, That the Young Democratic Club of the District of Columbia endorse, and take such steps as are necessary to support, the World Federation Resolutions (H. Con. Res. 64 and others, S. Con. Res. 56) now pending before the Congress of the United States of America."

Ordered to lie on the table:

"RESOLUTION ADOPTED BY THE YOUNG DEMOCRATIC CLUB OF THE DISTRICT OF COLUMBIA

"Whereas the United States has entered into a union of nations pledged to the preservation of peace, security, and freedom in the North Atlantic community, and based on the determination to safeguard the freedoms of their peoples founded on the principles of democracy, individual liberty, and the rule of law, and on the resolution to unite their efforts for collective defense, and for the preservation of peace and security; and

"Whereas the parties to the North Atlantic Pact have bound themselves to achieve the objectives of the treaty by means of continuous and effective self-help and mutual aid, to maintain and develop their individual and collective capacity to resist armed attack; and

"Whereas, for the purpose of implementing this agreement to its fullest meaning, the United States proposes to enter wholeheartedly into arrangements for mutual military assistance with the nations of the North Atlantic community and with other nations whose friendship and security will prove an effective guard against possible encroachment: Now, therefore, be it

Resolved, That the Young Democratic Club of the District of Columbia endorse and urge our legislators to accept, the bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations' (S. 2388 and H. R. 5895), as a measure which will most effectively protect by peaceful means the free institutions of democratic nations everywhere."

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Selden Chapin, of the District of Columbia, a Foreign Service Officer of the Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary to the Netherlands, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

Thirty-three postmasters.

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

Thomas W. S. Davis, of Virginia, to be Assistant Secretary of Commerce;

William V. Albaugh and sundry other civilian personnel of the United States Coast Guard to be chief ship's clerks, United States Coast Guard; and

Arthur E. Greaves, Jr., and Robert G. Rendall, of the Coast and Geodetic Survey to be ensigns.

BILLS INTRODUCED

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

By Mr. MILLER:

S. 2575. A bill for the relief of Yayoko Kobayashi and June Kobayashi, and for other purposes; to the Committee on the Judiciary.

By Mr. DULLES:

S. 2576. A bill for the relief of Jeno (Eugene) Kupferstein; to the Committee on the Judiciary.

(Mr. HUMPHREY introduced Senate bill 2577, to amend the Immigration Act of 1924 so as to permit certain alien children to enter the United States as nonquota immigrants, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. THOMAS of Oklahoma:

S. 2578. A bill to amend the Federal Seed Act; to the Committee on Agriculture and Forestry.

By Mr. ECTON:

S. 2579. A bill for the relief of Mary Weaselhead Redhead; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER:

S. 2580. A bill for the relief of Boruck Rutenberg and Etla Rutenberg; to the Committee on the Judiciary.

By Mr. GRAHAM (for himself and Mr. HOEY):

S. 2581. A bill conferring jurisdiction on the United States District Court for the Mid-

dle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.; to the Committee on the Judiciary.

By Mr. GREEN:

S. 2582. A bill for the relief of Lino Giampedroni; to the Committee on the Judiciary.

ADMISSION OF CERTAIN ALIEN CHILDREN AS NONQUOTA IMMIGRANTS

Mr. HUMPHREY. Mr. President, it is a pleasure for me to introduce for appropriate reference a bill to amend the Immigration Act of 1924 so as to permit war orphans to enter the United States as nonquota immigrants.

Early this year the Minnesota State Legislature adopted a concurrent resolution, memorializing the Congress of the United States to enact just such humanitarian legislation in behalf of war orphans. This would permit American families to adopt those orphans and bring them up in an atmosphere of freedom, imbued with principles of our democratic philosophy.

One of the most bitter and cruel aftermaths of the recent world war was the child victims of Europe. Helpless, blameless, and yet full sufferers of the misery, starvation, and stark tragedy which war brings, many millions of these orphaned children wandered through the Continent of Europe, a grim reminder of man's inhumanity to man. So long as these children are forgotten, they remain a symbol of the world's failure to live according to the humanitarian and God-like principles of love.

The American people have demonstrated that they are ready and willing to meet this problem. They recognize America's special responsibility as the world's wealthiest and freest land. American families by the hundreds of thousands are prepared to welcome to their homes the displaced peoples of Europe, and more particularly these children. All that remains is for us in Congress, as the representatives of the American people, to enact this legislation.

Under the terms of the bill, a child under 21 years of age who is otherwise qualified under the immigration laws for admission to the United States for permanent residence, would be permitted to enter this country as a nonquota immigrant if one of the following conditions is fulfilled:

First. The child has been made an orphan by the death or disappearance of both parents; or

Second. The child has been abandoned or deserted by or separated from or lost from both parents; or

Third. One of the child's parents is dead, or has disappeared, or has abandoned, deserted, or been separated from the other parent, and the remaining parent is incapable of providing care for the child and agrees to release the child for emigration and adoption.

The bill also provides that such an immigrant child, to be considered a nonquota immigrant, must either be entering the United States for permanent residence with a father or mother by adoption, or for permanent residence with an American citizen, or must be coming to this country in the care of a public or

private agency approved by the Commissioner of Immigration and Naturalization. The law requires that the relative, person, or agency to whom the child is coming must give satisfactory assurances that adoption or guardianship proceedings will be initiated, and also give assurance that the child will be properly cared for.

The bill (S. 2577) to amend the Immigration Act of 1924 so as to permit certain alien children to enter the United States as nonquota immigrants, introduced by Mr. HUMPHREY, was read twice by its title, and referred to the Committee on the Judiciary.

DEVELOPMENT OF SPECIAL AIRCRAFT FOR AGRICULTURAL PURPOSES

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 172), which was referred to the Committee on Agriculture and Forestry:

Whereas in a meeting at Texas A & M College, College Station, Tex., on August 23, 1949, representatives of the Texas A & M College, the Civil Aeronautics Administration, the United States Department of Agriculture, the Civil Aeronautics Board, and the National Flying Farmers Association agreed to sponsor the development of a special airplane for agricultural purposes. The development is to be undertaken in the Personal Aircraft Research Center at Texas A & M College and is to be financed by the Civil Aeronautics Administration cooperatively with the Department of Agriculture under the provisions of section 601 of the Economy Act of 1932; and

Whereas there is no convenient and fully satisfactory method of measuring the distribution of agricultural materials dispensed from aircraft; a method for accurately evaluating the performance of this equipment would contribute much toward improvement of present dispensing equipment; and

Whereas the present aircraft dusting, spraying, seeding and fertilizing equipment, and the aircraft used in such operations, being for the most part either converted military trainers, converted light personal aircraft or obsolete biplanes are generally dissatisfactory for these purposes. None of the aircraft were originally designed for agricultural use, and as a consequence their flying characteristics are not satisfactory for this purpose. Present equipment for dispensing agricultural materials from airplanes does not produce sufficiently uniform distribution of these materials with the result that material is wasted and inadequate coverage is obtained at the present time; and

Whereas under the provisions of section 805 of the Civil Aeronautics Act of 1938 the Administrator of Civil Aeronautics is empowered to undertake developmental work tending to the creation of improved aircraft; and

Whereas legal authority for participation by the Department of Agriculture in this project is to be found in section 1 of the act of June 29, 1935; Therefore be it

Resolved, That it is the sense of the Senate that a project for the development of special aircraft for agricultural purposes and related equipment should be undertaken by the Civil Aeronautics Administration and the Department of Agriculture.

INVESTIGATION OF MEANS OF STIMULATING SURPLUS AGRICULTURAL COMMODITY EXPORTS

Mr. ANDERSON submitted the following resolution (S. Res. 173), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, be authorized and directed to investigate ways and means of

stimulating the exports of surplus agricultural commodities and to submit recommendations for appropriate legislation to the Eighty-first Congress.

For the purpose of the investigation the Committee is authorized to employ a staff of competent assistants and to expend a sum not in excess of \$25,000.

STABILIZATION OF SUPPLIES AND PRICES IN INTERNATIONAL WHEAT MARKET—AMENDMENT

Mr. ANDERSON submitted an amendment intended to be proposed by him to the bill (S. 2383) to give effect to the international wheat agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES—AMENDMENTS

Mr. JOHNSON of Colorado submitted amendments intended to be proposed by him to the bill (S. 2522) to stabilize prices of agricultural commodities, which were ordered to lie on the table and to be printed.

Mr. WATKINS (for himself, Mr. YOUNG, Mr. JOHNSON of Colorado, Mr. LUCAS, and Mr. GILLETTE) submitted an amendment intended to be proposed by them, jointly, to Senate bill S. 2522, supra, which was ordered to lie on the table and to be printed.

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENTS

Mr. MURRAY submitted amendments intended to be proposed by him to the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, which were ordered to lie on the table and to be printed.

Mr. KNOWLAND submitted amendments intended to be proposed by him to House bill 5895, supra, which were ordered to lie on the table and to be printed.

Mr. JENNER submitted amendments intended to be proposed by him to House bill 5895, supra, which were ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. HILL (for himself and Mr. THOMAS of Oklahoma) 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 for myself and the Senator from Oklahoma [Mr. THOMAS] to the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 13, after line 17, insert the following:

"RURAL ELECTRIFICATION ADMINISTRATION

"To carry into effect the provisions of the Rural Electrification Act, as amended, and to provide for rural telephones and other purposes: *Provided*, That the following two paragraphs shall be effective only upon the enactment into law during the first session of the Eighty-first Congress of H. R. 2960, as follows: "Salaries and expenses: For an additional amount for administrative expenses, including personal services in the District of Co-

lumbia, \$250,000, of which amount \$35,000 may be transferred to and made a part of the appropriation for the Office of the Solicitor.

"Loans: For loans in accordance with title II and for carrying out the provisions of section 7 of title I, \$25,000,000, to be borrowed from the Secretary of the Treasury in accordance with the applicable provisions of section 3 of title I."

Mr. HILL (for himself and Mr. THOMAS of Oklahoma) also submitted an amendment intended to be proposed by them, jointly, to House bill 6008, making supplemental appropriations 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.)

STATEMENT BY SENATOR KILGORE ON AN INTERNATIONAL UNDERSTANDING PROGRAM

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a statement prepared by him on an international understanding program, sponsored by the Charleston, W. Va., Junior Chamber of Commerce, which appears in the Appendix.]

WHAT'S TO BE DONE ABOUT CONGRESS?—ARTICLE BY SENATOR KEFAUVER

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "What's To Be Done About Congress?" by Senator KEFAUVER, published in the New York Times magazine of September 18, 1949, which appears in the Appendix.]

SENATOR MORSE'S POSITION ON THE COLUMBIA VALLEY ADMINISTRATION—ARTICLES FROM THE CAPITAL JOURNAL

[Mr. IVES asked and obtained leave to have printed in the RECORD two articles relative to the position of Senator MORSE on the Columbia Valley Authority, published in the Capital Journal, of Salem, Oreg., for September 13 and September 15, 1949, which appear in the Appendix.]

ESTABLISHMENT OF PERMANENT EXHIBIT OF CHRISTIAN SCIENCE IN WASHINGTON, D. C.

[Mr. WILEY asked and obtained leave to have printed in the RECORD several articles describing the permanent exhibit of the Christian Science movement at Sixteenth and I Streets NW., Washington, D. C., which appear in the Appendix.]

HOW TO END THE DOLLAR CRISIS—ARTICLE BY ROBERT K. PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "How To End the Dollar Crisis," by Robert K. Pepper, news editor of the News-Press, Fort Myers, Fla., which appears in the Appendix.]

COMPARISON OF GORE BILL, AIKEN ACT, AND ANDERSON BILL

Mr. AIKEN. Mr. President, the minority conference has prepared a comparison of the provisions of the Gore bill, the Aiken Act, and the Anderson bill.

This comparison of these different provisions for agricultural law shows very careful study of the subject.

While I have not read this document in full, that part of it which I have read appears to be factually accurate.

As this comparison may have considerable value for the Members of Congress and others, I ask unanimous consent that it be printed in the body of the RECORD.

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

Farm price support

Following is a comparison of three farm-price-support bills which have been acted upon in Congress. The three are: H. R. 5345 (Gore bill) passed by the House July 21, 1949; Titles II and III of Public Law 897, Eightieth Congress (Aiken Act); and S. 2522 (Anderson bill) approved by the Senate Committee on Agriculture and Forestry on August 31, 1949.

GORE BILL

The formula for determining parity prices of agricultural commodities which has been in use for many years under authority of the Agricultural Adjustment Act of 1938 is retained. Under this formula, the parity price of any commodity as of any date is a price which has changed the same percentage since the base period as have prices paid by farmers. For the more important field crops and livestock items, the base period is 1910-14. The parity price is calculated by multiplying the average price for the product during the base period by the parity index.

Example:

Average price received by farmers for wheat during 1910-14 (cents per bushel)	88.4
Aug. 15, 1949, parity index (index of prices paid by farmers, including interest and taxes)	243
Aug. 15, 1949, parity price of wheat (88.4 cents by 243)	\$2.15

The formula for determining comparable prices also is retained. Section 4(a) of the act of July 1, 1941 (the Steagall amendment), provided that comparable prices shall be determined if the production or consumption of a commodity "has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities." The Gore bill contains a similar provision. Comparable prices are calculated for dry field peas and soybeans for oil. (See Department of Agriculture Miscellaneous Publication 683, Price Programs of the United States Department of Agriculture, p. 49, for explanation of comparable price formula.)

AIKEN ACT

I. PARITY PRICE FORMULAS

The parity formula is modernized to take into consideration the shifting costs of agricultural production, changes in the pattern of consumption, and other factors.

The chief change in the formula is the substitution of an adjusted base price for the base price previously used. It is obtained by dividing the average price of the commodity for the 10 preceding years by the average of the index of prices received by farmers for all commodities during the same period. To determine the parity price, the adjusted base price is then multiplied by the index of prices paid by farmers including interest and taxes.

At the beginning of each calendar year, the 10-year base period used is moved forward 1 year. The years 1910-14 will continue to be used as the base period for the index of prices received by farmers and the index of prices paid by farmers including interest and taxes.

Example:

Average price received by farmers for wheat during 1939-49 (per bushel)	\$1.37
Average of index of prices received by farmers for all commodities during 1939-48	186
Adjusted base price (\$1.37 divided by 186), (cents per bushel)	73.7
Aug. 15, 1949, parity index (index of prices paid by farmers, including interest and taxes)	243
Aug. 15, 1949, parity price of wheat (73.7 cents by 243) (per bushel)	\$1.79

In cases where the parity price computed under the modernized formula is lower than the parity price under the old formula, a transitional parity price is to be used. The transitional parity price of a commodity will be 95 percent of the old parity price of 1950; 90 percent in 1951, and so on. In other words, the parity price as calculated under the old method is to be reduced 5 percent each year until the transitional parity is less than the parity under the modernized formula. From then on, the new parity will be used.

Transitional parity prices would apply in 1950 to the following commodities: Wheat, corn, cotton, peanuts, eggs, potatoes, oats, barley, rye, oranges, grapefruit, lemons, peaches, prunes, and walnuts. (Source: Bureau of Agricultural Economics.)

The Secretary of Agriculture may, after a public hearing, put into effect for particular commodities other methods of computing parity if their parity prices as provided for in the modernized formula appear to be seriously out of line with the parity prices of other agricultural commodities.

Senator AIKEN has pointed out that the effect of the modernized formula will be to give greater parity values to livestock, dairy products, poultry products, tobacco, wool, and certain other perishable commodities, and somewhat lower parity values to grains, with a few exceptions.

These changes in parity values, he explained, will encourage the marketing of grain in the form of animal products, thereby broadening the market for grain.

The general level of parity prices under the new formula, however, will be the same as under the existing one.

II. PRICE SUPPORT METHODS

Support methods authorized are loans, purchases, payments, and other operations.

In all cases the Secretary is to give consideration to the practicability of supporting prices indirectly, as by the development of improved merchandising methods, rather than directly by purchase or loan.

ANDERSON BILL

The Aiken Act formula is amended by adding wages paid hired farm labor to the parity index and by including in prices received by farmers, the wartime subsidy payments made to producers under OPA programs designed to "hold the line" on price ceilings.

Example:

Average price received by farmers for wheat during 1939 to 1948 (per bushel)	\$1.37
Average of index of prices received by farmers for all commodities, 1939 to 1948	187
Adjusted base price (\$1.37 divided by 187) (cents per bushel)	73.3
Aug. 15, 1949, parity index (index of prices paid by farmers, including interest, taxes, and wage rates, the latter weighted 7.8 percent)	257
Aug. 15, 1949, parity price of wheat (73.3 cents by 257) (per bushel)	\$1.88

The transitional parity provision is the same as in the Aiken Act, with transitional parity prices applying in 1950 to the same commodities, except corn. The provision for putting into effect other methods of computing parity also is retained.

Including wage rates in the parity index has the effect at the present time of increasing parity prices on an over-all basis between 5 and 6 percent. During periods of comparatively low wage rates, however, it has the effect of reducing the general parity price level.

Addition of the wartime consumer subsidy payments, according to the Bureau of Agricultural Economics, raises the 10-year average of the index of prices received by farmers by one point. Inclusion of the subsidies increases the parity prices of milk, butterfat, beef cattle, and lambs rather substantially.

Parity prices of these commodities under the Anderson bill are higher than under the Aiken Act and the Gore bill by the following percentages:

Commodity:	Aiken Act Percent	Gore bill Percent
Milk	10	15
Butterfat	12	12
Beef cattle	7	31
Lambs	7	32

Price-support methods authorized are loans, purchases, and other operations.

The support methods authorized are the same as in the Gore bill, with this difference:

The Anderson bill authorizes the appointment of an Assistant Secretary of Agriculture in Charge of Sales Operations to plan and carry out, through United States Depart-

GORE BILL

AIKEN ACT

ANDERSON BILL

Senator AIKEN, in a statement September 13, 1949, said the committee which formulated the Aiken Act believed then there might be times when it would be desirable to let surpluses of specific commodities find their own market level so that consumers might benefit from large production.

"The Eightieth Congress never contemplated nor intended that compensatory payments would be used for the purpose of breaking the general price level for farm commodities, thereby bringing the American farmer to a status of dependency on Government for his income," he added.

ment of Agriculture agencies, programs for marketing and otherwise disposing of agricultural commodities and products acquired through price-support and other Department activities. The provision (sect. 412) states that, "In planning and carrying out such programs such Assistant Secretary shall strive to make such commodities and products available for purchase in areas of the country in which they are in short supply and in which prices for such commodities and products are above support levels."

In a letter dated August 24, 1949, inserted in the record of the Senate Agriculture Committee hearings on the Anderson bill, W. Carroll Hunter, Department of Agriculture Solicitor, said the provision for making price support available through "loans, purchases, or other operations" does not, in the Department's opinion, authorize production payments to producers. The paragraph in his letter bearing on this point read:

"An identical provision contained in other agricultural legislation has never been construed by the Department as authorizing the use of production payments to producers as a method of price support. It has always been the view of this office that 'other operators' contemplate only such methods, in addition to loans and purchases, as would support the price of the commodity in the market place."

The Secretary of Agriculture is authorized and directed to support prices received by cooperating producers of cotton, wheat, corn, tobacco, rice, and peanuts marketed before June 30, 1951 (September 30, 1951 in the case of Maryland and the cigar-leaf types of tobacco), at 90 percent of parity if producers have not disapproved marketing quotas.

If marketing quotas have not been disapproved, cooperating corn producers outside the commercial corn-producing area will receive price support at 75 percent of the rate of support to cooperators in the commercial corn-producing area.

III. MANDATORY SUPPORT FOR BASIC COMMODITIES

The Secretary of Agriculture is authorized and directed to make available price support to cooperators, if producers have not disapproved marketing quotas, in accordance with a schedule based on the levels of supply with the minimum support not to exceed 90 percent of parity. When acreage allotments or marketing quotas are in effect, the minimum support price provided in the schedule is automatically increased by 20 percent, but is not to go above 90 percent of parity.

The basics are the same as in the Gore bill: Cotton, wheat, corn, tobacco, rice, and peanuts.

Tobacco is a special case. It is to be supported at 90 percent of the parity price in any year in which marketing quotas are in effect.

If marketing quotas have not been disapproved, cooperating corn producers outside the commercial corn-producing area will receive price support at the rate of 75 percent of the level of price support to cooperators in the commercial corn-producing area.

The Secretary of Agriculture is authorized and directed to make available price support to cooperators, if producers have not disapproved marketing quotas, at from 75 to 90 percent of parity, depending on the levels of supply. (Supply percentage tables appear in sect. 101.)

The basics are the same as in the Gore bill: Cotton, wheat, corn, tobacco, rice and peanuts.

An exception is made in the case of tobacco. For this crop, if marketing quotas are in effect, the support level is to be 90 percent of parity.

There is a further exception: Subparagraph (d) of section 101 requires 90 percent of parity price support to cooperators for a crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect. Assuming that acreage allotments or marketing quotas will be in effect during 1950, this provision in effect assures support of the 1950 crops of corn, cotton, wheat, and rice at 90 percent of parity. The 1950 crops of tobacco and peanuts will also be at 90 percent of parity by reason of other provisions.

If marketing quotas have not been disapproved, cooperating corn producers outside the commercial corn-producing area will receive price support at the rate of 75 percent of the level of price support to cooperators in the commercial corn-producing area.

IV. MANDATORY SUPPORT FOR NONBASIC COMMODITIES

The Secretary of Agriculture is authorized and directed to support the prices to producers of 12 Steagall commodities until January 1, 1951. These are the commodities which the Secretary by public announcement pursuant to the provisions of the Steagall amendment (act of July 1, 1941, as amended) requested an expansion of production.

Milk and its products, hogs, chickens of 3½ pounds and over live weight, and eggs are to be supported at 90 percent of parity.

Other Steagall commodities are to be supported at not less than 60 percent of the parity or comparable price nor more than the level at which each was supported in 1948. These are: Irish potatoes, sweetpotatoes, turkeys, edible dry peas of certain varieties, edible dry beans of certain varieties, soy-

The Secretary is specifically directed to support the price of wool at a level between 60 and 90 percent of parity that he considers necessary to encourage an annual production of 360,000,000 pounds of shorn wool. This means 90 percent for a few years at least.

Considering the effect of the revised parity formula on wool, the support level for 1950 should be about 1 cent per pound over the 1949 support.

The Secretary also is specifically directed to support the price of Irish potatoes at not less than 60 percent nor more than 90 percent of parity.

Senator AIKEN, in a statement September 13, 1949, made this comment regarding mandatory price support for other nonbasic commodities:

Under title II, Designated Nonbasic Agricultural Commodities, the Secretary is authorized and directed to provide price support at 60 to 90 percent of parity to producers of shorn wool, mohair, tung nuts, and Irish potatoes, and at 75 to 90 percent of parity to producers of whole milk and butterfat. Support for the latter two is to be provided only through loans on, or purchases of, the products of these commodities.

GORE BILL

beans for oil, flaxseed for oil, and American-Egyptian cotton.

In addition to the Steagall commodities, mandatory support is provided to producers of three other nonbasics as follows:

1. To producers of wool at not less than the 1946 average farm price until June 30, 1951. (This extends the termination date of Public Law 360, 80th Cong.)

2. To producers of mohair, until June 30, 1951, at not in excess of 90 percent of the parity price, taking into account the price level at which wool is being supported. (This adds a new section (sect. 4) to Public Law 360, 80th Cong.)

3. To producers of cottonseed at levels not in excess of parity, taking into account the price levels at which other commodities are being supported. (Termination date is January 1, 1951, same as for the Steagall commodities.)

The Secretary's authority originally given in section 4 (b) of the Steagall amendment to support the prices of commodities other than those for which mandatory support is provided is extended to January 1, 1951.

It is declared to be the policy of Congress that the lending and purchase operations of the Department of Agriculture other than those pertaining to the basic commodities, Steagall commodities, and cottonseed are to be carried out until January 1, 1951, so as to bring the price and income of the producers of other agricultural commodities to a fair parity relationship with the basics, Steagalls, and cottonseed, to the extent that funds are available.

Commodities for which permissive support programs have been in effect in 1949 are: cottonseed, winter cover crop seed, hay, pasture, and range seed; grain sorghums, barley, oats, rye, and gum naval stores.

AIKEN ACT

"It was made clear in an analysis of the bill when it was before the Senate that the Congress expects the Secretary to support the major nonbasic agricultural commodities, which are comparable to the so-called Steagall commodities, at a level comparable to that which is given to the basic commodities.

"Interpreting the act as a whole, in an honest and unbiased manner, the effect is to make support of the major nonbasic commodities virtually mandatory."

ANDERSON BILL

V. PERMISSIVE SUPPORT FOR NONBASIC COMMODITIES

The Secretary is authorized to support prices of nonbasic commodities at any level up to 90 percent of parity. In determining permissive support operations, the following factors are to be considered:

1. The supply of the commodity in relation to the demand.
2. The price levels at which other commodities are being supported.
3. The availability of funds.
4. The perishability of the commodity.
5. Its importance to agriculture and the national economy.
6. The ability to dispose of stocks acquired through a price-support operation.
7. The need for offsetting temporary losses of export markets.
8. The ability and willingness of producers to keep supplies in line with demand.

The above provisions also apply to the basic and nonbasic commodities for which price support is mandatory to the extent that they do not conflict with other provisions of the act.

If any price-support operation is undertaken with respect to either turkeys or chickens, the same operations are to be applicable to broilers, ducks and ducklings, and other poultry.

Under title III, the Secretary is authorized to provide price support up to 90 percent of parity to producers for any nonbasic agricultural commodity not designated in title II.

Priority is to be given, insofar as feasible, to producers of storable nonbasic commodities for which a marketing quota or marketing agreement or order program is in effect and who are complying with such program. The levels of support for the storable nonbasics are 75 to 90 percent of parity, varying with the supply percentage, or at such lower level as the Secretary deems desirable. (The supply percentage table for the storable nonbasics is given in sect. 302.)

A commodity is to be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage, or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

Under title IV, eight factors are set out which are to be taken into consideration by the Secretary in carrying out permissive support operations. They are:

1. The supply of the commodity in relation to the demand therefor.
2. The price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn.
3. The availability of funds.
4. The perishability of the commodity.
5. The importance of the commodity to agriculture and the national economy.
6. The ability to dispose of stocks acquired through a price-support operation.
7. The need for offsetting temporary losses of export markets.
8. The ability and willingness of producers to keep supplies in line with demand.

These same factors also are to be taken into consideration in determining, in the case of any commodity for which price support is mandatory, the level of support above the minimum level prescribed for such commodity in the Anderson bill.

VI. PRICE SUPPORT ABOVE MAXIMUM LEVELS OTHERWISE PRESCRIBED

Price support cannot be increased above the prescribed maximum levels.

Price-support operations at levels above the maximum levels otherwise prescribed may be undertaken whenever it is determined by the Secretary, after a public hearing, that price support at such increased levels is necessary in order to increase or maintain the production of any agricultural commodity in the interest of national security.

Price support at a level above the maximum levels otherwise prescribed may be made available for any commodity if the Secretary determines, after a public hearing, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any commodity essential to the national welfare or in order to increase or maintain the production of any commodity in the interest of national security. The Secretary's determination and the record of the hearing are to be made public.

GORE BILL

Basic commodities: The control measures applying to these commodities are acreage allotments and marketing quotas. "Cooperators" are producers who do not exceed their farm-acreage allotments. When acreage allotments alone have been proclaimed and established, cooperators are eligible for price support at the full rate; noncooperators are ineligible for any support.

When both acreage allotments and marketing quotas have been proclaimed and established, cooperators are eligible for price support at the full rate; noncooperators are ineligible for price support except for a support loan of 54 percent of parity on so much of the commodity as would be subject to penalty under the Agricultural Adjustment Act of 1938, if marketed. No price support is provided, even to cooperators, if marketing quotas have been proclaimed but disapproved by more than one-third of the producers of the commodity voting in a referendum.

Nonbasic commodities: The Secretary of Agriculture is authorized to require compliance by producers with production goals and marketing regulations as a condition of eligibility for support.

Acreage allotments

Except in case of an increase in export demand or a national emergency, the Secretary must proclaim acreage allotments each year for corn, wheat, rice, and peanuts. He must proclaim acreage allotments for tobacco and cotton when marketing quotas are proclaimed for these commodities, but is not authorized to proclaim acreage allotments alone.

The dates when the allotments must be proclaimed each year and the amounts of the allotments are set out in the Agricultural Adjustment Act of 1938, as amended, as follows:

Corn: By February 1, a national acreage allotment for the calendar year then current must be proclaimed for the commercial corn-producing area which, together with corn produced in other United States areas, will make available a supply equal to the reserve supply level. Reserve supply level in the case of corn is a normal year's domestic consumption and exports plus 10 percent.

Wheat: By July 15, a national acreage allotment for the next year's crop must be proclaimed which, together with the estimated carry-over at the beginning of the marketing year for such crop, will produce a supply equal to a normal year's domestic consumption and exports plus 30 percent. The national acreage allotment may not, however, be less than 55,000,000 acres.

Rice: By December 31, a national acreage allotment for the next calendar year must be proclaimed which, together with the estimated carry-over from the marketing year ending in the calendar year for which the allotment is being proclaimed, will produce a supply not less than the normal supply.

Peanuts: By December 1, the national marketing quota proclaimed for the next calendar year must be converted to a national acreage allotment for that year by dividing such quota by the normal yield per acre of peanuts for the United States on the basis of the average yield per acre in the 5 years preceding the year in which the quota is proclaimed, with adjustments for trends in yields and abnormal conditions. The national acreage allotment for the crop year 1950 may not be less than 2,100,000 acres.

Tobacco: By December 1, if a national marketing quota has been proclaimed, a national acreage allotment in pounds must be proclaimed. The allotment in pounds must be an amount which, together with carry-over, will make available a supply equal to the re-

AIKEN ACT

VII. CONDITIONS OF SUPPORT

Basic commodities: The control measures are the same as in the Gore bill—acreage allotments and marketing quotas.

Cooperators receive support at the full rate. The levels of support to noncooperators are left to the Secretary's determination. Also, instead of no price support being provided to producers when marketing quotas have been disapproved, as is the case under the Gore bill, the Aiken Act provides for support to cooperators at 50 percent of parity.

Nonbasic commodities: Producers may be required to comply with acreage allotments, production goals, and marketing practices (including marketing agreements and orders) prescribed by the Secretary in order to be eligible for price support.

ANDERSON BILL

Basic commodities: The control measures are the same as in the Gore bill—acreage allotments and marketing quotas.

Cooperators receive support at the full rate. Support to noncooperators is left to the Secretary's determination. He may provide support to noncooperators at such levels, not in excess of the level of support to cooperators, as he determines will facilitate the effective operation of the program.

When marketing quotas have been disapproved, support to cooperators will be at 50 percent of parity. An exception to this in the Anderson bill is tobacco, for which price support is prohibited when marketing quotas have been disapproved.

Nonbasic commodities: Compliance by the producer with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

VIII. ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Acreage allotments

The acreage allotment provisions under the Aiken Act remain substantially the same as those under the Gore bill. The only change is that in determining national acreage allotments for corn and wheat and the national baleage allotment for cotton, the Secretary is required to give consideration to imports of the commodity involved.

Acreage allotments

The acreage allotment provisions under the Anderson bill are the same as under the Aiken Act.

GORE BILL

serve-supply level. The reserve-supply level of tobacco is normal supply plus 5 percent.

Cotton: By October 15, if a national marketing quota has been proclaimed, a national acreage allotment must be proclaimed for the next calendar year which will make available an amount of cotton equal to the national marketing quota.

Marketing quotas

The dates by which and the conditions under which quotas must be proclaimed, and the amounts of the quotas are set out in the 1938 act, as amended, as follows:

Corn: Between August 10, when the August crop report is released, and September 15, if the Secretary determines that the total supply of corn as of October 1 will exceed the normal supply by more than 10 percent, marketing quotas are to be in effect in the commercial corn-producing area for the crop of corn grown in such area in that calendar year. No provision is made for the amount of a national marketing quota.

Wheat: By May 15, a national marketing quota must be proclaimed whenever it appears that the total supply of wheat at the beginning of the next marketing year will exceed a normal year's domestic consumption and exports by more than 35 percent. The amount of the national marketing quota must equal the normal year's domestic consumption and exports plus 30 percent, less (1) the estimated carry-over at the beginning of the marketing year, and (2) the estimated amount of wheat to be used on farms as seed or livestock feed during the marketing year.

Rice: By December 31, a national marketing quota must be proclaimed for the next marketing year if the total supply for the current marketing year exceeds the normal supply by more than 10 percent. The national marketing quota is an amount equal to the normal supply.

Peanuts: Between July 1 and December 1 of each calendar year, the Secretary must proclaim a national marketing quota for the crop produced in the next calendar year which will make available a supply equal to the average yearly quantity harvested for nuts during the 5 years immediately preceding the year in which such quota is proclaimed, adjusted for current trends, and prospective demand conditions. The national marketing quota, however, may not be less for the 1950 crop than the quantity of peanuts sufficient to provide a national acreage allotment of 2,100,000 acres.

Marketing quotas for peanuts are mandatory without regard to supply or other conditions and are voted for a 3-year period. Producers approved quotas in 1947 for the years 1948, 1949, and 1950.

Tobacco: By December 1, a national marketing quota must be proclaimed for the marketing year beginning in the next calendar year when total supply as of the be-

AIKEN ACT

Marketing quotas

The Aiken Act changes the provisions for marketing quotas from what they are under the Gore bill.

The dates by which and the conditions under which quotas must be proclaimed, and the amounts of the quotas under the Aiken Act are as follows:

Corn: By November 15, the Secretary must proclaim that marketing quotas will be in effect for the next calendar year in the commercial corn-producing area if:

(1) the total supply for the marketing year beginning in the calendar year then current will exceed the normal supply by more than 20 percent, or

(2) the total supply for the marketing year ending in the calendar year then current is not less than the normal supply, and the average farm price for three successive months does not exceed 66 percent of parity.

No provision is made for the amount of a national marketing quota.

Wheat: By July 1, the Secretary must proclaim a national marketing quota for the marketing year beginning July 1 of the next calendar year if:

(1) the total supply for the marketing year beginning in the calendar year then current will exceed the normal supply by more than 20 percent, or

(2) the total supply for the marketing year ending in the calendar year then current is not less than the normal supply, and the average farm price for three successive months does not exceed 66 percent of parity.

The amount of the national marketing quota must equal a normal year's domestic consumption and exports plus 30 percent, less the estimated carry-over at the beginning of the marketing year.

Rice: By December 31, the Secretary must proclaim a national marketing quota for the marketing year beginning in the next calendar year if:

(1) the total supply for the marketing year beginning in the calendar year then current will exceed the normal supply by more than 20 percent, or

(2) the total supply for the marketing year ending in the calendar year then current is not less than the normal supply, and the average farm price for three successive months does not exceed 66 percent of parity.

The national marketing quota is an amount equal to the normal supply.

Peanuts: Same as under the Gore bill.

ANDERSON BILL

Marketing quotas

The marketing quota provisions under the Anderson bill are the same as under the Aiken Act.

Tobacco: By December 1, the Secretary must proclaim a national marketing quota for the marketing year beginning in the next calendar year if the total supply as of the

GORE BILL

ginning of the marketing year then current exceeds the reserve-supply level. Reserve-supply level of tobacco is normal supply plus 5 percent. The national quota is an amount equal to the reserve-supply level, taking carry-over into account.

Quotas are voted on on each kind of tobacco separately and for 1- or 3-year periods.

Cotton: By October 15, a national marketing quota must be proclaimed for the crop produced in the next calendar year when the total supply of cotton for the marketing year beginning in the calendar year then current will exceed the normal supply for such marketing year. The national marketing quota for any year shall be not less than 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller. The national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of 21,000,000 acres.

All marketing quotas are to take effect unless opposed by more than one-third of the producers affected voting in a referendum.

Under section 371 (b) of the 1938 act, the Secretary is empowered to "increase or terminate" marketing quotas in the case of a national emergency or "because of a material increase in export demand." Before determining whether an increase or termination is necessary the Secretary is required to make an investigation of the situation and proclaim such findings. The Department of Agriculture has interpreted this provision to apply to acreage allotments as well as to quotas.

The Department's interpretation is that the intent of section 371 (b) is to give the Secretary authority to remove controls in time of a national emergency and since allotments are so closely related to quotas, it takes the position that allotments come within the purview of this section.

Basic commodities

Except those for cotton, which were changed by Public Law 272 enacted by this Congress, the definitions of normal supply, total supply, and carry-over included in the Agricultural Adjustment Act of 1938 are retained.

The definitions for cotton in Public Law 272, which amends the 1938 act, are:

Normal supply: For any marketing year, it is the estimated domestic consumption of cotton for the marketing year for which normal supply is being determined, plus the estimated exports for such marketing year, plus 30 percent as an allowance for carry-over.

AIKEN ACT

beginning of the marketing year then current exceeds the reserve-supply level. However, the Secretary is required to proclaim a national marketing quota for each marketing year for each kind of tobacco for which a national marketing quota was proclaimed for the preceding marketing year. This proviso also requires the Secretary to proclaim a quota for Virginia sun-cured tobacco for each marketing year for which a quota is proclaimed for fire-cured tobacco. Thus, once the Secretary has proclaimed quotas for any kind of tobacco for any marketing year, he is required to proclaim quotas for that kind of tobacco for each succeeding marketing year without regard to the price or supply situation.

The amount of the national marketing quota is that quantity which, together with the carry-over, will make available a supply of tobacco equal to the reserve-supply level. The reserve-supply level of tobacco is the normal supply plus 5 percent.

Quotas are voted on on each kind of tobacco separately and for 1- or 3-year periods.

Cotton: Same as under the Gore bill.

All marketing quotas are to take effect unless opposed by more than one-third of the producers affected voting in a referendum.

IX. NORMAL SUPPLY, TOTAL SUPPLY, AND CARRY-OVER

Basic commodities

For cotton, the Aiken Act definitions of normal supply, total supply, and carry-over are superseded by those in Public Law 272 enacted by this Congress. (See Public Law 272 definitions for cotton under the Gore bill.)

Basic commodities

The new definitions of normal supply, total supply, and carry-over included in the Aiken Act are retained, with two exceptions: (1) For cotton, the definitions in the 1948 act are superseded by those in Public Law 272 enacted by this Congress. (See Public Law 272 definitions for cotton under Gore bill); (2) The definition of normal supply in the case of corn is amended by the Anderson bill to provide for a 10-percent, in lieu of 7-percent, allowance for carry-over.

ANDERSON BILL

GORE BILL

Total supply: For any marketing year, it is the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.

Carry-over: For any marketing year, it is the quantity on hand in the United States at the beginning of the marketing year, not including any part of the crop which was produced in the United States during the calendar year then current.

The 1938 act does not define normal supply, total supply, and carry-over for peanuts.

The 1938 act definitions for the other basic commodities are:

Normal supply: For corn, rice, and wheat, it is a normal year's domestic consumption and exports of the commodity, plus 7 percent in the case of corn, 10 percent in the case of rice, and 15 percent in the case of wheat, of a normal year's domestic consumption and exports, as an allowance for a normal carry-over. For tobacco, it is a normal year's domestic consumption and exports plus 175 percent of a normal year's domestic consumption and 65 percent of a normal year's exports as an allowance for a normal carry-over.

"Normal year's domestic consumption" is defined as, for corn and wheat, the yearly average quantity of the commodity, wherever produced, that was consumed in the United States during the 10 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption; for tobacco, the yearly average quantity of the commodity produced in the United States that was consumed in the United States during the 10 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption; and for rice, the yearly average quantity of rice produced in the United States that was consumed in the United States during the 5 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

"Normal year's exports" is defined as, for corn, rice, tobacco, and wheat, the yearly average quantity of the commodity produced in the United States that was exported from the United States during the 10 marketing years (or, in the case of rice, the 5 marketing years) immediately preceding the marketing year in which such exports are determined, adjusted for current trends in such exports.

Total supply: For corn, rice, and wheat, for any marketing year, it is the carry-over of the commodity for such marketing year plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins. For tobacco, for any marketing year, it is the carry-over at the beginning of such marketing year plus the estimated production thereof in the United States during the calendar year in which such marketing year begins, except that the estimated production of type 46 tobacco during the marketing year with respect to which the determination is being made is to be used in lieu of the estimated production of such type during the calendar year in which such marketing year begins in determining the total supply of cigar-filler and cigar-binder tobacco.

Carry-over: For corn and rice, for any marketing year, it is the quantity on hand in the United States at the beginning of such marketing year, which was produced in the United States prior to the beginning of the calendar year then current. For tobacco, for any marketing year, it is the quantity of such tobacco on hand in the United States at the

AIKEN ACT

ANDERSON BILL

For the other basic commodities, the definitions included in the Aiken Act are as follows:

Normal supply: For corn, rice, wheat, and peanuts, it is the estimated domestic consumption of the commodity during the preceding marketing year plus the estimated exports of the commodity for the marketing year for which normal supply is being determined, plus carry-over allowances of 7 percent in the case of corn, 10 percent in the case of rice, 15 percent in the case of wheat, and 15 percent in the case of peanuts. The Secretary is directed to take account of current trends in consumption and unusual conditions in determining normal supply. Normal supply in the case of tobacco is the same as in the 1938 act.

Total supply: For corn, rice, wheat, and peanuts, it is the carry-over of the commodity at the beginning of the marketing year plus estimated production and imports. Total supply in the case of tobacco is the same as in the 1938 act.

Carry-over: For corn, rice, and peanuts, for any marketing year, it is the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any quantity which was produced in the United States during the calendar year then current. Carry-over in the case of wheat and tobacco is the same as in the 1938 act.

GORE BILL

beginning of the marketing year, which was produced in the United States prior to the beginning of the calendar year then current, except that in the case of cigar-filler and cigar-binder tobacco the quantity of type 46 on hand and theretofore produced in the United States during such calendar year is also to be included. For wheat, for any marketing year, it is the quantity of wheat on hand in the United States at the beginning of such marketing year, not including any wheat which was produced in the United States during the calendar year then current, and not including any wheat held by the Federal Crop Insurance Corporation under Title V of the 1938 act.

Nonbasic commodities

No definitions.

AIKEN ACT

Nonbasic commodities

No definitions.

ANDERSON BILL

Nonbasic commodities

Definitions of normal supply, total supply, and carry-over for nonbasic commodities are set out in the Anderson bill, as follows:

Normal supply: For any marketing year, it is (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The carry-over allowance is the average carry-over of the commodity for the five immediately preceding marketing years, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. The Secretary is directed to make adjustments for current trends in consumption and unusual conditions in determining normal supply.

Total supply: For any marketing year, it is the carry-over at the beginning of the marketing year plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

Carry-over: For any marketing year, it is the quantity of the commodity on hand in the United States at the beginning of the marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of the marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of the act.

From any funds available to the Department of Agriculture or any agency operating under its direction for price support operations or for the disposal of agricultural commodities, the Secretary of Agriculture is authorized and directed to use such sums as may be necessary to carry out the price-support provisions.

Funds available to the Department are:

- (1) Commodity Credit Corporation's \$100,000,000 capital stock and borrowings (CCC has a borrowing power of \$4,750,000,000);
- (2) Remaining balance of Reserve for Postwar Price Support of Agriculture (Public Law 301, 79th Cong.);
- (3) Section 32 funds (Sec. 32 of Public Law 320, 74th Cong., which provided that an amount equal to 30 percent of customs receipts each year shall be available to the Secretary of Agriculture for programs aimed at widening the market outlet for farm commodities in heavy supply); and
- (4) National school-lunch program appropriations.

X. PRICE SUPPORT FINANCING

Commodity Credit Corporation funds may be used for supporting the price of all basic commodities and other commodities which are "reasonably storable without excessive loss or excessive cost."

Commodity Credit funds may also be used to support the price of storable commodities processed from perishable nonbasic commodities.

These provisions, Senator AIKEN said in his September 13, 1949, statement, were clearly intended to authorize the use of CCC funds for the support of milk by supporting processed dairy products, other storable animal products, soybeans, cottonseed, oats, rye, barley, and other commodities that are storable either in processed or nonprocessed form.

Commodities so perishable as to be non-storable and which are not processed into storable form can be supported through other means available such as the section 32 funds.

Beginning with fiscal year 1950, any excess of section 32 funds over current expenditures from this source may be accumulated up to a maximum of \$300,000,000.

Financing is the same as under the Gore bill, with two exceptions:

Commodity Credit Corporation is authorized to issue obligations in excess of its assets for the purpose of carrying out its annual budget programs.

Section 32 funds are to be devoted principally to perishable commodities.

GORE BILL

Commodity Credit Corporation is not restricted in the sale of commodities owned or controlled by it except for restrictions on cotton sales under section 381 (c) of the Agricultural Adjustment Act of 1938.

Under section 381 (c) no cotton held on behalf of the United States can be sold unless the proceeds are at least sufficient to reimburse the United States for all amounts (including any price-adjustment payment) paid out on the cotton so sold. Also, CCC cannot sell more than 300,000 bales in any calendar month, or more than 1,500,000 bales in any calendar year.

As a matter of policy, the CCC Board of Directors has put into effect the Aiken Act provisions pertaining to CCC sales of commodities other than cotton.

No provision.

No provision, but the effect is the same as in the Anderson bill.

Section 22 of the Agricultural Adjustment Act of 1938 authorizes the imposition of import fees and quotas on articles imported into the United States whenever the importation of such articles interferes with certain agricultural programs. Title I of the Agricultural Act of 1948 amended this section to include price support among such programs to prevent imports from materially interfering with price-support programs.

The period during which the Secretary of Agriculture is authorized to carry out Federal programs relating to soil conservation under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act is extended until December 31, 1950. This is already law under title I of the Agricultural Act of 1948.

A provision comparable to that in the Aiken Act now exists with respect to commodities supported under the 1938 act, as amended.

1950 production only.

January 1, 1950.

XCV—824

AIKEN ACT

XI. RESTRICTIONS ON CCC SALES

Commodity Credit Corporation is not to sell any farm commodity owned or controlled by it at less than the lowest of these three: (1) A price reasonably calculated to reimburse it for costs incurred; (2) a price halfway between the support price, if any, and the parity price of the commodity; or (3) a price equivalent to 90 percent of parity of the commodity. These restrictions do not apply to (A) sales for new or byproduct uses; (B) sales of peanuts for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or of nonbasic perishable commodities where there is danger of loss or waste through spoilage; (E) sales for the purpose of establishing claims against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. The Aiken Act repeals section 381 (c) of the 1938 act.

XII. MISCELLANEOUS

Forward pricing

Forward pricing is permitted.

Support price adjustments

Provision is the same as in the Anderson bill.

Control of imports

Provision is the same.

Soil conservation

Provision is the same.

Producers' liability

Loans under the price-support program are "nonrecourse"; that is, the producer is not personally liable for any deficiency arising from the sale of the commodity unless he obtained the loan through fraudulent representations. However, it is provided that this shall not be construed to prevent the Department from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve the commodities, or for failure to deliver commodities in accordance with the program.

Duration

Permanent.

Effective date

Same.

ANDERSON BILL

Commodity Credit Corporation is not to sell any commodity owned or controlled by it at less than the current support price, except that this restriction does not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool and mohair; and (H) sales for other than primary uses.

Announcement of support prices in advance of the planting season is authorized. If at the beginning of the marketing year it develops that the announced prices are in excess of the maximum support prices otherwise permitted, support may be given at the announced prices.

Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. The adjustments, so far as practicable, are to be made in such manner that the average support price for the commodity equals the support level provided in the act. Middling seven-eighths-inch cotton is to be the standard grade for purposes of parity and price support.

Provision is the same.

Provision is the same.

Provision is the same.

Permanent.

Same.

UNANIMOUS-CONSENT AGREEMENT— LEGISLATIVE PROGRAM

Mr. GEORGE obtained the floor.

Mr. LUCAS. Mr. President, will the Senator from Georgia yield before he begins his speech in order that I may propound a unanimous-consent request?

Mr. GEORGE. I am glad to yield.

Mr. LUCAS. Mr. President, on yesterday I attempted to obtain a unanimous-consent agreement to vote Thursday on the bill pending before the Senate. That was objected to by the distinguished Senator from North Dakota [Mr. LANGER]. I am going to renew the unanimous-consent request. It is now my understanding that the request is not objectionable to any Senator on either side of the aisle. I send to the desk an order which I ask to have stated, and I ask unanimous consent for its consideration and adoption.

The PRESIDENT pro tempore. The order will be read.

The legislative clerk read as follows:

Ordered, That on the calendar day of Thursday, September 22, 1949, at the hour of 6 o'clock p. m., the Senate proceed to vote, without further debate, upon any amendment that may be pending or that may be proposed to H. R. 5895, the Foreign Military Assistance Act of 1949, and upon the final passage of the said bill: *Provided*, That no amendment which is not germane to the subject matter shall be received.

Ordered further, That the time between 12 o'clock and 6 o'clock on said day be equally divided between those favoring and those opposing the said bill, and controlled, respectively, by the Senator from Texas [Mr. CONNALLY] and the Senator from Georgia [Mr. GEORGE].

Mr. WHERRY. Mr. President, reserving the right to object, I will say there was so much confusion in the Senate I really could not hear all the provisions of the order. I wish to ask a question of the majority leader. Is the hour for voting, as set out in the order, 6 o'clock? I did not hear that.

Mr. LUCAS. The Senator is correct.

The PRESIDENT pro tempore. The hour is fixed at 6 o'clock.

Mr. WHERRY. As I understand, the time between 12 and 6 o'clock is to be divided between the proponents and the opponents of the measure equally.

I should like to ask another question. Is it the intention of the majority leader to bring up any other matter between now and the vote on the pending measure, either on the Legislative or the Executive Calendars? I may say the reason for my question is that the time between now and when the vote is proposed to be taken is quite short, and already seven or eight Senators on this side of the aisle have announced their intention to speak on the subject. Of course, under the rules of the Senate any Senator can speak on any question he pleases, and we cannot prevent him from doing so. But I wanted to know from the majority leader if he intended to bring up any matter on the Legislative or Executive Calendars between now and Thursday at the hour of 6 o'clock.

Mr. LUCAS. I have no intention whatsoever of bringing up any new legislation now on the calendar, in view of the fact that apparently a considerable number

of Senators are prepared to speak on the issue now before the Senate. The only reason the Senator from Illinois attempted to bring up any other matters last night was that he had advised the Senate that there would be a night session. We ran out of speakers, and consequently I sought consideration for a bill which has been on the calendar for some time.

Mr. WHERRY. I appreciate the statement of the majority leader about the legislative calendar, but I am also asking about the Executive Calendar.

Mr. LUCAS. Nothing on the Executive Calendar that is controversial will be brought up.

Mr. CONNALLY. Mr. President, there are on the executive calendar the nominations of United States representatives to the United Nations. As I understand, there is no objection to them.

Mr. WHERRY. That is one of the reasons I asked the question. I do not know whether there will be objection or not.

Mr. CONNALLY. If there is objection, let them go over.

Mr. WHERRY. If there is to be no additional legislation brought up, and if no controversial Executive nominations are to be considered during this debate, I have no objection to the unanimous-consent request, and I hope it will be entered into.

I should like to ask one further question. I have already stated that I have no objection to the unanimous-consent request. I should like to ask the distinguished majority leader if he cares to make a statement relative to whether or not the vote on the pay bills will be postponed until Monday. Perhaps I should discuss that question with him. Is it his intention to postpone the vote on the pay bills until Monday?

Mr. LUCAS. Obviously I should like to get a vote on Friday or Saturday on one of the pay bills. However, I shall not insist that that be done. Those bills are extremely important to a great number of persons. I have been informed that there is some controversy with respect to some of them. However, if we should run out of speakers upon some bill which we take up, such as the military pay bill, and if we should otherwise be compelled to take a recess in the middle of the afternoon because no Senator is prepared to speak, I want it distinctly understood that in that event we shall try to obtain consideration for two or three other bills on the calendar, if necessary by motion. For example, we have attempted to obtain consideration for a bill in which the Senator from Florida [Mr. HOLLAND] is interested, which has been reported from the Public Works Committee. We could have passed it last Friday evening had we gone ahead with it. The Senator from Florida was slightly indisposed, and we did not move on. We should like to take up that bill.

Mr. WHERRY. I assure the majority leader that plenty of notice has been given with respect to that bill. After the debate on the military pay bill is concluded, if the distinguished majority leader feels that the public works bill should be made the unfinished business,

I am quite satisfied that sufficient notice has been given, and that will be perfectly satisfactory to me.

Mr. LUCAS. I may say further to the minority leader that if there should be no lengthy debate on the military pay bill, and if we should run out of speakers on that bill, the bill to which I have just referred could be taken up. There is a bill which we discussed yesterday in the policy committee, dealing with the appropriation for providing more doctors and nurses. I feel sure that we would be able to pass a bill of that kind without objection. All I am attempting to do is to move along so that a number of Members on the other side of the aisle may return to their homes.

Mr. WHERRY. That is welcome news. I appreciate it. I assure the majority leader that no one has tried harder than I have to make progress. I appreciate the observations of the distinguished majority leader.

As I understand, the pay bills will be taken up and debated, and the votes will be postponed until Monday, and in the meantime the bill in which the distinguished Senator from Florida [Mr. HOLLAND] is interested, the public works bill, will be taken up on Friday. Perhaps other bills will be taken up.

I should like to ask one further question. Does the majority leader intend to have a session on Saturday of this week?

Mr. LUCAS. I am not sure. I think perhaps I can better determine that tomorrow. It is very doubtful that there will be a session on Saturday, although it is possible, because I wish to make progress. If we could do a little business on Saturday, I do not think any Senator would object, although my distinguished friend from Nebraska may be out of the city.

Mr. WHERRY. I assure the distinguished majority leader that if there is a session on Saturday the minority leader will be present.

Mr. LUCAS. That is fine. We may have one.

Mr. HOLLAND. Mr. President, to clear the record, I should like to ask the minority leader if his reference of a few minutes ago was to Calendar No. 762, Senate bill 2116, a bill to provide for the advance planning of non-Federal public works.

Mr. WHERRY. The Senator is correct.

Mr. HOLLAND. It is my understanding that there will be no objection from the minority leader to taking up that bill, in the event the situation is such that no Senator is prepared to speak on the pending business.

Mr. WHERRY. The Senator is correct.

The PRESIDENT pro tempore. The rule requires a quorum call before the proposed unanimous-consent agreement is entered into.

Mr. LUCAS. Mr. President, I ask unanimous consent that the quorum call be waived.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Without objection, the order submitted by the Senator from Illinois is entered.

Mr. LUCAS. Mr. President, a considerable number of Senators desire to discuss the arms assistance bill. So far as the Senator from Illinois is concerned, I shall be very happy to remain here this evening as long as any Senator desires to discuss the bill. I think we ought to have a night session, in view of the fact that we now have a unanimous-consent agreement to vote at 6 o'clock tomorrow, with the time equally divided. Because a considerable number of Senators desire to speak, we shall probably have a night session tonight.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3851) to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1824) to amend the act of July 23, 1947 (41 Stat. 509).

The message further announced that the House had insisted upon its amendment to 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, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RANKIN, Mr. ALLEN of Louisiana, Mr. TEAGUE, Mrs. ROGERS of Massachusetts, and Mr. KEARNEY were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KIRWAN, Mr. NORRELL, Mr. JACKSON of Washington, Mr. CANNON, Mr. JENSEN, and Mr. FENTON were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate 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 ended June 30, 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. SHEPPARD, Mr. SIKES, Mr. CANNON, Mr. ENGEL of Michigan, and Mr. PLUMLEY were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate 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; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. KERR, Mr. RABAUT, Mr. TABER, and Mr. PLUMLEY were appointed managers on the part of the House at the conference.

UNITED NATIONS NOMINATIONS

Mr. CONNALLY. Mr. President, I ask unanimous consent, as in executive session, for the present consideration and confirmation of the nominations of Warren R. Austin, Philip C. Jessup, Mrs. Roosevelt, John Sherman Cooper, and Wilson M. Compton, of Washington, to be representatives or alternate representatives to the United Nations.

The PRESIDENT pro tempore. Is there objection?

Mr. LANGER. I object.

Mr. CONNALLY. I also ask unanimous consent for the present consideration and confirmation of the nominations, now on the Executive Calendar, to the United Nations Educational, Scientific, and Cultural Organization.

The nominations are as follows: George V. Allen, of North Carolina; Milton S. Eisenhower, of Kansas; Luther H. Evans, of Texas; Miss Martha B. Lucas, of Virginia; Reinhold Niebuhr, of New York.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration and confirmation of the nominations? Without objection, the nominations are considered and confirmed; and, without objection, the President will be notified forthwith of the confirmations.

MILITARY ASSISTANCE TO FOREIGN NATIONS

The Senate resumed the consideration of the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations.

Mr. GEORGE. Mr. President, I offer and send to the desk an amendment to the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, in line 20, section 102, it is proposed to strike out "\$500,000,000" and insert in lieu thereof "\$300,000,000."

On page 18, in line 22, in section 102, it is proposed to strike out "\$400,000,000" and insert in lieu thereof "\$200,000,000."

Mr. GEORGE. Mr. President, before I begin remarks which I hope will not be extended at great length, I wish to say that no man has greater respect for General Bradley than does the senior Senator from Georgia. I mention this since General Bradley's name was brought into the debate on a previous day by the distinguished Senator from Maryland [Mr. TYDINGS]. But I reiterate exactly what I said at that time, namely, I do not conceive that any military expert, however eminent and however unselfish and however devoted to the public interest he may be, can relieve the Senate of the United States of

its responsibility in any legislative matter, particularly in any matter of this kind and of such great importance.

Mr. President, I am very happy that the distinguished Senator from Michigan [Mr. VANDENBERG] on yesterday called attention to the fact—and I think it is a fact which colors every subsequent move that has been made in this matter—first, that the bill submitted even before the ink had dried upon the signatures of the Senate officials certifying to the ratification of the North Atlantic Pact, would have created the President of the United States as the supreme war lord of the world, would have vested in him powers which I am confident the Senate would not have granted. In fact, had that bill been brought forward before the vote was taken in the Senate on the North Atlantic Treaty, it is highly probable that it would have adversely affected the vote or at least would have put in jeopardy the ratification of the treaty itself. The distinguished Senator from Michigan correctly says that bill was withdrawn; and he also correctly says that even the second bill, precisely like the first one in that respect, was formulated clearly outside the North Atlantic Pact. Although it may not have had the world-wide application implied in the first bill, it was definitely a bill which only incidentally recognized the existence of the North Atlantic Pact.

Mr. President, I do not dispute for a moment that the deliberations of the Joint Committee on Armed Services and Foreign Relations have greatly benefited and strengthened the measure which is now before the Senate. That is true. Likewise, the amendment I have just offered in connection with another amendment which I shall later offer, recognizes the necessity or at least recognizes the advisability and does not controvert the desirability on the part of the executive branch of the Government of recognizing and making good upon the definite commitments of the North Atlantic Treaty, because as this bill now stands, in large measure, it is confined to aid and assistance to the countries embraced within the North Atlantic community, as created by that treaty. Of course it does more than that; and upon these points there is no difference. In other words, in committee I have agreed to the authorization of an appropriation of \$211,370,000 for Greece and Turkey. Already an appropriation of \$50,000,000—cut down, I believe, by an amendment in the Senate, but now in conference—actually appropriates an additional sum of \$45,000,000. If the conferees agree to that, the total for Greece and Turkey, both appropriated and authorized, will amount to more than \$256,000,000 for this fiscal year. The bill authorizes—and I direct attention to the fact, if it is material—a flat appropriation of \$75,000,000, to be expended in the discretion of the President in the general area of China. The bill likewise authorizes an appropriation for Iran, Korea, and the Philippines in the sum of \$27,640,000, bringing the total of authorizations and appropriations already on the way, carried in the bill, and without dispute, to \$359,010,000. The bill also authorizes the use by the President of

not exceeding \$450,000,000 of excess arms; and the bill defines the term. Let me digress long enough to read it:

SEC. 411. For the purpose of this act—

(a) The terms "equipment" and "materials" shall mean any arms, ammunition or implements of war, or any other type of material, article, raw material, facility, tool, machine, supply, or item that would further the purposes of this act, or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, transportation, repair, or rehabilitation of any equipment or materials, but shall not include merchant vessels.

On that point, Mr. President, there is no dispute so far as I recall on the part of any member of the two committees jointly considering the bill. Certainly the senior Senator from Georgia did not object to the authorization of the use of \$450,000,000 of excess arms, materials, and so forth.

I again digress to call attention to the fact that excess arms are taken out of the same identical warehouses as are the usable arms. They are not worthless, and if it be thought for a moment that we shall not be called upon to replace the excess arms, I believe it would be a mistake. Perhaps not this year, but at some time, we shall be called upon to do it.

So, Mr. President, there is carried in the bill a total appropriation of \$1,809,000,000. I mean by that to include the \$45,000,000 for Greece and Turkey which is already in conference. The single item of \$1,000,000,000 carried in the bill is in controversy so far as I am concerned, though the entire amount is not in controversy. The amendment which I have proposed would reduce the amount by \$200,000,000. A subsequent amendment would further reduce the contract authorization by \$300,000,000. The actual money, or materials with money value, carried in the bill even if both the amendments offered by me should be adopted, would still total \$1,309,010,000. I, therefore, think there is little force to the argument and little basis for the criticism that those who support the amendments proposing reasonable cuts in the program contemplated by the bill are unwilling to do anything, or that our contribution should be in such trifling amount that it would be ineffective.

Mr. President, I have heard a great deal since the debate opened about what we as committeemen were advised. I listened attentively to all the advice I had the opportunity to hear, and I had very little definite advice about the program beyond generalizations, with some slight breaking down of the generalizations into details.

In this morning's newspaper there is published an article by Joseph and Stewart Alsop which gives more facts than were stated to Joint Committee on the Armed Services and Foreign Relations, if the statements contained in the article are true, and I have no reason to think they are untrue. In fact, those statements have been corroborated at least by the statement of the distinguished Senator from Maryland, the chairman of the Armed Services Committee of the Senate, who furnished us

some very illuminating information during the progress of his address. He, it will be remembered, said General Bradley had given it as his opinion that from 35 to 50 well-equipped divisions standing on the Rhine probably could check any invasion of the North Atlantic community, hold the aggressor in check, and possibly turn the tide.

Mr. President, Joseph and Stewart Alsop have said definitely that the Joint Chiefs of Staff figured there must be from 45 to 50 well-equipped divisions. Moreover, they assert in this article that the program must go on, and will go on—and the strong inference is that the majority of the General Staff have so determined—and that it must involve the expenditure within the next 5 years—by 1954, I believe—of from \$8,000,000,000 to \$12,000,000,000.

There is substantially \$2,000,000,000 authorized in the pending bill, and assuredly if any of the fears which so strongly influence the thinking of those who have spoken in favor of the full amount of the bill are justified, or if they come true, it undoubtedly is a fact that the 15 divisions presently contemplated in all western Europe, of all the Atlantic community states—about nine in France and about six gathered from the other smaller countries, including even England—could not hold in check the aggressor, who we have been repeatedly advised now has under arms—I say "aggressor" because he was named—5,000,000 men, well equipped, well trained, well armed.

In this article it is said that the majority of the staff were of the opinion that this same aggressor could throw into the field 300 divisions within 1 month and could bring that military strength up to 500 divisions shortly. If those statements are true, I pause to ask, What will 15 divisions on the Rhine amount to? It would mean 225,000 men against a highly trained army consisting at this time of 5,000,000 men, an army which can attack, if the aggressor is correctly named, on a front of nearly a thousand miles. It would be difficult to maintain the line of communication among the 15 divisions.

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

Mr. GEORGE. I yield.

Mr. DULLES. Is it the thesis of the distinguished Senator from Georgia that unless there can be a military establishment in western Europe which is equal to that of the Soviet Union, there is no use having any?

Mr. GEORGE. Oh, no.

Mr. DULLES. The Senator would see value, would he not, in having some army established in western Europe, even though it be not the equal of that of the Soviet Union?

Mr. GEORGE. I am not questioning that at all.

Mr. DULLES. I was not clear on that point.

Mr. GEORGE. As I proceed, I think I shall make myself clear. But I digress, Mr. President, to say that I do not for a moment minimize the advantage of having some military force in western Europe. On the contrary, I assume that the western European nations, the nations in

the North Atlantic community, will set their own house in order, so far as they are able to do so. Indeed, we were told—and I question whether this is going to advance the economic recovery of western Europe to any great extent—that there would be an expenditure by these helpless countries of \$7 for each dollar we are contributing. In other words, they already have their budget made up and approved, and perhaps under way, calling for an expenditure of approximately \$7,000,000,000.

I do not say that those countries are not entitled to some aid and assistance. I do not qualify the position which I took on the North Atlantic Treaty, to wit, that article 5 is more than a moral obligation; it is now a binding treaty obligation to fight unitedly or singly against an aggressor attacking the North Atlantic community. That is the heart of it. If the treaty means anything, the meaning is to be found in that article. I do not question that under article 3 we are committed to mutual aid and assistance. For what purpose? To enable us to get ready to repel an aggressor and to enable the North Atlantic community to get ready to repel an aggressor. Bear in mind that it is a mutual obligation; and here and now I repudiate the suggestion of the distinguished Senator from Maryland [Mr. TYDINGS], who certainly must have been overspeaking himself when he saw in article 9 an obligation for us, singly or jointly, to send our blood and our treasure to repel an aggressor in the territory of nations and states which refuse or decline or fail to contribute whatever mutual aid and assistance they can contribute to the enterprise. It would be tantamount, indeed, if the Senator's interpretation is correct, to the repudiation of the treaty by the North Atlantic community and the assumption of a blanket obligation on our part to defend them with our blood and treasure, regardless of whether they wanted to be defended or whether they were making any effort to prepare themselves. I do not think they will fail to make reasonable preparation. I do not think they will neglect to do what they can to safeguard their own security, but I desire to make clear that I do not think our obligation under the treaty can be given the construction which the distinguished Senator from Maryland gave it in his address. I think the obligation is for mutual aid and assistance. I think it is not only clearly implied, but it is expressly stated, and I think that any nation which will not give such aid and assistance as it can give for its own protection and for the protection and security of the whole North Atlantic community of states is virtually in the same position as if that nation had formally repudiated the treaty.

Mr. President, I repeat that my whole purpose is to limit the authorization at this time to what seems to me to be a reasonable contribution to the North Atlantic community of states under these conditions. There was not even an obligation, until the committees wrote it into this bill, to have an over-all program for a collective defense for those states. The bill now undertakes to do that. How effectively, of course, is open to some

question, but it does undertake to do that.

Let me read the provision. As the bill stands, \$100,000,000 of the \$500,000,000 cash appropriation authorized is to be immediately available to the President. There are no conditions attached there. It says:

Not to exceed \$400,000,000 shall become available when the President of the United States agrees to the recommendations of the Council and the Defense Committee to be established under the North Atlantic Treaty, limited entirely to the amount herein authorized to be appropriated and the amount authorized hereinafter as contract authority, that the obligation and expenditure of such sums for the purposes of this act will promote an integrated defense of the North Atlantic area and will facilitate the development of defense plans by the Council and the Defense Committee.

Mr. President, I call attention specifically to the fact that we do not have the opportunity to approve that agreement, save through the President, before the additional \$400,000,000 is made available to him. In other words, when the Council is organized under article 9 of the treaty, and when the Defense Committee is set up by the Council, and when the Defense Committee and the Council agree upon an integrated over-all defense program of the North Atlantic states, then the President may approve it. Congress need not ever see it, until we are called on to make some further appropriation to carry it out. I presume, of course, we would then insist on seeing it.

Mr. FERGUSON. Mr. President, will the Senator yield, or does he wish not to be interrupted?

Mr. GEORGE. I am pleased to be interrupted.

Mr. FERGUSON. I notice that there is a difference in language between the provision in section 101, lines 10 to 14, on page 18, and the language used in lines 23 to the end of the paragraph which the able Senator read. In the first paragraph the language is:

And after the agreement by the Government of the United States with defense plans—

That is, the plans themselves—

as recommended by the Council and the Defense Committee, military assistance hereunder shall be furnished only in accordance therewith.

That is, in accordance with the plans. But the requirement below is merely that the President agrees to the recommendation of the Council and the Defense Committee that they will promote or facilitate the defense plans. Why did the committee use different language?

Mr. GEORGE. Mr. President, I am not able to answer except that in the committee I did direct attention to what I thought was a defect in the bill, and I offered an amendment, which was rejected. I cannot quite explain why the committee acted as it did with respect to the matter pointed out by the Senator from Michigan. Actually this is a very awkwardly drawn provision, but it does undertake to do one thing, namely, to withhold the \$400,000,000 until the President at least has agreed to the recom-

mendations of the Council and the Defense Committee, within the limitations fixed in the language. I am not able to answer, because I did not have any part in the drafting of this portion of the bill.

Mr. FERGUSON. Does the Senator agree that there is a distinction between the two provisions? One provision indicates that after the plans are drawn then the money can be used only in conformity with the plans, but until that happens the President can use all the money, both the amount that is for contract obligations, and the \$400,000,000, and the \$100,000,000, even before the plans are drafted?

Mr. GEORGE. I agree that the question posed by the Senator is not completely answered by the language of the bill. But I do not think that was the intent of the provision. I must say that. I think the intent was that only \$100,000,000 could be presently available. The \$400,000,000 must be withheld until the plans are submitted and approved or agreed to by the President.

There is no express authorization for contract authority in the bill, I say, but the counsel who was advising the committee, and very able counsel, said that he thought that by necessary implication the language in section 103 was equivalent to the grant of authority by the Congress of the power to make contracts.

Mr. FERGUSON. I raised the same question yesterday, that section 103 does appear to require further legislation before contract authority could be granted. What concerned the junior Senator from Michigan was that as the language is drawn the Committee on Appropriations may find itself in such a position that, not having specific authority, it could not recommend the appropriation or grant of authority, because it would not have the authority to put legislation into an appropriation bill, and it seemed that there should be inserted in section 103 an amendment to the effect that the Committee on Appropriations would be empowered to authorize this contract authority.

Mr. GEORGE. I raised identically the same question in the committee. I insisted then, and I insist now, that there is no grant here by the Congress of authorization to grant contract authority except by implication, except perhaps by necessary implication. That was the view of the counsel who advised the committee. But that part of the bill was not rewritten.

I also raised the question, and I think there is some serious doubt, because of the confusion in the bill, whether the President could not proceed to spend the \$400,000,000 and enter into contracts on which deliveries could not be had and payments made until the next fiscal year. But I do not think the committee intended that, and I am sure that those in charge of the bill would have no objection to clarifying the intent and purpose of the committee in writing this provision.

Mr. FERGUSON. Will the Senator yield for an observation?

Mr. GEORGE. I yield.

Mr. FERGUSON. I think I can agree with the Senator that, so far as the contract authority is concerned, there is no

wording in the bill to prevent the President from contracting for the contract authority money, the \$500,000,000, providing some committee, either the Committee on Appropriations or some other committee, should authorize it. He could do it immediately, even though he did not agree to the recommendation of the Council and the Defense Committee to be established under the North Atlantic Treaty, "limited entirely to the amount herein authorized to be appropriated and the amount authorized hereinafter as contract authority, that the obligation and expenditure of such sums for the purposes of this act will promote an integrated defense of the North Atlantic area and will facilitate the development of defense plans by the Council and the Defense Committee."

Mr. GEORGE. I have already indicated that I do not think this language, as it stands, is clear, and I do not believe that it actually carries out the intent of the committee. I think the committee did intend precisely what I have said; that with respect to the expenditure of the \$400,000,000 and with respect to the making of contracts by the President, he must first accept the plan submitted by the Council and the defense committee, and the Congress must have authorized him to make contracts.

I think as a general proposition, outside of the language of the bill, the President has no authority to make contracts binding the Government of the United States.

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

The PRESIDING OFFICER (Mr. Long in the chair). Does the Senator from Georgia yield to the Senator from Massachusetts?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. In connection with the discussion between the distinguished Senator from Georgia and the able Senator from Michigan I call the attention of the Senator to the reference on page 18, lines 5 and 6, to section 402. These agreements are all subject to agreements further referred to in section 402. I think if the distinguished Senator from Georgia will again read section 402 he will see that the President is very much more limited, and perhaps this language is more clearly defined, than is indicated by an actual reading of it without reference to section 402. Does the Senator agree with me?

Mr. GEORGE. I think that is true. I was simply commenting on the language as it appears here, and I was simply trying to say what I am sure the committee intended, even by this language, although in certain respects it is rather awkwardly worded.

Mr. CONNALLY rose.

Mr. GEORGE. Does the Senator from Texas wish me to yield to him?

Mr. CONNALLY. I was going to suggest, Mr. President, in view of the interrogations which have been made of the Senator from Georgia, that I do not think any change in language is necessary at all, because the whole intention was, following the usual custom, to allow the Appropriations Committee to pass on the authorization itself. It has been

suggested, after consulting the legislative counsel, that we might insert—and I have no objection to it—on page 19, the words “in an appropriation act.” It has been suggested that we insert those words within the contract authority provision on page 19. That would remove any doubt whatever. I do not think we are going to be able to fix it so as to satisfy the Senator from Michigan, because when we fix this he will break out in a new place.

Mr. FERGUSON. The Senator from Texas is entirely wrong.

Mr. CONNALLY. I am glad I am wrong.

Mr. FERGUSON. The Senator from Michigan does not intend to break out at any other place, but he has conferred with Mr. Rice on this question, and he has prepared an amendment to the exact language the Senator has now indicated.

Mr. CONNALLY. We can agree about it. The Senator need not become excited. We will agree to that amendment.

Mr. FERGUSON. I appreciate that.

Mr. CONNALLY. I simply do not want to have time taken up on a matter which is of no consequence, and which everyone favors.

Mr. GEORGE. I am clear about the intention of the committee, Mr. President. But I am calling attention to the fact that the President alone may say, “Let me see your over-all program. Now, I cannot give you any money beyond the amount specified here, nor under the contract authority granted me here, but I can see your contract, I can see your over-all plans, and your over-all plans may call for 50 divisions on the Rhine, may call for an expenditure of \$12,000,000,000,” as the newspaper columnists, the Alsops, assert in this morning’s press.

I do not know whether the President would do that. I do not charge that he would make any down payments on contracts. But I am saying that so far as this binding authority is concerned, the President of the United States could accept the over-all program, recognizing his power to act presently under, and only under the limitations placed in the bill.

But on that point, Mr. President, I am not greatly disturbed, and I am not raising questions about it. My viewpoint is that \$300,000,000 in cash, plus the \$450,000,000 in excess arms should be sufficient to give the necessary assistance to the European states which are themselves prepared to begin setting up and developing their own defense systems.

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

Mr. GEORGE. I yield.

Mr. VANDENBERG. Does the Senator propose to return to a discussion of his amendment regarding the Presidential authority to review plans, or has the Senator finished his discussion of that point?

Mr. GEORGE. No; I expect to return to that under another amendment, I may say to the Senator. I was only incidentally mentioning it now.

Mr. VANDENBERG. When the Senator comes to that point I desire to discuss the question.

Mr. GEORGE. Mr. President, on that point I have nothing further to say at

this time except that, while the President of the United States is the organ through which we must speak to other nations, the Congress has the authority to say what and how funds are to be expended even by the President. Congress has that authority, it has that responsibility; indeed it cannot escape it; and it ought not to undertake to delegate away that sort of authority.

Mr. President, coming back to the statements which have been made with respect to the ability of the North Atlantic States to resist an aggressor, permit me to say that it is perfectly obvious that the authorization and appropriation of even twice the amount carried in this bill would not provide an adequate defense, or even four times the appropriation authorized in this bill would not provide an adequate defense of western Europe.

Permit me again to say that if there is a basis for the fear which seems to have seized upon the souls of some of our colleagues that we are in imminent peril from Russia, then we are very shortsighted to continue to tear down the arms factories in Germany and to permit Germany at least to have the opportunity of swinging over into the Russian orbit. If it comes to the day and hour when the chips are down so far as western Europe is concerned, there may be found in eastern Europe an aggressor who can overrun the North Atlantic area. I do not say that could happen with our active participation. Unless we can reassure other members of the North Atlantic community that under our agreement in article 5 of the North Atlantic Treaty we are bound to safeguard every state against German aggression, also, fear of restoring German economy will not abate. I do not for a moment suggest that if Germany should get back on her feet and again become militaristic the North Atlantic states would not have grounds for fear, apprehension, and great concern. I understand that. But we are now in the North Atlantic Pact. We are pledging ourselves to resist aggressors. In view of that outright, positive pledge, cannot Germany be at least permitted to develop some strength which would be indispensable if the named aggressor in the east should move toward the Rhine. Without our pledge, without our commitments, I would not expect that certain states in western Europe would feel that they could permit Germany to be brought in on the side of the western European states. Germany will not permanently remain in a vacuum. She will go either to the west or the east. In the vicissitudes of time she must move in one direction or the other. I profess no power of prophecy. I do not know when or how it will come about; but Germany is there in middle Europe. For a century and a half she was able to shoulder back this aggressor in eastern Europe. She alone can give military security to western Europe, so far as the western European states are concerned.

I think it is highly questionable whether Italy and France, with such a large percentage of their population Communist, could even mobilize against Russia. They might, but I think it is

exceedingly doubtful. Even with our assistance, they would still have serious problems if they undertook to mobilize their resources and manpower. I mention those two particularly. Western European states immediately have a contemplated strength of about 15 divisions. I should assume from many statements which have been made that they are armed only with sticks and stones; but I suspect that that is not so. I think we armed about nine French divisions in World War II. I think we have given them a great deal of equipment since World War II. I believe that we have given France alone a loan of more than \$100,000,000 for military purposes since World War II. Of course, France got her part of the surrendered arms and materials of the Germans. If I am correctly informed, she got a considerable quantity of the German .88, perhaps the finest gun of that caliber actually used in World War II.

I do not say that France could hold back an aggressor at the Rhine, or any other place. Perhaps she could not hold back aggression if she had 5, 10, or 15 additional divisions. It is possible that General Bradley’s judgment may be correct, that 50 well-equipped and well-trained divisions might be able to hold in check and perhaps turn the tide of an aggressive movement toward France.

What we are doing under this bill, so far as the first \$100,000,000 is concerned, and so far as the \$450,000,000 of arms and materials is concerned, is giving both money and arms to individual countries which have as yet no over-all, integrated plan of defense. No mistake could be more fatal if Europe is to develop a defense system.

Mr. President, I have never believed that attack from Russia was imminent. Of course, in that I may be wholly mistaken. Yet how could Russia launch an all-out aggression across Germany in the face of the positive commitment to the Atlantic Pact of ourselves, Canada, and 10 other nations? I have never believed that Russia had the transportation facilities, the equipment, and above all, the productive capacity to supply so large an army in the field and at the same time move forward to the English Channel and the Atlantic Ocean. It may be that she has the design, the intent, and purpose to move, and to move very rapidly. On that point I certainly cannot feel assured. I prefer not to feel overassured. However, I believe that no more fatal mistake could be made by any nation, including our own, than to base its foreign policy upon fear of a single state or group of states. If we are to have a foreign policy under which America can live and under which the world can move forward, it must be a positive American program, not growing out of or finding its inspiration almost entirely in the fear of Russia or her satellites.

That is the fatal error here. That is the vital mistake which we are making—going all out on a long-term commitment. I say with great respect for my good friend from Michigan [Mr. VANDENBERG] that at least by implication it is a commitment over a long period of time. The principal reason for it is fear of a single country which, although

powerful at the moment in that she has a mighty army capable of fighting defensively on her own soil, lacks the ability to carry on far-flung, sustained aggressions. She has the potentials of a great aggressive force if she could build up her production, if she could make the things she would have to have in quantities and keep them constantly moving up over wholly inadequate transportation facilities to her far-removed fighting area. With one or two minor exceptions which merely prove the rule, in her entire history Russia has not demonstrated the power to wage an aggressive war outside her own area and her own territories. The Russia of this day is no different in that respect from the Russia of yesterday and the day before. In time she may be able to develop power to carry her military aggressions to the four corners of the globe.

Mr. DULLES. Mr. President—

Mr. GEORGE. I yield.

Mr. DULLES. Is it the suggestion of the honorable Senator from Georgia that the Russian war against Finland was not an effective war? Is that the reason why the Senator omitted a reference to it from his statement?

Mr. GEORGE. No. I thought that was the exception that proves the rule, and I thought that war did not prove the capacity of Russia to wage an aggressive war against a powerful enemy a considerable distance beyond her own boundaries.

Mr. DULLES. I thank the Senator.

Mr. GEORGE. Mr. President, even if we be wrong in our estimate of what Russia intends to do and of what she is capable of doing and of what she may do speedily, is not the expenditure of \$1,309,000,000 in this fiscal year, only 9 months of which remain, a reasonable contribution and a reasonable assistance on our part? Is not that substantial mutual aid? If everything goes well with us at home and if the pathway ahead of us is still one of roses, do not we owe something to our own people here at home, and is it wise to bleed ourselves white or even to stop the circulation of blood, thus bringing about a situation which sometime will lead to the condition which I have indicated at this time? What is it?

In this fiscal year we face the certain deficit—not imaginary, but the certain deficit—of more than \$5,000,000,000. Nine months will roll around and our national debt will be increased by \$5,000,000,000. To the extent we weaken America, to the extent we take away from the strength of our arm, we undoubtedly cut the life out of the whole North Atlantic community of states. The one hope of our world is for America to remain strong and robust, able to make good under article 5 of the North Atlantic Treaty and able to make a reasonable contribution from time to time, as necessity may indicate, to the other nations who, likewise, are bound by the same mutual-aid provisions of the North Atlantic Treaty.

I believe the North Atlantic Treaty was a wise step. I think the making of the North Atlantic Treaty was dictated by far-sighted wisdom. At the same time, one must know that if we were to

convert the North Atlantic program into a great armaments program extending over the years, we would belie all the professions we made when we said the North Atlantic Treaty was a treaty intended to preserve peace. I do not think we can be accused of duplicity in our speech. But notwithstanding express declarations in the North Atlantic Treaty or whatever may be written into any measure in the future, if it is taken as the excuse or justification for engaging in an armaments race throughout our world against equally potentially powerful peoples in the other part of the world, then the North Atlantic Treaty will become nothing more than the enemies of that treaty charged from the first, namely, that it was purely a military alliance for military purposes. Of course, that was what they meant. I did not think so; I do not think so now. I have said that I recognize our obligations under it. I have said I do not minimize our obligations under article 3 of the treaty. I am willing to make some reasonable contribution to the North Atlantic states and to other countries, even though they are not strictly within the North Atlantic area as defined in the treaty. But I think what we also said when we were urging the Senate and the country to accept the North Atlantic Treaty is true, and I think it still remains true, namely, that what mutual aid and assistance we would give to other signatory states, how much, when, and on what conditions, remained for our decision. That is all. In my judgment there was not a scintilla of factual statement made to the two committees which would not leave any honest man freedom of choice as between \$1,800,000,000 in this bill and \$1,300,000,000 in this bill. That is the effect of the amendments I have offered. Such a decrease does not amount to whittling down. It must yet be borne in mind that the Council has not actually met, has not appointed its defense committee; no over-all program has yet been developed, and we do not know what that program will be.

Again, Mr. President, I come back to the type of bill which was first presented to the Senate, a bill which would have made of the office of President of the United States the supreme war power of the universe. I go one step further now and say that if the plans which we are now told are not mere guesswork, but which, we are told, represent solid, profound consideration and agreement among great military experts, and had been in the making months ago, actually were in that condition months ago, then the Senate should have been told what that program was when we were asked to ratify the North Atlantic Treaty. The first bill, even the second bill, even the great plans which we are now told have been developed over the months, were not presented to the committees in anything like the detail carried in the press, nor even in the detail testified to in the Senate by eminent Senators who have spoken on this subject.

Mr. President, in conclusion I desire to make one statement on this particular amendment. The statement is this: If America is to remain strong she must not do the things which have weakened

nearly every state in Europe. If America is to remain a powerful state with great potential ability to aid the North Atlantic community she cannot do the things which many states in Europe—indeed, nearly all of them—have done. We cannot adopt a socialistic program and remain strong. It may be tried. I remember what happened to the French Army in World War II. There they stood behind the Maginot line, some 3,000,000 of them, under arms and in reserve. In 39 days Germany went to the channel ports. Why? Because France was not the France of the old days. She did not have the strength of arms she once had, when Napoleon led her armies. She had become emaciated through socialistic influences. Her strikers did not want to work in the munition factories and in the aircraft plants. If America is to remain strong, if we are to make our contribution under the North Atlantic Pact, we cannot follow the road traveled by the European states. One of the roads was precisely this: For a half century—it has been somewhat more than a half century, but fully a half—England has followed a program of destroying her reserves—I am talking about material things now—until she could not replace the machines in her factories, she could not build assembly lines. She lost her power because she had exhausted the reserves and confiscated the income of her people through high taxation.

Does not the American businessman deserve a right to make some money now? Do not the poor, the people in the lower tax brackets, deserve a break in the matter of taxes? Do not our people deserve a chance to accumulate reserves in order to remain strong? That cannot happen, Mr. President, if we are going to engage in a \$12,000,000,000 program over the next 4 or 5 years, before war even comes to Europe. It is said war would not come then. Perhaps not. I should hope not. Perhaps the outlay might be insurance; I should hope so. But we need not speculate about it. We face the absolute certainty that taxes in America cannot be reduced so long as we are spending \$16,000,000,000 in our own defense and allied programs at home, and giving away each year \$2,000,000,000 for military purposes over a long period of time in Europe. It cannot happen. Taxes will go up, not down. That will weaken America, and if America is weakened, a great prop—I do not say the only one, but a great prop—back of the North Atlantic community will be removed.

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

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New York?

Mr. GEORGE. I yield.

Mr. DULLES. I hesitate to interrupt the eloquence of the Senator, but a moment ago he made a reference to France which I do not think ought to go without a brief observation. I think the distinguished Senator said France had become emaciated through socialism. I am no friend of socialism, as the Senator from Georgia knows, but I do not think it should be forgotten or passed without reference in the Senate Chamber that

France became emaciated through something more than socialism. It should not be forgotten that hundreds of thousands of Frenchmen died valiantly at Verdun, so the enemy could not pass, and made the bulwark which defended America.

Mr. GEORGE. I quite agree with the Senator. I not only agree with him, but I led the fight in this body for lend-lease to help the same France and to help other nations of the North Atlantic area, remembering precisely what France had been and what a great contribution she had made. But by the time of World War II, France was so shot through with socialistic principles and practices that she was incapable of real defense against the German armies.

Mr. DULLES. Does the Senator believe, because of that episode, that France should be written off entirely as a bulwark?

Mr. GEORGE. Emphatically not. I hope I have made myself clear. I am speaking solely of what I think is a proper contribution we should make at this time—not at a future time, but at this time—to aid and assist all these nations, including France; and my judgment is France will be the recipient of the greater part of what we now contribute. I do not want to be misunderstood. I have tried to make myself clear on that point.

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

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. GEORGE. I yield.

Mr. McMAHON. The Senator has made an observation regarding the French situation. In Great Britain, during the 1920's and early 1930's, when Stanley Baldwin was in power and was leading the Conservative Party, and when Churchill was a member of the Liberal Party and was charging Baldwin day after day in the House of Commons with the fact that England was unprepared, Churchill's pleas fell on deaf ears. The Conservative Party backed Mr. Baldwin to the limit. The result was it was only the fighting qualities of the British people, the desperate fight they put up, which made it possible for them to survive. I should merely like to call the Senator's attention to that fact.

Mr. GEORGE. I have not overlooked that fact, and I am not unmindful of it. England has had no stronger friend here than the Senator from Georgia. England's present difficulties did not grow out of the Labor government. They long antedated the coming of that government into power in Great Britain; but she cut the life out of her economic system, she destroyed her reserve, and she did not keep her factories modern. England is not yet capable of producing at the competitive cost level of a great producing country, such as ours. That is the only point I am making. We cannot follow the several roads which are clearly marked all over Europe today and come out as a strong, robust, powerful America. That is the only guaranty, after all, of our ability, and, in large part, of the strength and power of the whole North Atlantic community.

Lenin is quoted as having once said that Germany would arm herself out of

existence, England would expand herself out of existence, and the United States would spend herself out of existence. I do not know whether Lenin gave utterance to that thought or to those words, but I do know that it is quite possible to follow the well-marked roads through all Europe today and come out at the same point of destination at which many of those states now stand. If that happens to us, the North Atlantic Pact will be to us of little value and it may be of little value to any part of the North Atlantic community. Therefore, Mr. President, I think that by reducing the amount of money now being authorized and the contract authority now being authorized by only \$500,000,000, almost in line with what the House of Representatives has done, we can make effective the contribution of aid and assistance to the European states.

How soon can they spend, economically and efficiently, this sum of money? I have already pointed out that of this fiscal year but 9 months remain. We are coming into other fiscal years, when we shall have a program, when we can at least know what the over-all integrated defense program calls for, and we can evaluate it. But now we have no plan, no blueprint, no specifications. We say, nevertheless, "We are giving you \$400,000,000 in perfectly good arms and \$100,000,000 in good money," even before the President of the United States has looked at the plan. Is it unreasonable to say, under the circumstances, that we will reduce the total appropriation to \$1,399,000,000, which I have heretofore estimated in the presence of the Senate?

We are not touching Greece or Turkey; we are not interfering with China. My great regret is that we do not know whether even \$75,000,000 or any other sum can be effectively used in China at this time. But we are not touching it. We are not touching the sums, small though they be, carried in the bill for Iran, Korea, and the Philippines. We are not touching the arms which can be speedily and fully restored, and we are not saying that they cannot have the money to restore them, and even \$225,000,000 more, as soon as the President has a look at the over-all program. On top of that we are saying there shall be contract authority, not in the sum of \$500,000,000, but contract authority to the end that contracts may be made in advance, and to the end that planning may be carried on by the representatives of the North Atlantic states.

Mr. President, I have already offered the amendment which was read by the clerk.

Mr. DULLES. Mr. President, I support the military assistance bill as it has now been reported by the committee, and I hope that the bill will be passed by an overwhelming and nonpartisan vote.

The bill in its present form is the product of bipartisan effort. As originally submitted, as Senate bill 2341, the program presented a demand for Presidential power which has, I think, never been matched in time of peace and has seldom been matched in time of war. It would have given the President discretionary authority to furnish arms and military assistance to any government or to any

private group in the world. He could have rearmed Germany and Japan; he could have given military aid to any revolutionary clique, in South America or elsewhere, seeking to overthrow a government which, for one reason or another, had incurred the President's displeasure. This authority would have been given him in perpetuity, subject only to repeal by congressional action over which the President would have the right of veto. There was no limit to the amount of military assistance which could be given out of the surplus, the reserves, and the stock piles of our defense establishment.

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

Mr. DULLES. I yield.

Mr. CONNALLY. Before the Senator leaves the point about the original bill, I think it should be known that as soon as the chairman of the committee looked at the first bill the Department was told that the committee would not take that at all, that it would have to be redrafted. It was redrafted, and submitted to the committee as the bill upon which we worked. Is not that true?

Mr. DULLES. I am very glad to have that statement in the RECORD.

Mr. CONNALLY. It is in the record of the committee. All the members of the committee know that the chairman of the Committee on Foreign Relations, as soon as he examined the bill, said, "No, that will not do." One reason why he had not examined it earlier was that we did not want the military arms bill sent up while we were considering the treaty.

Mr. FERGUSON. Mr. President, will the Senator from New York yield?

Mr. DULLES. I yield to the Senator from Michigan.

Mr. FERGUSON. Who introduced the bill?

Mr. CONNALLY. I did. The Senator certainly knows that the chairman of the committee usually introduces a bill of this kind. I introduced the bill as a working paper, something to go on, because we had pressure from the departments.

I know what the purpose of the Senator from Michigan is. It is to embarrass the Senator from Texas.

Mr. FERGUSON. Not at all. I think the RECORD should be clear that the Senator did introduce the bill and that it was sent to the committee. I understand now that as soon as it got to the committee the Senator advised that he was not backing the bill.

Mr. DULLES. Mr. President, I expect in due course to give recognition to the cooperation which was shown in this matter by the distinguished Senator from Texas, but at the point in the narrative where I now am, that cooperation had not yet appeared. I am now describing the bill as it was sent to Congress by the administration, and as it was originally introduced by the distinguished Senator from Texas, with other Senators.

As I was saying, Mr. President, the authority given by the bill would have been in perpetuity, subject only to repeal by congressional action, over which the President would have the right of veto. There was no limit to the amount of

military assistance which could have been given out of the surplus, the reserves, and stock piles of our defense establishment. The initial monetary appropriation sought, \$1,400,000,000 for the first year, was over and above the unlimited power to furnish military assistance in kind. The President would have had authority to take the goods and manufactured products of other countries, bring them into this country free of duty, sell them here in competition with American workers, and remit the dollar proceeds to foreign governments for use for military purposes.

Such a program was from the beginning doomed to fail. The Republicans in Congress could have taken the lead in administering that defeat, and in that way we might have gained a partisan victory. But that victory might have been costly to our Nation.

So we adopted a different course. Some of us discussed the situation informally with the Secretary of State and pointed out the features of the bill that made it entirely unacceptable. As a result, the original bill was quickly withdrawn and sought to be forgotten. A totally different bill, S. 2388, was substituted. It was drawn along lines that it seemed would command the support of both Democratic and Republican Senators. It was that new bill which became the basis of public and private hearings. I should, in fairness, say that in my opinion neither the President nor the Secretary of State was personally aware of all the implications of the original bill. I think that its excesses represented the excessive zeal of those who surround the President, and who share the political philosophy that the more the President personally gains unlimited power over all phases of our national life, the better it is for the people.

Study of the new bill and hearings before the Senate committees made it apparent that the bill also required some changes. Accordingly, the senior Senator from Michigan [Mr. VANDENBERG] and the junior Senator from New York [Mr. DULLES] proposed a series of amendments. We proposed to reduce by \$160,000,000 the total monetary amount for Atlantic Pact countries, and to spread the appropriation of the balance—\$1,000,000,000—over 2 years instead of 1. We proposed that there be a ceiling upon the value of the United States equipment that might be furnished in kind. We proposed a new declaration of policy and provisions to insure that any aid to North Atlantic Pact countries would be geared into the policy of that pact. We proposed that Congress should have authority, by concurrent resolution, to cut off any assistance to North Atlantic Pact countries that would not promote the policy of area defense under the pact. All these proposals are in the pending bill.

The senior Senator from New Jersey [Mr. SMITH] added an important amendment, designed to reaffirm the policy of the United States with reference to promoting disarmament under adequate safeguards, and the junior Senator from California [Mr. KNOWLAND] proposed an amendment to make it possible to give aid to China. These amendments are also reflected in the pending bill, although

the China aid reflection is somewhat feeble.

The distinguished chairman of the Joint Foreign Relations and Armed Services Committee, the senior Senator from Texas [Mr. CONNALLY], and the senior Senator from Maryland [Mr. TYDINGS], cooperated wholeheartedly to bring out a bill which could command bipartisan support. It is that result which is now before us. It represents an outstanding example of the importance of a Congress that is independent and vigilant, and that subordinates partisan advantage to national welfare. We have shown how bipartisan foreign policy ought to work and how it does work in the hands of men of good will.

Mr. President, there are certain provisions of the bill which are relatively noncontroversial, but which I believe deserve certain passing comment.

AID TO GREECE

The Government of Greece has for several years been fighting for its existence against a communistic revolutionary movement supported by the Communist states on Greece's northern border.

The United Nations has concerned itself actively with this situation, and for the last 2 years I have been primarily responsible for the handling of this matter in the United Nations Assembly. The Assembly has sent commissions to observe, and their observations clearly proved that Greece is the victim of indirect aggression.

The United Nations Assembly has no power of itself to intervene directly. It can, however, arouse public opinion in the member states so that they will aid the victims of aggression. It is doing so, and the United States is one of several members that are responding. We have been supplying military aid, and the pending bill would continue it. This, in my opinion, is imperative. Even Mr. Henry Wallace, in his testimony on the bill, conceded that without that aid Greece would now be under Communist control. In view of the geographic position of Greece and the Greek islands, the consequences of that could be serious.

AID TO TURKEY

Turkey, more than any other single country, is the subject of Soviet territorial ambitions. Soviet policy seeks Turkey's northern provinces and control of the Dardanelles. Its demands have been clearly expressed and have been backed by threats. However, the Turkish people have not been intimidated. They have a substantial and well-disciplined army, and there is no question in anyone's mind that they have the will to fight to defend their homeland. The army, however, needs further military equipment. We have been giving that, and this bill would continue it. That, again, I consider imperative. There is no place in the world where we can invest some of our military equipment to better advantage.

AID TO IRAN

Iran is another state that borders upon the Soviet Union, and where the Soviet Union has territorial and economic ambitions. After the war, Russia's armies remained for a time in oc-

cupation of the northern province of Azerbaijan, and the Soviet government has demanded an important part of the rich oil reserves of Iran. Those demands the Government of Iran has bravely rejected, and under pressure from the United Nations Security Council the Russian troops were withdrawn. It is, however, important to help the Government of Iran to develop an army sufficient to cope with the revolutionary movements which the Soviet Union is constantly trying to foment in that country.

AID TO KOREA

Korea, or at least the southern two-thirds, has become an independent state primarily through the efforts of the United States in the United Nations. I had the privilege of acting for the United States delegation in that matter.

It was first proposed, 2 years ago, to restore independence to Korea by bringing about the withdrawal of the Soviet forces in the north and the United States forces in the south, which had gone there to receive Japanese surrenders. I was, however, shocked to learn that the Soviet government in the north had been working hard for 2 years to establish a Communist Korean government controlling a large, well-disciplined and well-armed Korean-Communist army, and that there was nothing comparable in South Korea. In consequence, the Communist government of North Korea could readily have overrun South Korea and it clearly indicated its intention to do so. A beginning was then made to correct that situation, and there has gradually been brought into being a military establishment in South Korea which, with some further help from us, should be able to hold its own against invasion by the Soviet puppet government in North Korea.

Of course, no military establishment in South Korea could of itself stop open aggression by Soviet forces. That statement is equally true of Greece, Turkey, Iran, and, indeed, of western Europe. However, it does not seem that Soviet leaders now contemplate such open action, but that they are now relying primarily upon tactics of indirect aggression. Therefore, Mr. President, it seems to me it is well worth while to help the Government of Korea to equip military forces that can at least offset those in the north of Korea. The present appropriation will be a good, even though a belated, step in that direction.

AID TO THE PHILIPPINES

The Philippine Republic represents the forward-looking policy of giving independence to colonial peoples as rapidly as circumstances make this practicable. The United States long ago committed itself to independence for the Philippines, and at San Francisco we joined with others in writing that principle into the United Nations Charter. It is, however, not enough today to turn peoples adrift in the world with nothing but independence. Under those conditions, independence would quickly vanish. With all the threats of indirect aggression and revolution that exist in the world today, every sovereign government needs some substantial, loyal, disciplined, and

equipped military force to sustain it. This proposal to give military assistance to the Philippines is merely a proposal to give reality to our grant of independence.

I turn now to the more controversial aspects of the bill.

CHINA

The administration did not ask for congressional authorization of any aid to China or the Far East other than the Philippines and Korea. That presumably is because they did not have any policy to implement.

I certainly agree that there is no point in spending without a policy. That is seldom productive of good, and it is usually productive of bad. But it is, I suppose, possible—and indeed I should like to think it is probable—that the administration will develop a policy to check the sweep of communism in China and the Far East. I know that the Secretary of State is seeking that, and certainly that is a result devoutly to be sought. As things now are, our Pacific front is wide open to encirclement from the east. Stalin himself wrote some 25 years ago that the west was most vulnerable to attack through the east, and the Soviet government has been supporting Communist revolutionaries in China ever since. I saw that support with my own eyes in Hankow in 1938, and it is somewhat surprising that our Government seems to have been totally unprepared to meet the danger. Today the situation is critical.

Of course, Congress itself cannot impose a foreign policy. The current conduct of foreign affairs, under the Constitution, devolves upon the Executive. But I believe that the Congress can usefully anticipate the possibility that the Executive might, while Congress is not sitting, find a policy. If so, it would be tragic if further time were lost because no resources were available to implement that policy. Therefore, I believe that the action proposed in the present bill has great importance from the standpoint of our national security.

AID TO EUROPEAN MEMBERS OF THE PACT

Aid to European members of the North Atlantic Pact is the most controversial aspect of the bill. It involves about 80 percent of the total in money and material designed to be authorized by the bill.

When the North Atlantic Treaty was before the Senate for consent to its ratification, I said that in my opinion nothing in that treaty involved a legal and moral commitment on the part of the United States to furnish arms to any other party to the treaty. I said that the treaty did establish the principle of joint area defense, but that whether or not that defense would be best served by our giving arms to any other nation would be a matter which the Congress would be free to debate and to decide later on its own merits. That is still my view. In my opinion, the Congress is entirely free to conclude that the responsibilities of the United States under the pact would be best discharged by concentrating our military strength outside of the continent of Europe and relying upon the threat of air attack to deter aggression there. That is a strategy

which some competent military persons advocate. There is no question in my mind that the Congress is legally and morally free to adopt that view and refuse to authorize the giving of arms to other members of the pact.

I do not myself share that view, because, in my opinion, the present unbalance in Europe is abnormal and unhealthy, and there is time to correct it. The information given me, publicly and privately, by our own Government and by heads and leaders of European governments, does not indicate that the Soviet Union now contemplates open military aggression in Europe. Direct military aggression is not the preferred weapon of the Communist Party that controls the Russian Government. It is aggressive. It seeks world domination. But its preferred methods are political penetration, fifth-column activities, and revolution. At that they are past masters and have no equals. But in war, our atomic weapons and industrial superiority would give us the advantage. It does not seem likely that Soviet leaders would now switch from methods at which they are superior and with which they have reason to feel they are winning, in order to use methods at which they are inferior.

The time may come when Soviet Communist methods of penetration and indirect aggression cease to be effective, both in the east and west, and it may be that at that time there will be a critical moment, when open war or peace will hang in the balance. But in view of the great vista of conquest opened up to the Soviet Union in the Far East by virtue of its present methods, direct military action does not seem to be imminent, in the opinion of most competent observers, including the military. That seems a reasonable conclusion.

Of course, it would be foolish for us to send arms to the Continent if Russia were about to invade it. That would merely weaken us without creating any new possibility of formidable defense. If, however, there may be a few years before war would seem to Russian leaders to be a desirable alternative to their present methods, then we may have time to redress the military unbalance in Europe, and thus reduce the risk of future war.

I agree with the conclusion which I was happy to hear the distinguished Senator from Georgia [Mr. GEORGE] express in answer to my question, that the redressing of that unbalance does not necessarily require an armed force equal to that of the Soviet Union, but that a military force much less than that would serve a very useful purpose in that respect.

It would, of course, be much better if the present unbalance could be corrected by reducing armament in the Soviet Union, rather than by building it up in western Europe. We have tried that way in the United Nations. Last winter, when I was acting chairman of the United States delegation, I helped secure the adoption of a program to start an arms census as a basis for future arms reductions. However, the Soviet Union has absolutely refused to cooperate in that effort. We ought never to re-

nounce reduction of armaments as our goal, but we cannot safely go that way alone.

At the present time, according to reliable estimates, there are approximately 4,100,000 persons under arms in the Soviet Union. They are a well-equipped land force, well mechanized, and with good air support. In addition, there are approximately 700,000 troops in Soviet satellite countries, excluding Yugoslavia. As against this total of nearly 5,000,000, the North Atlantic continental countries have approximately 1,000,000 in their armed services, of which about 500,000 are in France and about 250,000 in Italy. However, these troops are not well equipped because their countries were swept clean of military stocks by the German occupation. There is, however, a nucleus of able and loyal manpower which has great potentialities. Their imperative need is modern, standardized equipment. Our military advisers say that it would be possible, over the next 3 or 4 years, to build up a military defense establishment on the Continent which, at the end of that time, while not being nearly equal to that of the Soviet Union, would at least cause Russia to pause before launching an attack of her own. That, it seems to me, is a goal worth seeking and a chance worth taking, at the cost which would be involved.

The process of seeking that goal will also, and quickly, serve to strengthen friendly governments as against indirect aggression. I have been in France when there was twice grave jeopardy because of political strikes and sabotage. The first time was in the late fall, November and December of 1947, and the second time was in the fall of 1948. The French Government, with a spirit quite contrary, in my opinion, to that suggested by the distinguished Senator from Georgia [Mr. GEORGE], acted courageously, using what troops it had. Those troops acted courageously and loyally to prevent a serious and major threat of indirect aggression engineered from Moscow. They patrolled railroads, operated the public utilities, saved the mines from flooding, and prevented economic and political disaster. But it was tough and go, particularly in the fall of 1947. If the French Army is strengthened and further equipped, that will serve mightily to deter a third such effort.

I see, therefore, advantages in giving the military assistance contemplated by the present bill. As I see it, the military assistance contemplated by the present bill can both reduce the risk of indirect aggression and promote the prospect of a durable peace. I think the amount proposed is reasonably related to the probable gain, and that it ought not to be further reduced below what is provided in the bill reported from the committees. I quite agree that on these matters we ought not to accept blindly the judgment of our military advisers as to the scale of assistance that is desirable or which should be authorized by Congress. I consider it essential that the civilian branches of our Government should always exercise an independent and final judgment on these matters. They should never surrender their own

judgment to that of the military. But, of course, in these matters the judgment of the military is one of the important factors to take into account. I suppose no one would suggest that it is a factor to be wholly neglected. On the basis of the testimony of our military advisers in executive session, plus the best estimates as to the time that may be available in which to restore a stable balance of power in Europe, plus a considerable background of information of my own gained first-hand in Europe, I am clearly of the opinion that a further reduction in the amount to be authorized would not be in the national interest.

I say that despite the fact that I feel very much in sympathy with the views which have been expressed by the distinguished Senator from Georgia as to the necessity for national economy. I can find other places where, in my opinion, economy can be effected with less damage to the national interest than by a further slash in the amount contemplated by the pending bill.

While I have expressed my strong support of the bill, I want to add something further which relates to the future, and which is not within the power of Congress to decide, but upon which I think it is appropriate that Members of Congress should express an opinion for the guidance of those in the executive branch of the Government who do have the power.

In my own opinion, there is no great advantage in embarking upon this program unless it is to be a part of a common defense of the 12 Atlantic Pact countries to be organized under the North Atlantic Treaty. In my opinion, it would be folly if we merely rebuilt a series of independent national military establishments in each of the 10 European countries which are parties to the North Atlantic Treaty. No one of those countries can be strong enough to stand alone, and the attempt on its part to become so strong would be disastrous economically.

I supported the North Atlantic Treaty because in my opinion it was a step toward the broader collective security contemplated by the United Nations Charter, and because it seemed to me that if the resources of 350,000,000 people were effectively pledged to a common defense, the burden on each nation, including the United States, would be much less than if there were 12 separate military establishments. It seems to me, for example, grotesque that any country except the United States should attempt the difficult and appallingly expensive process of making atomic weapons in quantity. Others cannot afford it, nor should those weapons, or intimate knowledge of them, be at exposed points. But we cannot expect other people to take that view unless area defense is developed as an actual reality upon which each of us, including the United States, is visibly dependent. It would be foolish for the French to attempt to develop a new great navy in view of the immense existing superiority of the British and American Navies over that of the Soviet Union. These are the kind of problems which need to be dealt with by the council under the North Atlantic Treaty.

They involve not merely military but political considerations of a high order.

Again referring to the observations made by the distinguished Senator from Georgia, I am quite of the opinion that western Germany should be in the area of North Atlantic defense. Without that, as I see it, the western Germans would really be thrown into the arms of the Soviet Union. But that is a problem which involves very serious and delicate political considerations. Again, it is a problem of the type that needs to be considered, discussed, and settled by the Council under the North Atlantic Treaty before our aid under this arms bill can achieve anything like maximum effectiveness and utility. That is not going to be a result easy to achieve.

Mr. President, military men have a passionate loyalty to their own particular nation and to their profession. They desire to build up their own national military establishments, and they sympathize with the desire of others to do the same. Unification and economy of military establishments as between different nations will be even harder to achieve than as between our own armed services, and we know that is hard enough. Yet that is the great goal the treaty promises, and that is the goal we need to pursue if the treaty is to justify itself. Congress will have to watch that situation. Under the bill as now drawn, Congress will share with the President at least the negative power to divert aid from the European countries if it does not fit into a general plan of common area defense. I think that is the best plan that can be legislated under the constitutional allocation of powers.

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

Mr. DULLES. I yield.

Mr. MILLIKIN. Is there an assurance, at the present time, of common area defense?

Mr. DULLES. There is no such assurance. That, as I say, is a situation which in my opinion the Congress must watch. Under the bill as now drawn, and pursuant to the proposals which were made for amending the original bill—and I have referred to them—it is contemplated that Congress can cut off the provision of aid under the bill, subject only to then existing commitments, if it is felt that the plan will not lead to a common area defense. I think that is as far as Congress can go under the constitutional allocation of powers.

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

Mr. DULLES. I yield.

Mr. MILLIKIN. I am very much interested in the common area defense. I am somewhat disillusioned regarding its possibilities by what has happened under ECA in connection with our attempts to secure economic unification. I think the record will show that we have had great difficulties along that line under ECA. In connection with ECA aid, we have also been attempting to stimulate freely convertible currencies, integrated industries, and the lowering of tariff barriers; in other words, to have a western European trading area where the countries of western Europe could have orderly sur-

pluses, could absorb a considerable amount of those orderly surpluses among themselves, and thus could lighten the burden upon the United States.

However, very little progress along that line has been made. I suggest that in the over-all view there has been no progress whatever. It is admitted that there has been a distinct tendency toward the development of economic nationalism along the same line that the distinguished Senator has mentioned in connection with the tendency toward military nationalism.

Mr. DULLES. Mr. President, I share the disappointment of the distinguished Senator from Colorado that there has not been more progress toward economic unity under the European recovery program. As the Senator may recall—I think he was sitting in the committee at the time—when I testified in relation to the European recovery program, I then pointed out that in my opinion the European recovery aid might be almost worse than useless—I think I used the phrase work in reverse—unless it operated to achieve increased unity, because I said only in such increased unity can there be any real salvation; and if our aid amounts to a crutch which makes the countries of western Europe constantly dependent upon us, it will be worse than nothing. Of course, crutches which aid people to recover are useful, but only if later they can be thrown away. I am not at all pleased with the progress which has been made along the lines now discussed; but I am not completely discouraged about the future.

I was one of the Senators who discussed this situation with the Administrator, Mr. Hoffman, when he was here some weeks ago at the time when the European recovery appropriation was debated. I emphasized that point of view to him very strongly. I was happy to observe that after he returned to Europe, he made some very strong statements along that line. I sent him a cablegram in which I expressed my gratification that he seemed to be "putting the heat on" a little bit along a line which seemed to be indispensable. I received from him a reply in which he said he was exerting himself to the full to try to bring about the single-market situation which it seems to me—and I think the policy was written into the bill—is our great goal under that act.

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

Mr. DULLES. I yield.

Mr. MILLIKIN. I, too, have read with considerable interest the remarks made by Mr. Hoffman since his return to Europe. But within the past 4 or 5 days we have participated in a policy which has made the United States a shock absorber for the dislocations of international balances of trade.

Thus, by absorbing the problem ourselves we have reduced the necessary incentives for those devaluing countries to integrate their industries, make their currencies convertible, reduce the distortions in their trade balances and build a sensible western European economy.

I am inclined to think that we are getting into the habit of always making ourselves the mattress upon which they can

dump their mistakes. We are always preaching the necessity for their solving of their own problems but the solution always requires that we absorb them ourselves.

Mr. DULLES. Mr. President, I would be reluctant to express an opinion which had any finality to it regarding the effect of the currency devaluations which recently have occurred. That is a complicated matter, but I think I share the point of view of the distinguished Senator in believing that a solution of the economic problem does not depend upon creating artificially, either through tariff action or currency action, a situation such that the surpluses in each of the separate European countries, instead of being exchanged between themselves, will all come to be dumped into the United States market. I do not think that is good for us and I do not think it is good for Europe. Increased prosperity and well-being in Europe will require an exchange of the surpluses of each of those countries as between themselves.

Mr. MILLIKIN. Exactly.

Mr. DULLES. There should be an exchange of lemons from Italy for shoes from England. There would be no point in sending all the shoes from England to the United States and all the lemons from Italy to the United States. That would not help us and it would not help Europe. There should be a greater exchange of the surpluses. Now that the economic vacuum of the world has been filled up to some extent, I am concerned with the fact that surpluses are developing in different countries which ought to be exchanged among themselves and thus raise the general standard of living in Europe, which is the goal. But under existing conditions, they all tend to be pushed into this dollar market, which is the only free market in the world with hard currency.

Mr. MILLIKIN. Mr. President, I am exceedingly grateful for the observations made by the distinguished Senator. They reinforce the apprehension which is developing within me that we have not cured anything, that we have simply accepted responsibility for a new set of problems which must be assumed and solved by others. By devaluation the equivalent has been accomplished of a 30-percent reduction of our tariffs, while we have put an additional 30-percent hurdle upon our exports. For what purpose? So that we may absorb more of the unmanageable surpluses of western Europe, and so that they may absorb less of our exports. That has certain usefulness in working out balances, but the end point is that we always wind up paying the cost and delaying the necessary remedies which must be taken abroad.

If I may make a further suggestion along that line, perhaps we are getting into the habit of overmedicating Europe. A man gets the gout, and somebody gives him colchicine. The same man develops a bruise on his leg, and somebody says, "You have got to thin your blood, because otherwise a clot might get loose and hit your heart or brain." So he is given some heparin. He gets a little sugar in his blood, and they give him some insulin. He gets a wart on his liver, and they give him a strong

cathartic. His heart misses a beat and they give him digitalis. His sleep is not as good as it might be and they give him barbiturates. And one day a big black limousine drives up to his home, and a couple of men carry in a light basket. A little later, they come back with a heavier basket, and 3 or 4 days later, there are flowers, tears, and messages of condolence, and the clods rattle on the coffin of the victim. It would be appropriate to carve on the headstone "This man died from the overmedication given by loving friends." I am afraid we are getting into the habit of overmedicating a patient who perhaps does not need so much of it and will recover quicker with less of it.

Mr. DULLES. I have always had great respect for the wisdom of the distinguished Senator. Now I have even greater respect since I see he is not only a statesman but also a doctor. But, perhaps because I am a neophyte in this business and only beginning, I trust, a career in the Senate, I still have faith on matters as to which the distinguished Senator seems to be disillusioned. I have not lost faith that out of the European recovery plan will come the results which were written into the policy of the act, and in the writing of which I played some part, because some of the language of it was taken from my testimony before the Foreign Relations Committee. I think the phrase "the continuity of American aid shall be dependent upon continuity of cooperation among European countries" was taken verbatim from my own testimony. I reminded the Administrator of that declaration, and I suggested the time might have come for him to suggest that there was a question whether there was the continuity of cooperation which we anticipated and upon which our own continuity of assistance was made dependent under the policy of the act. I said to him, "That is not a personal policy of yours; that is a policy which is written into the act as the policy of the total Government of the United States."

I believe, despite what has happened, it is not time to lose faith or to discontinue the pursuit of the effort. I believe it is worth while to pursue a similar effort along military lines under the North Atlantic Treaty and under the proposed military-assistance bill.

Of course, I do not for a minute think it wise or right for the Congress merely to appropriate money and then forget about it. If that happens, I think there is a pretty good chance we shall not obtain the results we want; the money will be spent, and we shall not attain our goal. I think the Congress must constantly and vigilantly watch the situation.

The reason for some of the present provisions of the bill is that they reflect my strong convictions along that line. That is why there is now in the bill a provision to which I point, which says that the Congress of the United States can cut off this aid if it is not serving its purpose. In other words, there is now written into the bill a provision comparable to what I sought and which largely was written into the European Recovery Act—a provision for the installation of what we may call a faucet. We are supplying the water and letting it go through, we are letting our money go

through, in order to achieve certain goals. But the Congress is in position to close the faucet at any time when it seems the desired goal is not being achieved. If the water is running, not into a single receptacle, but is being divided into 12, 11, or 10 separate receptacles, then in my opinion the Congress ought to use the power reserved to it to end the aid under this bill and turn off the faucet. I believe if the Congress exercises vigilantly the power which this bill gives it, the Congress can overcome what might be an inertia on the part of the administration and other governments to achieve the great result we seek.

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

Mr. DULLES. I yield.

Mr. MILLIKIN. I would not by anything I have said indicate a loss of faith. If I did not retain my own faith, I could not forgive myself for my own support of parts of the programs, nor for other support which I intend to give. I am asking for a continuance of faith, but I am asking for more performance; that is what I am talking about. We speak of these noble objectives. We are always going to do something, but the situation intensifies in the other direction, and in the end we become the net to catch the trapeze performers when they fall. Perhaps we shall have to take away the net some day to inspire better performance.

Mr. FERGUSON. Mr. President, will the Senator from New York yield for a question?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. DULLES. I yield.

Mr. FERGUSON. Sharing the views of the distinguished Senator from New York on the question of the integrated defense plan, and prefacing the question I desire to have answered by the statement that, as the Senator has indicated, the Congress has the right to cut off the supply of funds, I am concerned, then, in view of certain language in the bill, as to whether the full \$500,000,000 could not be contracted for by the President and therefore really in effect be expended, and the Congress have no right to cut it off, because of the language on page 18, beginning in line 4, as follows:

Any such assistance furnished under this title shall be subject to agreements, further referred to in section 402, designed to assure that the assistance will be used to promote—

I underscore the word "promote"—

an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and the Defense Committee under article 9 of the North Atlantic Treaty—

It then goes on:

and after the agreement by the Government of the United States with defense plans as recommended by the Council and the Defense Committee, military assistance hereunder shall be furnished only in accordance therewith.

My question is whether this is to be used merely to promote an integrated defense? It appears to be the consensus of Senators that the purpose in furnishing arms is not only to promote inte-

grated defense but actually to carry out an integrated defense plan.

Different language is used on page 18, to the effect that the President can use the \$400,000,000, and even the \$500,000,000, if it is passed on by the Appropriations Committee, before there is an integrated defense plan. Before Congress could be advised that the full amount of money could be used and expended we might find that the defense plan called for a further and different expenditure. What does the Senator have in mind on that point, because of the use of that language?

Mr. DULLES. I think the drafting of section 102 is not artistic. I have no doubt it could be improved by the distinguished Senator from Michigan, and I think it should be improved, because, to my way of reading it, the sentence really does not parse, and I do not know what the verb is which governs the phrase on page 18, "integrated defense." It seems to me that particular phrase floats in the air, without any governing verb. Therefore I think there are drafting imperfections. I will say, however, that in my opinion, the result sought to be achieved is that the President has discretionary authority to approve, on behalf of the United States, defense plans which may be recommended by the Council. Those plans might not, in the opinion of the Congress, meet the test of promoting an integrated defense, but that is, I think, a matter for the President to decide and not for the Congress to decide.

The purpose of those two sections—and they could perhaps be integrated more effectively—is to assure two things and to correct in two ways one defect, as it seemed to many of us, in the original bill. We were told at the time of the debate on the North Atlantic Treaty that there would be a military-assistance program, but that it would be something totally independent of the North Atlantic Treaty. It appeared that this independent program was in reality a 2-year program, and that we would have the North Atlantic Treaty machinery established within 2 months. It actually is established even before the arms bill is passed, though there are not, as yet, as I understand, any defense plans. In view of that it seemed that we should not have an arms program operating for 2 years wholly independently of the North Atlantic Treaty. The two things should be brought together as quickly as possible—

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

Mr. DULLES. May I finish my explanation before I yield?

Mr. FERGUSON. Certainly.

Mr. DULLES. The purpose of the provision in section 101 was to provide that once there is agreement on the defense plan, the money can be used only for that purpose. The purpose of section 102 is to provide that only \$100,000,000 can be spent until there is agreement on defense plans. In other words, the purpose is to provide that there shall be \$100,000,000 which we might call true interim aid, so that the nations can get going immediately, but beyond the \$100,000,000 there can be no further funds

spent by the President until there is a defense plan agreed to, and then the money can be spent only in accordance with that plan.

So much for the limitation on the authority of the President.

Then there is a provision that the Congress can, at any time, by concurrent resolution, cut off assistance to any nation, so that if, in the opinion of the Congress, the defense plan does not promote an integrated defense—let me read the exact language:

Assistance to any nation under this act may, unless sooner terminated by the President, be terminated by concurrent resolution by the two Houses of the Congress: *Provided*, That funds made available under this act shall remain available for 12 months from the date of such termination for the necessary expenses of liquidating contracts, obligations, and operations under this act.

So that there are two limitations. One is on the power of the President. He can spend only \$100,000,000 until there is a defense plan, and when there is a defense plan, he can spend the money only in accordance with it. He has his own judgment, however, as to whether the plan effects an adequate integrated area of defense. Congress has no way to override his judgment on that, except as it has authority to cut off assistance to any or all nations if it is not satisfied with the way the program is working out.

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

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

Mr. GEORGE. The Senator does not mean to intimate, does he, that Congress has the right to say how the money shall be spent, on what terms, and at what times?

Mr. DULLES. No. It has the right to stop the expenditure.

Mr. GEORGE. In the beginning, has it not the right to appropriate on conditions?

Mr. DULLES. Yes; and the appropriation, as I understand, is on the condition that only \$100,000,000 can be spent prior to the adoption of a defense plan under the North Atlantic Treaty.

Mr. GEORGE. That is correct.

Mr. DULLES. After the adoption by the Government of the United States of a defense plan under the North Atlantic Treaty, the money can be spent only in accordance with that plan.

Mr. GEORGE. I understand that. I wanted to be clear on the other point.

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

Mr. DULLES. I yield to the Senator from Michigan.

Mr. FERGUSON. I realize the importance of debate to bring out the intent of the language when there is an ambiguity in it. It is only for that reason that I have been asking questions with reference to these particular sections. I hope the debate will demonstrate to the President and the executive branch of the Government the intent of Congress.

I find some difficulty in my own mind because of a change of language in lines 6, 7, 8, and 9, on page 18, and in lines 23, 24, and 25, and then going over to section 103.

Reading from page 18, beginning on line 4:

Any such assistance furnished under this title shall be subject to agreements, further referred to in section 402, designed to assure that the assistance will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and the Defense Committee under article 9 of the North Atlantic Treaty—

I go on to the next line:

and after the agreement by the Government of the United States—

Meaning, after the integrated defense plans—

after the agreement by the Government of the United States with defense plans—

That is, integrated defense plans—

as recommended by the Council and the Defense Committee, military assistance thereunder shall be furnished only in accordance therewith.

I underscore the word "only."

That kind of language is not used at the bottom of the page, which refers to a condition in connection with the \$400,000,000. I read:

shall become available when the President of the United States agrees to the recommendations of the Council and the Defense Committee to be established under the North Atlantic Treaty—

Then it goes on—

limited entirely to the amount herein authorized to be appropriated and the amount authorized hereinafter as contract authority, that the obligation and expenditure of such sums for the purposes of this act will—

Then the word "promote" is used, and I underscore that word—

promote an integrated defense of the North Atlantic area and will facilitate—

I underscore the word "facilitate"—

the development of defense plans by the Council and the Defense Committee.

Then there is a period. In other words, the one says that after there is a defense plan aid can be extended only in accordance therewith, the other says that it may all be used if only it promotes or facilitates the making of a plan. Why are there those two statements, if they mean one and the same thing?

Mr. DULLES. I have already said that in my opinion the drafting of section 102 is imperfect. I should not like to undertake the redrafting, extemporaneously, here on the floor. I do think the distinguished Senator from Michigan has made a very important point in bringing out the defectiveness in the drafting, and I trust that in the course of the debate, and before the bill shall be passed, those who are better qualified than I will suggest a revision of the language, particularly on page 19.

Mr. SCHOEPPPEL. Mr. President, will the Senator from New York yield?

Mr. DULLES. I yield to the Senator from Kansas.

Mr. SCHOEPPPEL. I was interested in the discussion the Senator was making with reference to the control Congress would have over certain appropriations which are to go into the expenditure of the funds provided for. I

am aware of what is said in the report of the committee about the administration of the program in this country, and what the report says about the administration of the program abroad. There is also provision in the bill, covered in the report, as to the pricing power, wherever there has been an exchange or lending of material.

I hope I am not too far afield in asking the question I wish to propound. Obviously much material must be purchased or supplied if the pending measure shall be enacted. Is it the thought that the military services are to be the sole procuring agency for all these purchases? I realize they must be screened.

Mr. DULLES. That is my impression, and it is also my impression that our military establishment would be normally the procurement agency on behalf of the foreign governments concerned. But that is a question which I think I should prefer to have addressed to one of the members of the Committee on Armed Services, who could give a more complete response in that respect than I could. But I understand that is the contemplated practice.

Mr. President, I shall conclude with a word or two more. I returned to Washington this morning from up-State New York, to be in the Senate to support the pending bill. In doing so I have interrupted my political campaign, a campaign in which the President has pledged his full support to my opponent. That is the President's right, and I have no complaint to make. He has given me many opportunities in the United Nations and the Council of Foreign Ministers to help to forge a bipartisan foreign policy to stop Soviet aggression, and help preserve peace and liberty for our people.

Mr. President, I am glad to stand here today and again show my loyalty to those principles. We may differ among ourselves, and we do differ among ourselves, regarding domestic policy. We may oppose each other, and we do oppose each other strongly in some respects. A vigorous two-party system is the best way whereby people retain their freedom. But in the face of external danger, we unite to help our friends and to bring confusion to our enemies.

Mr. BYRD. Mr. President, a few weeks ago I voted for the North Atlantic Pact. I did so because I wanted to make it crystal clear that if Russia should attack any friendly nation in Europe it would be regarded as an attack upon the United States, and that immediate retaliation would result.

With the United States as a signatory, the Atlantic Pact is, in my judgment, the best insurance against war. It is the potentialities of the Atlantic Pact that Russia will fear—the risk of engaging in war with the nation that can produce more materials and equipment of war than all the rest of the world combined.

The Atlantic Pact—with the United States as a signatory—confronts Russia with a combination of allies which can produce very much more war matériel and equipment than all the rest of the world combined. It is this war-produc-

tion potentiality of the Atlantic Pact nations that Russia will fear above all else.

If she would dare attack any or all of these nations in the teeth of these overwhelming armament potentialities already in existence under the Atlantic Pact, I am convinced that any arms we may furnish now in peacetime, under the pending arms program, would be totally insignificant as a further deterrent to such aggression.

I will vote against the pending proposal to arm these 16 European nations without the slightest feeling of inconsistency in having previously supported the Atlantic Pact. There is not one line or word in the Atlantic Pact that binds the United States of America to furnish arms to other members of the pact in time of peace. There is no more obligation on our Government to furnish such arms than there is upon the other signatories to furnish arms to us. We, of course, all know that should any member of the Atlantic Pact be attacked, or if an attack were imminent, then it is the solemn obligation of our country to render the most effective assistance that is possible.

I may say that this question was covered by correspondence between the Secretary of State, Mr. Acheson, and myself, and is covered by the questions propounded by the Senator from Texas [Mr. CONNALLY], the chairman of the Foreign Relations Committee, when he asked Secretary Acheson the following question:

Is it not true, though, that any Senator would be free, within his own conception of his duty, even though the treaty does carry the clause of mutual assistance, to determine whether the exact measure which was proposed was within that general scope of mutual assistance that was necessary?

Secretary Acheson replied:

Of course, Senator CONNALLY. There is no question about that.

This interpretation of the Atlantic Pact was concurred in by the Secretary of Defense, Mr. Johnson, in his testimony before the Armed Services Committee, and by the chairman of the Senate Foreign Relations Committee and the previous chairman of the Foreign Relations Committee.

The pending measure is unrealistic. There is no way by which the United States can arm the 16 nations in Europe to make them impregnable to a Russian invasion. There was no military expert before the Armed Services Committee who gave testimony that this country could arm these western European nations so that an attack by Russia could be successfully repelled.

In the Senate debate on this measure I was somewhat amazed to hear the distinguished senior Senator from Michigan [Mr. VANDENBERG] state that the pending proposal limited aid for a period of 1 year. The Senator from Michigan said on the floor of the Senate on September 20:

All the Senator from Michigan can say to the Senator from Colorado is that he gains the impression that the persons in the military department who have been helping to develop the current program have

exclusively confined it to 1 year. I again call the Senator's attention to the language textually written into the bill for the purpose of assuring that it related only to 1 year.

The fact is that the pending measure begins with a 2-year program, not a 1-year program. It is divided into two parts. It provides for one-half of a billion dollars in cash and another one-half in materials to be transferred. Then there is an authorization, a contract authorization, for another half a billion dollars to be spent in the following fiscal year, whereby the proper officials of this Government can obligate the United States Government to the expenditure of another half billion dollars, which must be appropriated for in the fiscal year following the present one.

The Senate should not deceive itself, in voting for this legislation, in the thought that it will be stopped at the end of 1 year, or for many years. At this point it is pertinent to give the testimony of the officials before the Armed Services Committee. Secretary Johnson was the only official who ventured a guess as to the extent of the program. I quote Secretary Johnson:

I see your point, sir, but I would like to point out that I testified before the House Committee and before this committee that I believe this program will extend over 4 or 5 years.

When I questioned him as to the reasons for this conclusion, he said he had no reasons except his own personal views which, in my judgment, are merely wishful thinking.

We will now turn to the testimony of General Bradley, who said, in response to a question from the Senator from Massachusetts [Mr. SALTONSTALL] as to the length of the proposed program:

I do not think that I am qualified to answer that question, Senator SALTONSTALL. It seems to me the amount of future aid which the President might recommend would depend on so many factors that it would be very difficult for me, as a military man, to comment on it, except to say it seems to me it would depend upon the international situation, upon the economic recovery of the countries concerned, as to how much they could do themselves, and upon our own industrial situation, and I think that would have to be determined in later times as to just how much the President would recommend and how much you would want to consider.

In response to another question, General Bradley said:

That does not mean we would have to give everything they requested but we would review very carefully and, before the President makes any recommendations as to how much aid must be furnished at a later year, and it would not necessarily be everything that the member nations requested, but it would be what this country thought the greatest needs were and how much it could afford to help them. It might be nothing, and it might be more. I should think it would depend entirely upon the situation at that time.

The testimony of Secretary Acheson, as to the length of the program was as follows:

I cannot attempt to predict at this time, however, how long we may need to continue

future military assistance to the European members of the pact. Many invariables over which we have little control are involved, such as the rate of economic recovery, the imminence and extent of the aggressive threat and the strategic considerations and developments in the art of warfare.

So I do not think any Senators can say that this program can be limited to 1 year, to 5 years, to 10 years or to 20 years, when we hear General Bradley, the Chief of Staff, and the Secretary of State, state that they cannot even make an estimate as to the extent of our aid. My colleague, the Senator from Georgia [Mr. RUSSELL], earnestly and diligently attempted to find out how long this program was to continue, and was unable to obtain, as the RECORD will show, any definite answer whatever as to the length of the program.

As I have stated, it is very evident that neither General Bradley nor Secretary Acheson are willing to make any estimate whatsoever as to the length of the program, and the estimate made by Secretary Johnson of 4 or 5 years is admitted by him to be his own personal opinion and not based upon military information from either the State Department or the Joint Chief of Staff.

Any language in the pending bill that attempts to limit the aid to any given period is of no avail and amounts to no more than mere verbiage of no meaning.

The fact is that once we undertake to underwrite the military defense of western Europe in time of peace, we are obligating ourselves to continue to do so for an indefinite period. In my judgment, this period will be not less than the term of the Atlantic Pact—20 years.

Actually we are now proposing to embark on a program which is not limited either in time or in cost. It is possible and probable that the cost will be greatly increased in the years to come. It is possible and probable that it will extend throughout the entire period of the Atlantic Pact and thereafter, should another pact be entered into. Once we embark upon this course of arming other nations in time of peace, there is no retreat.

It is little short of an absurdity to speak of a billion dollars in cash, and a transfer of \$500,000,000 worth of surplus material as being sufficient in any way adequately to arm 16 nations with a combined population of approximately that of the United States, when we are spending \$15,000,000,000 annually in an attempt to arm ourselves, though the geographical situation of most of these countries places them in a position of much greater danger from hostile military operations than we here are exposed to.

Never before has the Government of the United States undertaken such a commitment unknown in cost or in duration. In the case of the Marshall plan, we were given estimates of the cost covering a period of 4½ years, but, in this plan, there has been no estimate given even for the second year of its operation. The military officials were unable even to estimate the cost, not only for the full extent of the program, but even for the second year, except that we are obligated under the contract authorizations for

\$500,000,000, and I predict that, in addition to that, a very sizable appropriation in cash will be asked for when the next budget is submitted.

The bill, as I have said, appropriates \$500,000,000 in cash and provides for a contract authorization of \$500,000,000 in the next fiscal year, which is a binding commitment on this Government. Let us not deceive ourselves that we have reduced this appropriation by \$500,000,000 merely because we have transferred it from a cash appropriation to a contract authorization. Contract authorization means that the officials of the Government can enter into contracts for that amount, which will be binding upon the United States, morally and otherwise, and the Congress will be compelled to appropriate for it when the bills come in. The cost of this new long-time commitment will be pyramided, at least in the immediate future, upon deficit spending. It will be paid for by borrowed money on which we will have to pay interest for many, many years to come. It will be added to a public debt which is now more than \$256,000,000,000.

The national debt has been increased in recent months from \$252,000,000,000 to \$256,000,000,000. I received the latest figures today.

What Russia fears more than anything else is the mass-production capacity of this country under our free-enterprise system. What Russia desires most is to impair or destroy this free-enterprise system, which will be done if deficit spending continues for a much longer period. What Russia desires above everything else is to destroy the capacity of this country to mass-produce as we can now. With only 6 percent of the population of the world we can produce more war equipment than all the rest of the world combined. That is what Russia fears.

A high official of the State Department recently said that neither he nor any member of the State Department believed there would be war with Russia in the discernible future, and his chief reason was that Russia had miserably failed to adapt the Soviet laborers to the mass-production methods. The Soviet system of government is such that it cannot bring about the mass production we have in this country under the free-enterprise system.

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

Mr. BYRD. I yield.

Mr. WATKINS. What is the Senator's answer to the statement which has been made here repeatedly that the Russians now have 5,000,000 men under arms, fully armed, with modern equipment, not for defense, but apparently for offensive purposes? What is the Senator's answer to that if we do not do something now to help?

Mr. BYRD. My answer to that is that when the time comes that the Russians make an attack upon us, of course, we will do something to help. So long as we have the atomic bomb we will do something immediately to help. But the whole answer to the Senator's question is that if, by continued deficit spending, we destroy the free-enterprise system of

our country, then we will be unable to protect ourselves should we be attacked by Russia.

Mr. WATKINS. If the Senator will further permit me, I believe he also takes the position that we are not obligated at all under the North Atlantic Pact to furnish help in advance of an attack.

Mr. BYRD. I will say to the Senator that is my interpretation. It is based on correspondence I have had with the Secretary of State, and it is based on testimony the Secretary of State has given before the committees to the effect that each Senator is to determine whether or not he feels an obligation to arm these nations in time of peace. Nobody questions the obligation of mutual assistance, but the time when such assistance is to be rendered each Senator can decide for himself. I am making my decision. I am doing it because I think the potentialities of the North Atlantic Pact are far greater than the arms we may send to Europe. We are serving notice on Russia, in terms which neither Russia nor any other country can dispute, that when she attacks one of those nations she is attacking us. Had such a pact been in effect prior to World War I, it is entirely possible that that war would not have occurred. The same statement can be made with respect to World War II. It is impossible to arm the western European nations to withstand an attack from Russia. The same arms which we are sending to Europe might perhaps be used to fight this country.

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

Mr. BYRD. I yield.

Mr. WATKINS. Did the Senator hear the distinguished Senator from Michigan [Mr. VANDENBERG] state in his speech yesterday that certain information was given to the committee which has not been made public, but which is available to Senators? Would that, in the judgment of the Senator, satisfy the inquiries and curiosities which some of us have?

Mr. BYRD. I attended nearly all the sessions of the committee. I have read the confidential hearings. No testimony which was given there would indicate to me any justification whatever for undertaking this program at this time. There was nothing beyond a feeling of general distrust, and the general feeling that sooner or later Russia is going to attack the nations of western Europe. No specific information was given as to the probability of imminent attack.

Mr. WATKINS. As I recall, no testimony was presented to the Foreign Relations Committee in the hearings on the North Atlantic Pact which indicated that war was imminent. Does the same situation still exist?

Mr. BYRD. Other members of the committee who are present can answer that question better than can I. The testimony consisted of generalities, based upon the common fear that Russia may undertake such an attack. I contend that the best way to keep her from undertaking the attack is to have her know in advance that she is attacking the United States if she attacks France or

Belgium. The fear which Russia entertains is that the great mass production of this country will be thrown into the war. That is a much greater deterrent than sending billions of dollars worth of arms to Europe, much of which may be obsolete next year.

Mr. WATKINS. Does the Senator recall that that was one of the arguments used to obtain support for the North Atlantic Pact?

Mr. BYRD. I did not hear that argument in the committee.

Mr. WATKINS. Was not that one of the principal arguments made on the floor of the Senate?

Mr. BYRD. Yes.

Mr. WATKINS. I thank the Senator.

Mr. BYRD. Take airplanes. We have an airplane one day, and we have another model a few months later. The equipment we are sending to Europe today may be effective military equipment for the time being, but totally ineffective a year from now.

Mr. President, I wish to continue and connect what I have said with what a high official of the State Department told us in committee. I think it is extremely interesting and very significant.

This gentleman stated that Russia had completely failed to adapt Soviet labor to mass-production methods. He cited as one example the production of steel. I want Senators to listen to this. He stated that Russia is now producing 19,500,000 tons of steel a year, while her satellites are producing 4,500,000 tons a year. The United States is producing 90,000,000 tons annually, and her allies are producing 30,000,000 tons a year, giving Russia an adverse ratio of about 5 or 6 to 1 in the production of steel, which, as every Senator knows, is the prime base of all war matériel. This official felt—and certainly I feel—that so long as we and our allies can outproduce Russia in steel, on a ratio of 5 to 1, it is not likely that Russia will undertake another global war without giving consideration to that factor.

But what is significant to me is that the Russians themselves—and this is information which I feel is definitely correct—because of their system of government, because the Russian citizen is subordinate to the state, and because he is an automaton who is told what to do, have been unable to institute methods of mass production, while we in this country, by reason of the freedom of America, by reason of the private-enterprise system, and competition, are able to produce nearly five times as much steel as does Russia. As Senators know, Russia has a larger population than has this country. With only 6 percent of the population of the world we are producing more steel and can produce more equipment of war, if need be, than all the rest of the world put together. That is what other nations fear. I do not believe that any nation thinks it can win a great war in a month, 6 weeks, or a year. It must fight to the finish. Other nations know that the potential of America and her production under the private-enterprise system constitute one of the greatest protections this country has. In my judgment it is one of the greatest

existing deterrents against another global war.

But if we destroy the private-enterprise system and go to semisocialism, as England has done, and destroy the capacity of the country to produce, as England is destroying her capacity to produce, then we shall be the target of every other nation, because we shall be weakened in the strongest weapon we have.

In my judgment, there are two things which would prevent another world war. The first is an impregnable national defense at home. The Senator from Virginia has voted consistently and constantly for all that is necessary for an impregnable national defense of the United States at home. Especially have I voted for those things which will make for new inventions in war, new ways of conducting warfare. Recently in the Armed Services Committee we approved a bill for new wind tunnels to test planes at speeds up to 2,000 miles an hour. I have supported all such projects. So the first thing that will prevent another war is an impregnable defense of this Nation at home.

The second thing is a continuation and strengthening of the free-enterprise system, which has made possible mass production on a scale never before known in world history. We furnished considerably more than half of all the equipment used in the last world war. Our allies abroad could not have conducted the war, and Russia could not have conducted her war against Germany, if it had not been for the equipment sent from this country to enable them to do so.

Russia fears this production potential much more than she fears the sending of arms to European nations. She fears it much more than she fears the money we have been sending abroad to combat communism. She does not care about that. She knows that every dollar she forces us to add to the public debt is a step closer to the day when an impairment of the free-enterprise system will show its effect. We cannot continue to pile up deficit after deficit and maintain the form of government we now have.

I predict that the deficit will be not less than \$8,000,000,000 for the current fiscal year. It is already \$3,300,000,000. That is the deficit today, since the first of the fiscal year, beginning July 1—less than 3 months ago.

What will happen? Within 3 or 4 years we shall have a debt of \$300,000,000,000. I ask, what democracy can survive unless it balances its budget in time of peace and prosperity? We have the greatest prosperity the country has ever known. We are at peace. Yet we have again embarked upon a period of deficit spending.

During the past 19 years we have had only 2 years of balanced budgets. Let me remind Senators that then it was inadvertent. It was not planned. It was not accomplished through economies. It happened because for the first 2 years after the war we had an inflation which brought in more money than we expected, and we balanced the budget. For 17 out of 19 years we have been in the red, and would have been in the red dur-

ing the other 2 years except for the condition which I mentioned. We did not increase taxes to bring about a balanced budget, nor did we reduce expenses. It happened by reason of inflation.

The day will come when taxes become so burdensome as to reach the point of diminishing return. I say now—and I think my distinguished leader on the Finance Committee [Mr. GEORGE], one of the ablest men I have ever been associated with in the 16 years I have been in the Senate, will agree with me—that if in order to cancel the impending deficit, we were now to increase by \$8,000,000,000 the taxes upon corporations, institutions, and individuals, who would be called upon to pay, we would reach the point of diminishing return. I think there can be no question about that.

Mr. President, when does a democracy become insolvent? Many believe that our country will never become insolvent, because we have such great riches. I say that a democracy begins its insolvency when it is unable to collect enough taxes from its citizens to support the expenditures of government, when taxes, by reason of their amount, bring into the treasury less money, instead of more. I make the confident prediction now that if the Finance Committee under the leadership of the able Senator from Georgia [Mr. GEORGE] were to attempt to write a tax bill to raise in taxes \$8,000,000,000 more than is being raised now, and if that bill were enacted into law, it would result in the development of such a situation that many corporations and individuals would actually pay less taxes, because at such a time taxes would be almost unbearable under a free-enterprise system. That condition will occur, Mr. President, when the debt and taxes force us to go under a system of state socialism such as that which exists in England, where all business is regimented by government bureaucrats.

Never before has there been a nation which has been so thoroughly warned as we have been of what will come from following such a course. America has had the most thorough of warnings by our friends across the sea. One of the troubles in England today is the shortage of money. That trouble has developed and has been caused by the internal difficulties there, by the fact that the people of England are not working as they should, and so forth; but the main trouble in England is the shortage of money, a shortage of dollars. England needs more dollars if her people are to be able to deal to the necessary extent with other countries. That shortage exists because of the lack of confidence on the part of other people in the English currency and because of the socialistic government existing in England. Let us bear in mind that socialism and democracy cannot live under the same roof. England thought they could. The junior Senator from Georgia [Mr. RUSSELL] and I were in England just a few days before the election there. Many Englishmen thought they could have a little socialism and still could maintain their free system of government. But they found they could not do so. A friend of mine in whom I have great confidence

has just made a tour of England. He says that what the farmers there are confronted with is beyond comprehension. For instance, if they produce a certain number of eggs, they are allowed to keep only a meager portion for the use of themselves and their families, and all the rest of the eggs are taken by the Government. He said that almost every flock of chickens he saw in England had only five chickens in it. He saw only one flock which had as many as 40 chickens in it. He asked why that was. He was told that today in England the farmers see no point in having larger flocks than that and in producing more eggs than that because the Government will take almost all the eggs they produce.

In that connection, let me say I am informed that the situation in England is such that the Government employees take so long to collect the eggs from the farmers that many of the eggs are spoiled by the time they are ready to be delivered for consumption. I am also informed that today practically no pigs are to be found in England because, as my friend was told, the farmers have stopped raising pigs, because the Government will take nearly all the pigs they raise. Also, we learn that in Scotland, in meadows which normally would be used for the grazing of cattle, the grass has grown up as high as one's knees, because there has been a very sharp decrease in the number of cattle raised there. That situation has developed because if the farmers raise more than a certain small number of cattle, the British Government will take away from the farmers all the cattle in excess of that very small minimum. In other words, that system of government is destroying the very foundations of the free enterprise system, in that it is destroying and eliminating almost every opportunity for an individual to earn something for himself. Therefore, Mr. President, England can juggle her currency all she pleases, she can fix the value of the pound at \$2.80 one day and at \$2.50 another day; but all that will not make any difference until the English Government provides the English people with the opportunities to work and earn.

Mr. President, if we begin to arm the nations of Europe, if we begin to furnish them with equipment for the operation of factories producing arms, and if at the same time we furnish them raw materials, all of us should understand that little, if any, hope will thereafter exist for world disarmament. To my mind, that is one of the greatest objections to the pending bill. Notwithstanding the objections that some of us have to making provision for the reequipping of European factories for the production of arms, such a policy was voted on and was adopted by the committee, for inclusion under the provisions of the bill. In other words, under the bill, the money we provide cannot be used for the construction of arms-producing factories in Europe, but it can be used to equip them. That means that the United States will go into the manufacture of armaments in Europe; and, of course, that will be a notification to Russia that

she must continue her armaments program, and must increase it if she can. Of course, if we furnish the materials and equipment needed for the operation of European factories producing war equipment, no one will be able to blame Russia for continuing to try to keep stride with such production by increasing her own armaments. My feeling is that such a situation will destroy for a long time any possibility of world disarmament.

PROSPECTS AND EXPERIENCE

Mr. President, what do we know about what the European nations will do with these arms? Greece recently threatened to attack Bulgaria with arms furnished her by the United States. Had Greece done so, she would have precipitated another world war, entirely without our knowledge, perhaps, or without our consent. So it is rather dangerous for us to arm people in various parts of the world, when we shall have no control over the arms they will receive as a result of our policy.

Of course, Mr. President, in considering this problem, we must also consider the situation so far as Russia is concerned and so far as her future activities might affect the situation. Not a single member of the committee ventured the assurance that the arms we might furnish to the countries of Europe would enable any of those countries to withstand Russia. If another great conflict comes—pray God it will not—it will be a conflict between the United States and Russia. The United States, not the nations of Europe, will be the one which will have to face Russia. No doubt the other nations would be under the control of Russia almost as soon as the conflict began. I believe it was the Senator from Michigan who referred to the fact that at the beginning of the last war, the forces of Hitler drove through to the English Channel in 3 weeks. The nations overrun by the Germans at that time had arms, but they did not effectively avail themselves of them.

SOLVENCY, COST, AND DURATION

Mr. President, the United States Government has been running in the red at the rate of \$40,000,000 a day since the new fiscal year began on July 1, 1949. As of today, our deficit since July 1, 1949, amounts to \$3,300,000,000. Exclusive of the funds required by the proposal now before us, we already are committed for this fiscal year to a Federal budget under which we shall spend \$8 for every \$7 we take in. We are adding this deficit to a Federal debt which is climbing from a postwar low of a quarter of a trillion dollars. If we have a recession, Mr. President—and the Senator from Georgia [Mr. GEORGE] knows more about this matter than I do—an increasingly difficult situation will develop. For instance, if we have a 10 percent recession, we shall lose \$5,000,000,000 in tax revenues. If we have a 20 percent recession—and that is not so much to have, when we consider our present high level of production—we shall lose \$10,000,000,000 in tax revenues. Such a development will enormously increase the deficit I have mentioned, for the deficit

now estimated is based on the continuation of the present production and incomes and tax revenues, whereas of course a continuation on that basis is a most uncertain matter. No one knows whether it will continue. Just a little business recession, one similar to the recent one, will make a great difference in that connection. Of course, I try to keep up with such matters and to keep informed regarding them. On May 6, as I recall, in the course of a speech I made in the Senate, I referred to the deficit for the past fiscal year as amounting to approximately \$800,000,000, taking the Treasury figures. However, a few days later I made a speech based on the later information then available, and at that time I estimated the Treasury deficit at \$1,500,000,000. That was just 60 days after the speech in which I had estimated the Treasury deficit at \$800,000,000. Then, 3 days after I estimated the deficit at \$1,500,000,000, we learned that the deficit was then estimated by the Treasury at \$1,800,000,000; and that is where the deficit ended up. That situation shows that once such a movement starts, it will increase in size and speed like a snowball rolling downhill, which increases at a terrific rate both in size and momentum. After all, Mr. President, the amount of taxes our Government raises is dependent on the volume of business. A large volume comes only from material prosperity.

In this situation, we now are asked—in time of peace, when there is no threat of war—to make a great increase in our expenditures. No one can point to a single definite thing told to any member of the committee that indicates that at anytime in the immediate future there will be danger of war. However, regardless of that, we now are asked to underwrite the unpredictable military security of 16 European nations, with combined populations approximately equal to our own, nations which are geographically located in the line of fire in any war possible in our lifetime, whether that war be a cold war or a shooting war. Running true to postwar form, this proposal is hung about with all the trappings of an emergency, but it is brought to Congress with neither an estimate of its ultimate cost nor a limit on its duration. In view of the speed with which it is presented to us, one would think the emergency was upon us, that an invasion was imminent within the next week or two. Mr. President, why cannot we wait until next January to see what the financial situation will be then? But, no; we are told that this proposal must be put into force and effect at once. Now we are asked to adopt plans which it is said are to continue for a year, although it seems obvious from some of the testimony presented to the committee that there is great likelihood, if not probability, that the program will run for much longer than that. Of course, the bill states the amounts of funds which it is estimated will be required under this program up until July 1950; but none of the witnesses would give any indication regarding what funds would be requested next year or what the situation then would be. At the same time, none

of them pretended to say that these billions of dollars would effectively arm the 16 nations affected. Everyone knows that it will be impossible for the amount of money contemplated under this proposal to arm those nations effectively. The great airplanes now being manufactured cost many millions of dollars apiece. So it is obvious that it would be absurd to say that our furnishing the amount of money contemplated under this proposal would result in the effective arming of the 16 nations. The amount proposed in this measure is just a beginning, from which much greater expenditures will grow. And, in reality, there is every reason in the history of this proposal to believe that, once the program is started, it will continue so long as we are members of the Atlantic Pact. In fact, it is possible that sooner or later the greater part of the burden of the so-called military security of these 16 nations will fall upon the United States, and that the percentage we must pay will be increased and the percentage they will pay will be reduced. I shall furnish certain figures on that in a moment.

Actually this program is just another of the long series of foreign postwar expenditure programs, except in this case we are assuming the extra hazard of financing at least one side of the European armament race in the atomic era.

TWENTY-THIRD PROGRAM

Mr. President, and fellow Senators, this program, if adopted, will be the twenty-third program for siphoning American material and credit abroad since World War II ended, only 4 years ago. Twenty-three separate and distinct programs to aid Europe, programs which I shall mention, have been started and are continuing, although the war has been over for only 4 years. I am not counting the money we spent for military equipment to help them. I am not counting prewar or wartime lend-lease, or anything like that. I am speaking of what we have done since the cessation of hostilities—twenty-three separate and distinct programs, all with costly organizations, over a period of 4 years. If this program is adopted, the total value of our assistance to foreign countries from the date of the cessation of hostilities to the end of the fifth postwar year, will be \$35,000,000,000. That is what we have done since the war was over, and I shall state it fully and itemize it.

Through the 22 programs devised in the first 4 years after VJ-day we managed to spend \$27,100,000,000 through June 30, 1949. This averaged approximately \$18,500,000 a day—or \$750,000 an hour—or \$12,500 a minute—or \$200 every time a watch has ticked since the last gun was fired. That is what we have been sending to Europe since the cessation of hostilities—\$200 every time the watch has ticked since the last gun was fired—\$200 every tick of the watch, day and night, we have sent \$200 abroad. The figures I am giving are official.

When the assistance to be rendered in the current fiscal year under existing programs is added the Bureau of the Budget estimates the total value of our postwar assistance abroad on June 30, 1950, will be \$33,500,000,000. And when the costs of this program are added the

total will increase easily to \$35,000,000,000. This is subject to relatively small repayments which may be made under the loan and credit programs. I mention that, because the Export-Import Bank expects to get back a few million dollars. I state now the 22 different programs:

First, there was \$320,000,000 for direct relief from military supplies.

Second, there was \$2,600,000,000 in UNRRA, and the record of that effort has been written.

It is a very bad record, let me say. Such waste and extravagance has never heretofore been known. Fraud and graft of all kinds were practiced. The Senator from Georgia [Mr. RUSSELL] and I saw something of it when we were in Europe.

Third, at the end of this year there will be \$3,800,000,000 for government and relief in occupied areas.

Fourth, at the end of this year there will be \$308,000,000 in post-UNRRA relief assistance to war-devastated countries.

Fifth, at the end of this year there will be \$577,000,000 in interim foreign aid.

Sixth, there was \$3,700,000,000 in the British loan, the record for which is now under review.

I do not hesitate to say here and now that that money was used to assist in the socialization of England, and without that money it would have been very difficult for England to have taken over the public utilities, to have taken over the coal mines, and to have taken over the other industries she bought. I do not charge the direct physical dollar we sent over there was used for it, but it went into the British Treasury, and it relieved the British Treasury to the extent, that it was able to put through the programs of socialization.

Seventh, at the end of this year there will be \$2,000,000,000 in Export-Import Bank loans.

As I say, there will probably be some recovery under that.

Eighth, at the end of this year there will be \$1,900,000,000 in Office of Foreign Liquidation property transfers.

Ninth, there was \$186,000,000 in Maritime Commission ship transfers.

Tenth, at the end of this year there will be \$607,000,000 in aid to Greece and Turkey—subject to change by the pending bill.

Eleventh, at the end of this year there will be \$768,000,000 in the Philippine aid program.

Twelfth, at the end of this year there will be \$9,200,000,000 in the European recovery program.

Thirteenth, there was \$120,000,000 in stabilization aid to China.

Fourteenth, at the end of this year there will be \$351,000,000 in other aid to China—\$400,000,000 under original budget estimates.

Fifteenth, there was \$75,000,000 in the International Children's Emergency Fund.

Sixteenth, there was \$635,000,000 in the International Bank subscription.

Seventeenth, at the end of this year there will be \$212,000,000 for the International Refugee Organization.

Eighteenth, there was \$217,000,000 in subscription to the International Monetary Fund.

Nineteenth, there was \$2,600,000,000 in lend-lease aid—postwar. That is after the war was over. I think that is greatly underestimated. No one will ever know the millions and hundreds of millions of dollars of lend-lease material which was transferred to nations abroad after the last gun was fired.

Twentieth, at the end of this year there will be \$355,000,000 in other foreign aid.

Twenty-first, at the end of this year there will be \$8,000,000 for the Displaced Persons Commission.

Twenty-second, at the end of this year there will be \$16,000,000 for the Palestine refugee program.

Mr. President, those are official figures. I think they omit some of the expenditures, but I am not able to show the omissions, and I give these as being official and authentic as coming from the proper agencies of the Government.

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

Mr. BYRD. I yield.

Mr. RUSSELL. I did not hear the Senator read anything that would indicate the amount of the so-called war supplies which we left behind in Europe at the end of the war, which were settled for on the basis of a few cents on the dollar. That of course included, among other things, cartridges, machine guns, telephone systems, radio networks, railroad cars and rails, and other very expensive articles in tremendous quantities. My recollection is that some \$7,000,000,000 or \$8,000,000,000 worth of material was disposed of at the end of the war on the basis of a few cents on the dollar, for which we got a note. I do not think we ever got the cash.

Mr. BYRD. The Senator is absolutely correct. There is an item here, which the Senator probably missed, of \$2,600,000,000 in lend-lease after the war. I entirely agree with the Senator.

Mr. RUSSELL. I think that was the lend-lease which was in the pipe lines at the time the war ended, and which went on. I think it is an entirely different item from the one to which I referred.

Mr. BYRD. I think the Senator from Georgia is entirely correct about it. We shall never know how many billions of dollars worth of material was simply given away and disposed of at a valuation of only a few cents on the dollar. The Senator from Georgia was over there and saw it and knows it was in first-class condition, indeed much of it had never been used.

Mr. RUSSELL. For it we got a note, but not the cash.

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

Mr. BYRD. I yield.

Mr. LONG. Will the Senator tell us what the total amount of the expenditures is, with reference to all the pending programs?

Mr. BYRD. It is \$33,500,000,000, according to the estimates through the current fiscal year.

The next is No. 23, the pending arms program, which will be the most costly venture this country has ever undertaken. It will be not only costly, but it will be one of the most dangerous ventures we have ever undertaken, because

there is no limit to the expenditure of money on defense when it is once started. There is no way in which it can be calculated; no estimate can be put upon it. When we stop these loans, grants, and subsidies, and the giving of direct cash, and sending our own arms over—and it has got to be stopped some day—we shall be the most-hated nation in all the world. We shall be hated with a terrible, bitter, unrelenting hatred. Those nations will say, "America started this, but it did not finish it." It is like a man giving his wife a check on the first of each month, and then suddenly stopping it. Unless he has a very good reason for stopping it, it had better not be attempted. That is what is going to happen. It must be stopped. When I hear the eloquent speeches made on the floor of the Senate regarding the great success of the Marshall plan, I think to myself, "Wait until it stops, and then balance the resentment against the stoppage with any good will which now exists." I do not know how much good will exists today. But wait until we stop furnishing money, and then balance one against the other and see the result. We are undertaking something, assuming that Russia shall continue to be a menace, which will, in my judgment, go way beyond anything we have undertaken in the past.

Thus it is seen that in 22 current and previous postwar foreign-assistance programs this country has funneled \$33,500,000,000 in money, matériel, and credit all over the face of the earth. The total would have been more if it had been physically possible to buy and spend faster.

I really believe we would have spent more if it could have been done, but it was impossible to get the materials manufactured beyond the amount of \$27,000,000,000 within a period of 4 years.

With the addition of the military arms program in the current fiscal year the rate of expenditure will not be reduced by a single red cent per the tick of one's watch.

PROSPECTS FOR ECONOMIC AND MILITARY SUCCESS

The Bureau of the Budget estimated American relief and recovery assistance flowing abroad this year would reach a value of more than \$6,500,000,000, which is more than it was in either fiscal year 1949 or 1948. If the cost of the pending program were added to the 1950 foreign-assistance estimate, the cost to the American taxpayer of postwar foreign assistance in the fifth year after the war was over would be greater than in any previous year.

Mr. President, I think that is well worth considering. In the fifth year after the war we are spending more than we ever spent for any previous year since the cessation of hostilities.

If it is contended that the cost of this program should not be charged up to foreign recovery and relief, then it must be added to our military costs. This would more than nullify the savings promised by Secretary Johnson through efficiency and unification.

This one bill, if it shall pass, will much more than nullify any economies which it may be possible for Secretary Johnson to effectuate.

Whether this is charged to foreign aid or the military, effect on our Federal fiscal situation is the same and there would be no difference in the drain on our economy.

It probably would make no difference from the standpoint of returns on the investment, or efficiency of administration.

If it is to be regarded as a recovery and relief expenditure, prospective results may be estimated from the record, which shows that we still have the displaced-persons problem in the way of direct assistance. The British are back with their monetary problem, despite \$3,750,000,000 in the British loan. They have by no means settled their difficulties, as we well know.

The Organization for European Economic Cooperation, in Paris on September 1, issued a unanimous report to the effect that western Europe is not on the road to solvency despite the billions of dollars already advanced, and expected, through the Marshall plan.

MILITARY BUDGETS

If we are to add the cost of this program to our military budget, and with the likelihood that ultimately we may assume a large part of the cost of arming these 16 nations against the military might of Soviet Russia, it might be well to examine the extent to which at least some of them are carrying their defense burdens at this time.

While the United States is spending 35 percent of its budget on the Military Establishment, Turkey is spending 40 percent, the Netherlands are spending 35 percent, Greece is spending 30 percent, Italy is spending 25 percent, Portugal is spending 21 percent, England is spending 20 percent, Iran is spending 19 percent, Norway is spending 17 percent, France is spending 17 percent, Denmark is spending 14 percent, Belgium is spending 12 percent, Canada is spending 11 percent.

If this program is to be added to the military costs of the United States it will more than nullify the savings promised by Secretary Johnson through the Unification Act. We will still be spending considerably above what we are now spending. This is true because, under the pending bill, the United States, will furnish military equipment and tools and equipment to armament factories in the 16 nations. In addition, we also furnish the raw material. Judging from experience this Nation should not be surprised if we wind up in the straight-out manufacture of armaments in Europe with this country paying the bill. And all of this is to be started unilaterally without awaiting action by the Council established in the Atlantic Pact. The only concession we could get in the committee was that the money should not be used for the purpose of building factories or paying for the labor in those factories—

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

Mr. BYRD. I yield.

Mr. MILLIKIN. Will the Senator tell me how much of this money it is proposed to spend in Europe?

Mr. BYRD. The amount for tools and other equipment, to my recollection, is

approximately \$300,000,000. The raw materials will be sent from this country, and will be fabricated in Europe.

Mr. MILLIKIN. Then, in view of the devaluation, should not that part of the spending program which takes place in Europe be cut 30 percent?

Mr. BYRD. I think it should be. The committee did not think so, because there was a very heated debate in regard to furnishing tools. I did not think we should equip factories to manufacture military equipment.

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

Mr. BYRD. I yield.

Mr. MILLIKIN. It is now apparent that the dollar, so far as the devaluing countries are concerned, is worth 30 percent more than it was prior to devaluation, and there should be a 30-percent reduction in whatever amount is to be expended under prior estimates.

Mr. BYRD. The bill does not provide how much shall be spent in Europe or how much shall be spent here. That is a matter which comes under the administration of the bill.

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

Mr. BYRD. I yield.

Mr. WATKINS. Was not the committee given a break-down of the figures?

Mr. BYRD. It was, but it was not written into the bill.

Mr. WATKINS. Is it in the report?

Mr. BYRD. I think not. There is nothing mandatory in the bill as to how much they expect to spend. If the situation changes there would be reason to change the break-down.

Mr. WATKINS. I wanted to know if there was anything to bind the administration to honor whatever the estimates or the details of the break-down may be.

Mr. BYRD. The Senator can form his own conclusions as to that. There is absolutely nothing in the bill with respect to that.

Mr. WATKINS. It has been suggested that the figures were submitted in executive session.

Mr. BYRD. That is correct.

DEBT AND DEFECTS

This is merely a preview of what this Nation, with a debt of \$256,000,000,000, is undertaking for Atlantic Pact nations whose combined debt is \$157,000,000,000. The nations we are obligating ourselves to help owe \$157,000,000,000 and we owe \$256,000,000,000. All the assistance is to come from us. This is supposed to be a plan for mutual assistance, and there is just as much reason for them to help us as for us to help them. But every dollar goes out, and none comes in.

Mr. President, let me repeat, our debt is \$256,000,000,000, and the combined debt of the other Atlantic Pact nations is \$157,000,000,000.

Whether we charge the cost of the military-arms program to foreign relief and recovery or to foreign military assistance, it still remains that as of the end of the current fiscal year the total value of our postwar contributions, including loans, will total \$35,000,000,000. Thirty-five billion dollars is 92 percent, or more, of the amount which we may expect the Treasury of the United States

to take in this year from all our taxes and revenue receipts.

Looking at the over-all cost of these foreign programs from one point of view, we see that nearly \$1 out of every \$5 we have paid in taxes during the 5-year period of our greatest prosperity and highest tax rate has been going abroad.

Looking at it another way—since we are spending more than we pay in taxes through the Federal Government—we are increasing our national debt this year by an amount which is virtually the equivalent of the 1950 costs of these foreign programs. In other words, the increase in the debt which will be necessary this year to take care of the deficit will be approximately the amount we are spending abroad. That is to say, the cost of foreign relief, recovery, and military assistance in fiscal year 1950 will exceed \$6,000,000,000. It may very considerably exceed it, and so will the deficit.

IMPACT

As the Federal debt increases, so does the cost of interest we must pay to finance and manage it. By coincidence, interest on the Federal debt, approaching \$6,000,000,000 this year, will almost equal the cost of this year's foreign relief, recovery, and military assistance.

When we add nearly \$6,000,000,000 in interest, more than \$6,000,000,000 in foreign relief, recovery, and military assistance, and \$15,000,000,000 for our own Military Establishment and stock piling, we arrive at a total of \$27,000,000,000.

Twenty-seven billion dollars will be approximately the total of all Federal taxes paid this year by every tax-paying citizen in his individual income tax and by every tax-paying corporation through the corporation tax levies. In other words, that is about what we may collect from individual and corporation income taxes.

This leaves the rest of the costs of the Federal Government to be paid by excise taxes and miscellaneous receipts. This means that the taxes we pay on movie tickets, cigarettes, cosmetics, telephone bills, liquor, furs, and so forth, plus receipts from customs collections, the sale of surplus property, and so forth, must finance the entire domestic civilian responsibility of the Federal Government, including veterans' pensions, payments and benefits, farm subsidies, business subsidies, postal subsidies, health programs, education programs, public-works programs, grants to States, payments to individuals, contributions to retirement systems, regulatory requirements, and so forth.

Under any circumstances it is conceded by authorities on Federal revenue that Federal taxes and receipts for the current fiscal year will be approximately \$37,500,000,000.

Pending final enactment of the remaining appropriation bills, the best present estimate of Federal expenditures against that \$37,500,000,000 revenue will be between \$42,000,000,000 and \$45,000,000,000. The difference will be the deficit.

MONEY WE DO NOT HAVE

In the last fiscal year which ended June 30 we spent nearly \$2,000,000,000 we did not have. This year it is indicated that we are spending at the rate of \$5,000,000,000 to \$8,000,000,000 that we do not have. On the basis of existing and proposed commitments, programs, and ordinary expenses it is indicated that next year we shall be spending at the rate of \$7,000,000,000 to \$10,000,000,000 which we will not expect to have.

How long can this go on? Already the pinch of Federal taxes under postwar spending pressure has been felt to the extent that the President has withdrawn his proposal to increase taxes, and the chairmen of the House Ways and Means Committee and the Senate Finance Committee have taken cognizance of the growing demand for Federal tax reduction.

Undoubtedly some revision in our tax policy is both indicated and desirable as a means of increasing business volume on the basis of sustained sound prosperity. But this is impossible until Federal expenditures are reduced to a point where reduction in Federal tax rates can be overcome by revenue produced through increased business volume.

There is no experience on record to justify the contention that revenue resulting from increased business volume would compensate for deficits of the magnitude we face, with tax rates at any level. It is almost certain that any worth-while tax reduction at this time would increase the deficit.

On the contrary, if increased rates would not reach either a point of diminishing return or confiscatory levels, they should be imposed.

In order to preserve our free-enterprise system, and the democracy in which it operates, our first line of defense is the preservation of our own domestic solvency. We can accomplish this only by balancing our domestic budget. With our solvency bulwarked, our free-enterprise system can be depended upon to keep American might—military, economic, and social—at the peak of efficiency. This would be the greatest guaranty of security which could be devised for ourselves and our foreign friends.

Its accomplishment will be possible only through diminishing, not increasing, foreign give-away programs; utmost efficiency in our Military Establishment at home; rigid frugality in our domestic civilian programs; and the earliest return to the proper division of responsibility among Federal, State, and local governments.

This will guarantee the security and welfare inherent in our form of government and our security and welfare will serve as the best security—military, economic, and social—for all the other free democratic nations of the earth.

Our friends overseas who seek American aid and comfort must realize that the only hope for their recovery and security lies in our continued solvency, and, therefore, for the security of all, the stability of our system takes priority over any and

all programs of international subsidies which would severely strain our economy.

By the same token, those among us at home who, through membership in pressure groups and otherwise, continue to wring more and more political pap from the Federal Treasury should make a place in their consciences for the fact that impairment of our financial soundness will serve the enemies of representative government far more than any weapon they could devise.

Stability of our system can only be achieved by reducing expenditures to meet revenue; not by increasing revenue to meet expenditures.

Mr. KNOWLAND. Mr. President, there are few bills upon which this body acts of more importance or far-reaching consequences than the one before us at this time.

It is, in my opinion, an essential part in the building of a system of international law and order. Both the United Nations Charter and the Atlantic Pact place obligations upon us and other signatories.

While both the United Nations Charter and the Atlantic Pact are of great moral value, they would not alone stop a potential aggressor from making an overt attack in western Europe, the Middle East, or the Far East whenever such a nation might determine that the chances of success were greater than the chances of failure.

But we will be making a grave mistake if we labor under the misconception that the passage of this bill will guarantee the peace. Nor is this going to be the last request made upon us, though to be sure there is no direct or implied obligation on our part to do more next year or the year after.

Nor will the limited number of divisions, ships, or planes we supply to our fellow signatories be the restraining influence that will be the deciding factor in preventing aggression.

It is better to have allies than to be without them. Time and space are both priceless in the event of invasion. Certainly this help will contribute considerably in this regard.

But we are deceiving ourselves, the American people, and our friends if we lose sight of the fact that for the next 4 or 5 years the economic and military strength of the United States is the real weight on the scales of calculated risk that the men in the Kremlin will realistically view.

To the extent that this legislation would weaken either our economic or military strength, it should be viewed with a critical eye.

In my opinion this is a greatly improved bill over the one first introduced. The committee sessions have greatly strengthened its provisions and safeguarded our own defenses. It is still not a perfect document, and I doubt if any bill that passes Congress meets that specification. There is still room for improvement by those who favor legislation along these lines.

I have not been convinced that our fellow members of the North Atlantic community are doing all they can or all they should do to augment their own defenses.

Mutual aid to those doing their utmost to assure their survival, in a world that has not yet learned to live together in peace, is a program entitled to and worthy of our support.

But passing to us the obligation of supporting a basic defense, which is the obligation of every sovereign nation, on top of our own requirements, is subject to critical analysis. I do not believe that the record today supports the contention that each and every fellow signatory is doing its part.

At the bottom of page 7 and the top of page 8 of the report of the combined Senate Committees on Foreign Relations and Armed Services is a table entitled "Basic Data on Present Level of Defense Effort of Selected Countries." Column

9 gives "percent of military expenditure to total government expenditure." The United States shows 34 percent. There is only one country that is higher and that is Turkey with 40 percent. The Philippines are equal to us with 34 percent and Greece approximates our figure with 30 percent. The other nations are as follows:

	Percent
Italy.....	25
Netherlands.....	23
Portugal.....	21
United Kingdom.....	20
Iran.....	19
Norway.....	17
France.....	17
Denmark.....	14
Belgium.....	12
Canada.....	11
Korea.....	7
Luxemburg.....	3

The United States is now operating on an unbalanced budget that will run an estimated deficiency for the fiscal year

1950 of at least \$5,000,000,000 and possibly a good deal more. Our total gross public debt and guaranteed obligations according to the daily statement of the United States Treasury of September 16, 1949, which I have here on the desk, amounts to \$256,371,308,371.83.

Mr. President, we do have a right and an obligation, I believe, to go into this matter most carefully. On August 29 of this year I placed in the CONGRESSIONAL RECORD a table prepared by the Library of Congress which shows the comparative list of the national and per capita debts of the ERP countries and the rest of Europe for 1939 and the latest available dates. The Atlantic Pact countries are indicated on this list by the numeral "1." I ask unanimous consent that this table may be again printed in the RECORD at this point in my remarks.

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

Comparative list of the national and per capita debts of the ERP countries and the rest of Europe and the United States of America for 1939 and the latest available dates

Country	Date	Money denomination	United States equivalent	Debt in local currency	Debt in United States dollars	Population in same year as debt given	Current per capita debt	1939 per capita debt
ERP countries:								
Austria.....	Oct. 30, 1948	Schilling.....	\$0.10	11,714,700,000	1,714,700,000	6,755,000	\$253.841	\$89
Belgium.....	July 31, 1947	Franc.....	.022829	276,769,000,000	6,318,364,067	8,421,000	750.310	190
Luxemburg.....	Jan. 1, 1947	do.....	.02275	4,276,000,000	97,270,246	289,000	336.575	81
Denmark.....	Mar. 31, 1948	Kroner.....	.20864	1,484,000,000	309,621,760	4,190,000	73.895	64
France.....	Jan. 1, 1948	Franc.....	.008407	2,499,073,000,000	20,989,706,711	41,500,000	505.776	283
Greece.....	June 30, 1948	Drachma.....	.000199	1,000,000,000,000	199,000,000	7,780,000	25.578	87
Iceland.....	Jan. 1, 1949	Kronur.....	.1536	170,000,000	26,113,671	134,000	194.878	73
Ireland.....	Mar. 31, 1948	Pound.....	4.03	42,521,000	171,359,630	2,997,000	57.177	99
Italy.....	June 30, 1947	Lira.....	.00444	1,309,171,000,000	5,812,719,241	45,373,000	129.064	176
Netherlands.....	do.....	Guilder.....	.37760	13,686,000,000	5,167,833,600	9,629,000	536.697	259
Norway.....	Jan. 1, 1948	Kroner.....	.20160	6,117,261,181	1,233,239,854	3,181,000	387.689	122
Sweden.....	Jan. 1, 1949	do.....	.27823	11,598,000,000	3,226,911,540	6,883,000	468.823	100
Turkey.....	Jan. 1, 1948	Lira.....	.3540	1,459,591,634	516,695,438	19,500,000	26.497	2
United Kingdom.....	Apr. 30, 1949	Pound.....	4.03	25,184,000,000	101,591,520,000	50,300,000	2,019.712	667
Bizone of Germany.....								
French zone of Germany.....								
Trieste.....								
United States of America.....	July 1, 1949	Dollar.....		252,292,246,513		148,902,000	1,694.351	351
Canada.....	Mar. 23, 1949	do.....	1.03	15,600,000,000	15,600,000,000	12,900,000	1,209.302	384
Iron curtain and other countries:								
Albania.....		Lek.....						
Bulgaria.....	Mar. 31, 1946	Leva.....	.003472	112,235,683,310	389,682,293	6,993,000	55.724	70
Czechoslovakia.....	June 30, 1946	Koruna.....	.01994	85,427,700,000	1,703,428,340	12,916,000	131.885	111
Finland.....	Jan. 1, 1946	Markka.....	.007353	85,506,000,000	628,725,620	3,835,000	163.944	29
Hungary.....	Sept. 30, 1943	Pengo.....	.08455	6,500,000,000	549,575,000	9,440,000	58.217	36
Poland.....	Jan. 1, 1947	Zloty.....	.009804	35,827,000,000	3,512,479,100	23,781,000	147.701	39
Portugal.....	do.....	Escudo.....	.040501	10,339,000,000	415,900,000	8,312,000	50.036	23
Rumania.....	Mar. 31, 1947	Lei.....	.006536	45,226,229,184	295,598,634	16,530,000	17.882	39
Spain.....	Jan. 1, 1947	Peseta.....	.08913	49,319,026,338	4,395,804,820	27,503,000	159.830	93
Switzerland.....	do.....	Franc.....	.2317	8,702,702,000	2,016,416,050	4,547,000	443.460	338
U. S. S. R.....	(Sept. 1, 1939)	Ruble.....	.1990	35,419,000,000	7,048,381,000	170,467,000	41.362	
Yugoslavia.....	Jan. 1, 1947	do.....	.18867	494,466,336,000	26,208,000,000	193,000,000	1,357.920	
	July 1, 1948	Dinar.....	.02304	28,120,000,000	647,884,800	15,700,000	41.267	32

¹ Atlantic Pact country.

NOTES

1. Population figures are from the United Nations, Monthly Bulletin of Statistics, vol. III, No. 7 (July 1949), pp. 10-13.

2. Conversion rates are from:

(a) Federal Reserve Bulletin, vol. 35, No. 6 (June 1949), p. 753.

(b) United Nations: Monthly Bulletin of Statistics, vol. III, No. 7 (July 1949), pp. 150-51.

(c) International Monetary Fund, International Financial Statistics, vol. II, No. 6 (June 1949), pp. 12-13.

(d) Federal Reserve Board, Banking and Monetary Statistics, 1943, p. 662.

3. 1939 per capita debt burden totals are taken from: U. S. Government, Senate Committee on Finance, Foreign Assets and Liabilities of the United States, Dec. 18, 1947, p. 131.

4. Sources for national debts of ERP countries:

(a) Austria: Economic Cooperation Administration; Country study. Austria, February 1949, p. 30.

(b) Belgium: UN Economic and Social Council; Belgium, Public Finance Data, 1937-48, 1948, p. 29.

(c) Luxembourg: Whitaker's Almanac, 1949. London, 1949, p. 948.

(d) Denmark: Ibid, p. 913.

(e) France: Europa, London, Europa Publications, Ltd., June 1948, p. 3.

(f) Greece: ECA Country Study. Greece, February 1949, p. 21.

(g) Iceland: ECA Country Study. Iceland, February 1949, p. 14.

(h) Ireland: Statesman's Yearbook, 1948, p. 63.

(i) Italy: Europa, May 1948, p. 3.

(j) Netherlands: Whitaker's Almanac, 1949, p. 955.

(k) Norway: Ibid., p. 958.

(l) Sweden: ECA Country Study. Sweden, February 1949, p. 23.

(m) Turkey: ECA Country Study. Turkey, February 1949, p. 17.

(n) United Kingdom: International Monetary Fund, International Financial Statistics, vol. II, No. 5 (May 1949), p. 123.

(o) French zone, Bizone of Germany, and Trieste left out since their statistics do not relate themselves to the rest.

(p) United States: U. S. Treasury, Daily Treasury Statement, July 1, 1949, p. 2.

(q) Canada: Montreal Daily Star, Montreal, Mar. 23, 1949, p. 17.

5. Sources for national debts of "iron curtain" countries and rest of Europe.

(a) Albania: No external debt.

(b) Bulgaria: Statesman's Yearbook, 1948, p. 755.

(c) Czechoslovakia: Ibid., p. 818.

(d) Finland: Europa, Finland, May 1948, p. 5.

(e) Hungary: Statesman's Yearbook, 1948, p. 1008.

(f) Poland: Europa, Poland, May 1948, p. 4.

(g) Rumania: Whitaker's Almanac, 1949, p. 974.

(h) Spain: Statesman's Yearbook, 1948, p. 1237.

(i) Switzerland: Whitaker's Almanac, 1949, p. 984.

(j) U. S. S. R.: Moody's Governments and Municipals, 1948, p. 1905.

(k) Yugoslavia: Whitaker's Almanac, 1947, p. 1003.

Mr. KNOWLAND. Mr. President, this chart shows that as of July 1, 1949, our debt amounted to \$252,292,246,513. In the 2½ months intervening the record

shows that our debt has increased more than \$4,000,000,000. The combined debt of all of the Atlantic Pact nations amounts to \$157,562,289,150.

The chart also shows that our current per capita debt amounts to \$1,694.35. There is only one nation which is covered in this bill listed as having a higher per

capita debt and that is the United Kingdom, with the amount of \$2,019.71.

The figures for the other countries are as follows:

Canada.....	\$1,209.30
Belgium.....	750.31
Netherlands.....	536.69
France.....	505.77
Norway.....	387.68
Luxemburg.....	336.57
Iceland.....	194.87
Italy.....	129.06
Denmark.....	73.89
Portugal.....	50.03
Turkey.....	26.49
Greece.....	25.57

While this bill is spoken of as one involving \$1,314,010,000, it is, as a matter of fact, considerably larger than that sum in its support of the nations concerned. Over and above this sum, which is to be both cash appropriation and contract authorization, there is provided \$450,000,000 worth of so-called excess equipment. This excess equipment should be recognized by us, by the American public, and by our friends overseas for what it is. As a matter of fact, this excess is in large measure exactly the same equipment which we maintain in our current war reserves. If war broke out tomorrow or 6 months from now, it is exactly the same equipment that our own armed forces would have with which to fight. It should not be confused with some of the surplus stocks, much of it badly dilapidated equipment, which we disposed of shortly after the close of World War II.

I personally believe that the chairman of both the Foreign Relations and Armed Services Committees are to be congratulated that they were able favorably to report this bill by a vote of 22 to 3. It is my personal opinion that even the three distinguished Members who voted against a favorable report are not entirely opposed to some form of implementation of the North Atlantic Pact, but that they felt that the amount authorized was too large and that more definite information should have been had from the properly constituted committee of the North Atlantic countries prior to the time a substantial amount of money was provided by this Government. I also believe that many of us who voted to report the bill did so with the firm understanding that we were free to support amendments on the floor if in our judgment such amendments were necessary.

There was no desire to delay action on the bill, which most of us believed to be essential. It should be noted for the record, however, that when the able Senator from Georgia offered his amendment to cut the cash appropriation by \$200,000,000, this motion was lost in the committee by the narrow margin of 13 to 10. The roll call showed that supporting the amendment were Senators GEORGE, SMITH, HICKENLOOPER, RUSSELL, BYRD, BRIDGES, GURNEY, SALTONSTALL, BALDWIN, and KNOWLAND. Against the amendment were Senators CONNALLY, THOMAS, PEPPER, GREEN, McMAHON, FULBRIGHT, CHAPMAN, JOHNSON, KEFAUVER,

HUNT, TYDINGS, VANDENBERG, and MORSE. Following the defeat of the George amendment for a \$200,000,000 reduction, it is my recollection that the Senator from South Dakota [Mr. GURNEY] offered an amendment making the reduction \$100,000,000. On this question, the roll was called with the same result above mentioned. It will be noted that in both instances the amendments were defeated by the narrow margin of 13 to 10, with two absentees not voting either in person or by proxy.

Members of either House of Congress should certainly not lightly regard the testimony of representatives of the executive department. By the same token, the Congress is not performing its constitutional function if it merely rubber-stamps its approval of every recommendation of the Executive. I do not mean to imply that the combined committees did this, for the record is clear that the bill was substantially revised in many particulars before it was favorably reported to the Senate.

Yet candor requires me to state that I do not believe a sufficiently strong case was made to justify the \$1,000,000,000 under title I of the Senate bill. After a careful weighing of the facts, I am prepared to support a reduction of \$200,000,000 in the cash authorization but not the elimination or reduction of the contract authority. If the pending George amendment is not adopted by the Senate, I shall be prepared to offer an alternative amendment reducing the authorization for the cash appropriation by \$100,000,000 and a comparable reduction in contract authorization, which would make a total of \$200,000,000, to include both cash and contract authorization. That amendment will be pressed only in the event the George amendment is not agreed to.

Mr. President, I submit at this time the amendment to which I have referred, and ask that it lie on the table and be printed.

The PRESIDING OFFICER. The amendment submitted by the Senator from California will be received, lie on the table, and be printed.

Mr. KNOWLAND. When Congress reassembles in January and after the proper committee of the North Atlantic organization has had a chance to make detailed recommendations for our study, I shall be prepared to support such additional authorizations or appropriations as I believe to be necessary for our own national defense and the common effort in which we have now embarked with our allies across the seas.

THE ECA WHEAT AGREEMENT UNDERMINES OUR FARM PRICE-SUPPORT

Mr. KEM. Mr. President, on September 15 last, an important communiqué was released from the Office of Information, Economic Cooperation Administration, in Washington. Attached to the communiqué is what purports to be an exchange of correspondence between ECA Administrator Hoffman and Secretary of Agriculture Brannan. I ask unanimous consent that the release, in-

cluding the letters attached, be made a part of my remarks at this point.

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

WASHINGTON, September 15.—The Economic Cooperation Administration agreed today to permit Great Britain to use ECA funds to purchase \$175,000,000 worth of Canadian wheat in an effort to alleviate the critical drain on British gold and dollar holdings.

The agreement came after consultations between ECA Administrator Paul G. Hoffman and Secretary of Agriculture Charles F. Brannan on the British dollar crisis and the effect of the proposed action on the agricultural economy of the United States.

The Secretary said he believed Mr. Hoffman's proposed action was fully warranted. He has issued the following statement:

"The effect of ECA's decision will be beneficial to United States farmers as a whole, including wheat producers, because it will increase our foreign markets for a number of agricultural products and help to maintain a traditional pattern of international trade with England, Canada, and other countries which has been beneficial and can continue to be beneficial to farmers of this country.

"To wheat farmers it should mean as large, if not a larger market for exportable wheat this year. What ECA has done is help England pay for wheat which they had contracted to take from Canada during the last year of the 4-year British-Canadian wheat pact. However, England has agreed to buy \$30,000,000 of wheat (about 15,000,000 bushels) from the United States which had not been previously planned. This has been made possible by the relief to British dollar resources resulting from Administrator Hoffman's action.

"Under the International Wheat Agreement, Canada has an export quota of about 200,000,000 bushels of wheat. Any sales under the British-Canadian contract count on that quota. If the British were to shift purchases from Canada to the United States this would entitle Canada to claim other outlets under the wheat agreement which we expect and prefer to fulfill.

"Due to the relief being granted by ECA, the U. K. will also buy \$8,000,000 to \$10,000,000 worth of United States perishable surplus agricultural commodities that had not been planned. These purchases will help relieve our growing surplus of these commodities.

"Finally, Canada will reexamine restrictions on import of fruits and vegetables with the view of giving relief where possible from restrictions that are especially burdensome to United States producers.

"In the final analysis, the action taken by Administrator Hoffman, which I believe was fully warranted under the circumstances, will enhance our export marketing not only for the American wheat farmer but for the entire agricultural economy."

Since March 1949, ECA has not financed the purchase of wheat from any source other than the United States. As a result, Great Britain has been spending its free dollar reserves to meet the deficit in its Canadian accounts, a substantial element of which consists of Canadian wheat.

The ECA action permits Marshall-plan financing for a little more than half of the \$309,000,000 worth of wheat which Great Britain will purchase from Canada during the current fiscal year under British-Canadian wheat-buying programs.

Greater flexibility in the use of Marshall-plan dollars by Great Britain was one of seven measures adopted during the Anglo-American-Canadian Monetary Conference to relieve the British dollar crisis.

In addition to authorizing the use of ECA funds to pay for part of the United Kingdom's Canadian wheat purchases, ECA also agreed to finance certain vessel disbursements by the United Kingdom which were heretofore ineligible for ECA payment. The vessel disbursements are for bunker fuel purchases which require payment in dollars, and port and harbor expenses which can be documented. They amount to about \$30,000,000.

ECA said it is exploring the possibility of making other nonagricultural commodities and services, which are causing a drain on Britain's dollar reserves, eligible for ECA financing. ECA emphasized that while the agreements broaden the use of Marshall-plan dollars they do not increase the amount of dollar aid for the United Kingdom.

Administrator Hoffman and Secretary Brannan, in an exchange of letters concerning the proposal to finance a portion of the British purchases of Canadian wheat, agreed on the importance of checking the drain on British dollar holdings.

"Recently, there has been a very severe drain on United Kingdom gold and dollar reserves," Mr. Hoffman said. "This drain, if not halted, would quite certainly vitiate the progress toward economic rehabilitation and recovery which the United Kingdom has made and remove all prospects of achieving the objectives of the Foreign Assistance Act, not only in the United Kingdom but in all probability in the other countries participating in the European recovery program."

Secretary Brannan, in reply to Hoffman, said the interest of his Department centers about the effect of the proposed action on the agricultural economy of the United States.

"We believe, as stated in your letter, that the financing by ECA of a portion of the wheat moving under the United Kingdom-Canada agreement will not diminish the over-all exports of United States wheat but may even result in a slight increase, and, in view of the other measures which you point out will be taken, the proposed action will facilitate an increase of United States exports of other agricultural commodities to Canada and the United Kingdom," Mr. Brannan said. "The Department's statutory responsibility in this matter is to determine whether our supply of wheat is in excess of domestic requirements. The determination that such a surplus exists presents a situation for the consideration by you of your discretionary authority under the Foreign Assistance Act. The combination of the circumstances recited in your letter and in this response we believe fully warrants the action which you propose to take in facilitating the purchase by the United Kingdom of Canadian wheat."

Mr. Hoffman said that as a part of the general arrangements the United Kingdom has agreed to purchase directly from the United States about \$30,000,000 worth of United States wheat. In addition, the United Kingdom has agreed to purchase 8 to 10 million dollars' worth of perishable surplus agricultural commodities in the United States.

During the discussions leading to the decision to finance with ECA funds a portion of the United Kingdom purchases of Canadian wheat, the Canadian Government reaffirmed its policy to keep under constant review its restrictions on the import into Canada of United States fruits and vegetables. It is understood that in the process special consideration will be given to those instances where such restrictions are especially burdensome to United States producers.

Copies of the Hoffman and Brannan letters are attached.

ECONOMIC COOPERATION

ADMINISTRATION,

Washington, D. C., September 13, 1949.

HON. CHARLES F. BRANNAN,
Secretary of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: As you know, one of the measures proposed by the United Kingdom during the three-power financial conferences was the financing with Economic Cooperation Administration grant funds of the British requirements for wheat from Canada.

The facts, with which you are familiar, are these:

The United Kingdom is the traditional and normal outlet for the major portion of wheat exported by Canada. Three years ago these countries entered into an agreement under which the United Kingdom was to purchase 140,000,000 to 160,000,000 bushels of wheat annually from Canada. The quantity of wheat involved for 1949-50, the final year covered by the agreement, is 140,000,000 bushels at an agreed price of \$2 a bushel, in store Fort William. The total dollar f. a. s. cost of the wheat involved for 1949-50 amounts to \$309,000,000.

You have on several occasions advised us that wheat is a surplus agricultural commodity under the provisions of section 112 (d) of the Foreign Assistance Act of 1948, and it is my understanding that this condition still prevails. Effective with deliveries after the first calendar quarter of 1949, the ECA discontinued authorizing the use of its funds for the purchase of Canadian wheat, and as a consequence, the United Kingdom has been using its free dollar reserves to meet the deficit in its Canadian accounts, a substantial element of which consist of Canadian wheat.

Recently, there has been a very severe drain on United Kingdom gold and dollar reserves. This drain, if not halted, would quite certainly vitiate the progress toward economic rehabilitation and recovery which the United Kingdom has made and remove all prospects of achieving the objectives of the Foreign Assistance Act, not only in the United Kingdom but in all probability in the other countries participating in the European recovery program. It is, therefore, a vital necessity to take all steps possible to end the drain on British gold and dollar reserves.

In an effort to avoid this grave contingency and to extend such help as is within our power, we propose, under the provisions of the Foreign Assistance Act, to agree in part to the British proposal and authorize the use of \$175,000,000 of ECA grant funds to finance a portion of this year's purchases of Canadian wheat by the United Kingdom. Aside from the vital importance of such action to European recovery, we believe that the proposed action is also in the interests of agricultural producers in this country in that it will not result in any over-all decrease in United States wheat exports and will facilitate additional exports of other agricultural commodities, both to Canada and the United Kingdom.

As part of the general arrangements under which it is proposed that ECA funds be used to finance part of the U. K. purchases of Canadian wheat, the United Kingdom has agreed to purchase directly from the United States some \$30,000,000 worth of United States wheat. Consequently, net exports of United States wheat may be slightly larger as a result of the proposed action. Furthermore, the United Kingdom has agreed to purchase 8 to 10 million dollars' worth of perishable surplus agricultural commodities in the United States. Without the contribution which the financing of \$175,000,000 worth of Canadian wheat will make to the British dollar position it would be difficult, if not impossible, for the United Kingdom to purchase these commodities.

The Canadian Government reaffirmed its policy to keep under constant review its restrictions on the import into Canada of fruits and vegetables from the United States. It is my understanding that in reviewing these restrictions the Canadian Government will give special consideration to those instances where the import restrictions are especially burdensome to United States producers.

In view of the above considerations, it will be appreciated if you would advise us whether you have any objection to the proposed ECA financing of the purchase by the United Kingdom of \$175,000,000 worth of Canadian wheat during the current fiscal year.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., September 14, 1949.

HON. PAUL G. HOFFMAN,
Administrator, Economic Cooperation
Administration, Washington, D. C.

DEAR MR. HOFFMAN: This is in reference to your letter of September 13, 1949, in which you discuss the proposal that the Economic Cooperation Administration authorize the use of \$175,000,000 of grant funds to finance purchases of approximately 80,000,000 bushels of wheat by the United Kingdom from Canada during the year 1949-50.

You are correct in your understanding that wheat at this time is surplus to our domestic requirements and, therefore, is a surplus agricultural commodity under the provisions of section 112 (d) of the Foreign Assistance Act. Your letter, however, sets forth the disruptive effect upon the economic recovery of the participating nations that would flow from a failure to adopt the proposal. You propose, therefore, to exercise your authority under the act to arrange for the financing referred to above, and you request our comments on the proposed action.

We are, of course, familiar with the importance of the proposal to the furtherance of European recovery; however, the interest of this Department naturally centers about the effect of the proposed action on the agricultural economy of this country.

As you state, Great Britain is a traditional outlet for much of Canada's wheat and is under agreement with Canada covering purchases of 140 to 160 million bushels annually. The failure by the United Kingdom to take the 80,000,000 bushels from Canada would result in a very large Canadian excess. Canada would, of necessity, be forced to use every means at its command, including price reductions, to dispose of these stocks in other markets, which would be largely those now supplied in whole or in part by the United States. Moreover, as an exporting country under the International Wheat Agreement, Canada, like the United States, is assured of a market for its guaranteed sales of wheat. These purchases by the United Kingdom would be chargeable to the guaranteed sales of the exporting country. If the United States were to sell any part of this quantity of wheat under question to the United Kingdom, Canada would, therefore, have the right to sell a similar quantity to other importing countries under the International Wheat Agreement. Many of these other countries are our traditional markets which we desire to retain.

Thus, the only net result of a switch from Canada to the United States of any sizable portion of the United Kingdom requirements for wheat would be a compensating shift of Canadian exports to markets which the United States would otherwise supply. There would, in consequence, be no net advantage to American wheat producers.

We believe, as stated in your letter, that the financing by ECA of a portion of the

wheat moving under the United Kingdom-Canada agreement will not diminish the over-all exports of United States wheat, but may even result in a slight increase, and, in view of the other measures which you point out will be taken, the proposed action will facilitate an increase of United States exports of other agricultural commodities to Canada and the United Kingdom. It is observed also that, as part of the general arrangements, the United Kingdom has agreed to purchase directly from the United States some \$30,000,000 worth of our wheat and also to purchase from the United States from \$8,000,000 to \$10,000,000 worth of perishable agricultural commodities.

The Department's statutory responsibility in this matter is to determine whether our supply of wheat is in excess of domestic requirements. The determination that such a surplus exists presents a situation for the consideration by you of your discretionary authority under the Foreign Assistance Act. The combination of the circumstances recited in your letter and in this response we believe fully warrants the action which you propose to take in facilitating the purchase by the United Kingdom of Canadian wheat.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Mr. KEM. Translated from the original "gobbledygook" into plain English, these papers seem to mean: (a) That the United States has agreed to permit \$175,000,000 of Marshall plan funds to be used by Great Britain to pay for wheat which Great Britain had previously contracted to buy from Canada under a bilateral trade agreement executed in 1946; and (b) that Administrator Hoffman and Secretary Brannan have undertaken to justify the deal.

Mr. President, I believe this use of Marshall plan money is of doubtful legality; and that in any case it is contrary to the spirit of the ECA Act. After thoughtful consideration I have reached the conclusion that the deal is not in the best interests of the American people for two reasons:

First, the deal will aggravate the oversupply of wheat already plaguing the American producer.

Second, the deal not only gives the official sanction of our Government to bilateral trade agreements, but underwrites them with American dollars.

Let us look at the situation from these two points of view.

THE DEAL WILL AGGRAVATE THE OVERSUPPLY OF WHEAT ALREADY PLAGUING THE AMERICAN PRODUCER

Senators are familiar with the history of the ECA legislation. They will recall the arguments made in support of it both on and off the floor. Few, if any, will disagree with the statement that it was the intent of Congress to provide that when agricultural commodities are in surplus supply, the requirements of our European friends, when paid for by Marshall plan funds, should be filled in our domestic markets. Such was the spirit of the law. In the absence of a general understanding to this effect I doubt that the bill could have been passed. Section 112 (d) of the ECA Act defines a surplus agricultural commodity as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. It also provides that the Administrator

shall authorize the procurement of any such surplus agricultural commodity only within the United States with two exceptions, neither of which is applicable in this case.

It is indeed a farfetched construction of the act to say that the use of Marshall plan dollars to buy wheat abroad when it is a surplus commodity here is in furtherance of the purposes of the act.

What are the facts about our wheat supply? The officials who would be naturally expected to represent the American farmer in this instance seem disinclined to present the facts. If it were not for some of his friends in Congress, his case would go by default.

The amount of wheat remaining in this country on July 1 at the end of the old crop was 293,272,000 bushels. The amount of wheat processed for food in the year ending July 1, 1949, was 483,000,000 bushels. In other words, there was carried over enough wheat to take care of the food consumption for more than half a year.

The entire internal consumption, including feed, seed, and industrial, was 691,342,000 bushels. The current estimates for the present crop are as follows:

	Bushels
The crop estimate.....	1,129,081,000
Carry-over	293,272,000
Total supply.....	1,422,353,000

Deducting last year's internal disappearance for all purposes stated above, we have a balance of 731,000,000 bushels. It is now hopefully estimated that our exports may aggregate 400,000,000 bushels, which would leave a carry-over on July 1, 1950, of 331,000,000 bushels.

Anyone who remembers the debacle under the ill-fated Farm Board knows what undigested and undistributed surpluses will eventually do to a farm program. At the present time practically every warehouse in the country is full of wheat. The farmers' bins are full. As one observer put it, "Wheat is running out of the farmers' ears."

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

THE PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Missouri yield to the Senator from Kansas?

Mr. KEM. I yield.

Mr. SCHOEPEL. I should like to ask the distinguished Senator from Missouri if he recalls the statement made by Secretary Brannan, to the effect that permitting the use of \$175,000,000 to purchase Canadian wheat would in fact benefit the agricultural situation? Does the Senator have an observation along that line?

Mr. KEM. Yes; I have considerable to say in my prepared speech on that subject. I shall reach it in a few minutes. I characterize that statement as "jabberwocky."

The greater part of the wheat in the country is tied up under Government loans. Farmers will not redeem this wheat unless the price reaches a point where the farmer can pay off the loan and the charges. If this point is not reached, the Government will become the owner of a vast quantity of wheat a

month or two before the 1950 crop comes in.

Because of the current surplus, the Secretary of Agriculture on July 14 announced a decrease in the national wheat acreage allotment of some 17 percent, as compared with the acreage allotment last year. This has been modified by recent legislation, Public Law 272. But even allowing for this modification, the national acreage allotment for the coming year is only 68,900,000 acres, as compared to 83,200,000 acres last year. Of course, the only purpose of this reduced allotment is to endeavor to offset the surplus.

Our good-neighbor policy has been carried to the point where we are cutting back our own production to give a market to the farmers of other countries. The wheat crop of Canada this year was planted upon an acreage 12 percent greater than last year. Our Government, on the other hand, now is asking our farmers to cut back their production by accepting an acreage allotment 14,300,000 acres less than the acreage in 1948-49. This reduction in the acreage in the United States necessarily means a reduction in the farmers' income.

The Secretary of Agriculture is by law charged with the duty and the responsibility of looking after the interests of the American farmer. Why is it that he is willing to resort to a strained construction of the law to justify a deal which will have the effect of taking money out of the pocket of the same American farmer? If at the recent "dollar talks" in Washington it was deemed advisable to do something more for Great Britain, why was our farmer picked out or picked on to pay for it? This is another "calculated risk." It is calculated to destroy the farm price-support program. Whatever happens, our farmer will lose.

"JABBERWOCKY" EXCUSES GIVEN FOR THE DEAL WILL NOT CONVINCE THE FARMER

Mr. President, Messrs. Hoffman and Brannan in their pseudo-correspondence purport to excuse and explain what they have done. In my judgment, their excuses will not convince the American farmer.

After attempting to follow their involved reasoning, one feels very much like Alice in Wonderland after reading the poem entitled "Jabberwocky."

"It seems very pretty," she said when she had finished it, "but it's rather hard to understand. Somehow it seems to fill my head with ideas, only I don't exactly know what they are."

Mr. Brannan suggests that we shall gain by permitting \$175,000,000 of our money to be spent in Canada because Great Britain thereby will be induced to spend \$30,000,000 of our money in the United States. I ask the Senator from Kansas to figure that one out. From my point of view, there is nothing in Mr. Brannan's statement to generate any confidence that if we stand aside and allow our money to be spent in Canada, we shall find compensation elsewhere.

Mr. Brannan says the use of ECA funds to buy Canadian wheat will not result in any over-all decrease in United States wheat exports, since Canada, if denied the market in Great Britain, would necessarily push its sales in other

countries, even if price reductions were necessary. Mr. President, the fact is that today Canada is underselling the United States.

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

Mr. KEM. I am glad to yield.

Mr. WATKINS. Where do the International Wheat Agreement and the International Wheat Treaty enter into this picture?

Mr. KEM. They do not enter into the picture, because although the wheat treaty has been ratified by Congress, the necessary enabling legislation required to implement it has not yet been passed. So the International Wheat Agreement is not yet in effect.

Mr. WATKINS. I thank the Senator.

Mr. KEM. Mr. President, how does Mr. Brannan know what disposition can be made of our wheat in other countries? His statement is even less persuasive in view of the further concession granting other Marshall plan countries the same privilege that Great Britain is given.

Our farmers may be expected to take the view that the British market was an assured one and should not willingly be passed up in the hope that other markets will be found to take its place. To the farmer, who of necessity is a practical person, "a bird in the hand is worth two in the bush."

I grant that what the surplus supply situation may be in Canada is a different matter. The Canadian farmers are plagued with a chronic surplus that does not move. They have our sympathy. It is the heartfelt sympathy of a fellow sufferer. But now that the emphasis is on troubles, what about our troubles? We have our troubles, too. I pose this question: Should not the American situation be the first concern of the American Congress?

Is the old spirit of fighting for markets entirely dead among our people? Today we are giving our markets away, and are paying for the privilege, while our surpluses pile up.

THE DEAL NOT ONLY GIVES THE OFFICIAL SANCTION OF OUR GOVERNMENT TO BILATERAL TRADE AGREEMENTS, BUT UNDERWRITES THEM WITH AMERICAN DOLLARS

Mr. President, I wish to discuss now the second reason why I think the deal is not in the best interests of the American people. That reason is that the deal not only gives the official sanction of our Government to bilateral trade agreements, but it underwrites them with American dollars.

One of the announced objectives of our postwar foreign policy has been the elimination from the world of commerce of bilateral trade agreements. From time to time we have been told by the State Department, and rightly so, that such arrangements are an abomination, inasmuch as they create unfair trade discriminations. To prevent them, the American people have been told they were justified in putting up large sums of money. This they have done. We have dedicated our efforts and our money to the resumption of world trade on a multilateral basis. But now we find that one of the most criticized of bilateral agreements not only is ratified, but

actually is financed by our own Government.

Let us look at some recent history, Mr. President.

On January 24, 1946, about 6 months before final approval was given to the British loan, to which the Senator from Virginia [Mr. BYRD] has referred this afternoon, the Secretary of the Treasury, Mr. Vinson, had this to say about the proposed loan, the making of which he advocated:

This agreement, then, will be a big step in preventing economic warfare. * * * The alternative is as unhappy as it is clear. * * * Britain would enter into bilateral agreements. * * * Such a policy would inevitably divide the world into conflicting economic blocs.

I digress to say I wonder whether the distinguished Secretary of the Treasury when he spoke then anticipated that, only a year or two later, when he had become Chief Justice of the Supreme Court of the United States, our Government should not only be ratifying and sanctioning such agreements, but our Government would be putting up the money with which to finance them, and that all this would occur after the British loan he was requesting, to prevent the bilateral agreements being entered into, was granted, and had been dissipated.

A pamphlet published by the Treasury Department in 1946 entitled, "Questions and Answers on the Anglo-American Financial Agreement" states:

If the credit from the United States is not extended, England would be forced to continue her wartime currency and trade restrictions and drastically curtail all expenditures in the United States. * * * Judging by the recent past, England would also extend her system of bilateral agreements to other countries. These agreements * * * would discriminate against and perhaps exclude American trade.

The British loan agreement, under which Britain received \$3,700,000,000 of the money of the American people, itself states:

An important purpose of the present line of credit is to promote the development of multilateral trade and facilitate its early resumption on a nondiscriminating basis.

Yet, Mr. President, on July 25, 1946, 10 days after the British loan agreement went into effect, Great Britain and Canada announced that they had completed a bilateral agreement, which of course must have been the subject of unannounced and secret negotiation for some time, the agreement providing that the British Government would purchase an average of 150,000,000 bushels of Canadian wheat a year for each of 4 years ending August 1, 1950. It is that agreement we have just decided to finance with Marshall plan money.

When this deal was made public, the American farmer was shocked. Representative AUGUST ANDRESEN of Minnesota, one of the ablest and most far-seeing of his friends, told the House shortly after this wheat deal was announced:

It is bilateral and exclusive in every sense of the word. It effectively takes away a large market from the United States producers. It also covers substantial quantities of flour

and will have a serious effect upon our milling industry.

But, Mr. President, I have been unable to determine that there was a peep of protest from the State Department about this agreement. The fact remains that it was contrary to the spirit if not the very letter of the British loan agreement.

Mr. Hoffman, in his purported correspondence with Mr. Brannan, refers to Great Britain as "the traditional and normal outlet of wheat exported by Canada."

May I be permitted to ask, since when? As a matter of fact, Great Britain, at one time, was the principal consumer for United States wheat, but the market was lost by Empire preference and bilateral agreements.

The market in the United Kingdom for Canadian wheat has become traditional because of these agreements which gave the green light to Canadian wheat.

The American farmer was hit hard by the British-Canadian wheat deal. To add insult to injury, we are told by Mr. Hoffman that ECA will provide Britain with the dollars she needs to pay for the wheat she contracted to buy under the deal made in 1946.

Now, let us look at the Marshall plan. One of the announced objectives of the Marshall plan is to stimulate multilateral trade, that is, the progressive elimination of trade barriers. It is so stated in the declaration of policy contained in the act. Nevertheless, Britain has been permitted to enter into numerous other bilateral agreements since the Marshall plan went into effect.

Mr. President, as I entered the Chamber this afternoon a distinguished member of the press handed me a dispatch from London, published in the afternoon newspapers, announcing a 5-year bilateral trade pact between Great Britain and Yugoslavia. Under this pact it is said there will be some more swapping. Britain will swap 15,000,000 pounds worth of machinery, and Yugoslavia will give in exchange raw materials and food.

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

Mr. KEM. I am glad to yield.

Mr. WATKINS. Does the Senator have in mind also the bilateral agreements between Great Britain and Russia, and between Great Britain and Poland, for the exchange of articles manufactured by Great Britain for grain from Russia, and also from Poland, or for timber from Poland?

Mr. KEM. I do indeed have them in mind. They are very unpleasant recollections.

Mr. WATKINS. The agreement the Senator is now calling to our attention is a continuation of the same policy, is it not?

Mr. KEM. It is. It includes, as the distinguished Senator from Utah has said, agreements with Stalin's Russia and Peron's Argentina.

Mr. WATKINS. Does the Senator have in mind that Great Britain is furnishing, for example, under one of the trade pacts with Russia, steel rails and locomotives which can be used as war potentials?

Mr. KEM. I do; and I also have in mind the statement of Mr. Attlee, Prime Minister of Great Britain, to the effect that in economic matters Great Britain looks to Russia rather than to the United States.

Mr. WATKINS. Does the Senator also have in mind that in the trade pact between Great Britain and Poland, Great Britain is to furnish tin, rubber, certain electrical goods, motors, and things of that type to Poland, all these materials being war potentials?

Mr. KEM. I thank the Senator. The countries in question seem to constitute a very happy family.

Our administration has undertaken to finance one of the deals with American dollars. Mr. President, it almost seems impossible, but let me repeat so there will be no mistake: The administration has now undertaken to finance one of the deals with American dollars.

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

Mr. KEM. I yield.

Mr. JENNER. Does Mr. Hoffman have such authority under the law?

Mr. KEM. The law has been strained to the breaking point. I quote from memory. As I recall, the act says he may furnish ECA funds to buy in other countries commodities which are in surplus supply here when to do so is in furtherance of the purposes of the act. Who decides what is in furtherance of the purposes of the act? Mr. Hoffman apparently decides and goes ahead, and no judicial determination of his powers takes place. As a practical matter he is given carte blanche to deal with this enormous sum of money belonging to the American people, with little or no hindrance. When he wants to do something his lawyers seem to be able to find a way.

Mr. JENNER. Last year, as a matter of fact, as I understand, Mr. Hoffman was not permitted to make off-shore purchases of agricultural products so long as they were declared surplus in this country. Our wheat crop had been declared surplus. Therefore, he was not permitted to take Marshall-plan dollars and buy wheat in other countries. But he circumvented that provision of the law by saying it was impossible to get transportation for wheat by rail. Is that correct?

Mr. KEM. Yes. He said that the American ports were clogged with grain but he did not explain why American wheat could not be exported through Canadian ports, that is, why it could not move through Montreal and Quebec. There was no explanation of that at all.

One difficulty, Mr. President, which I believe should be the concern of all of us, is that this policy is not confined to British deals. We know from the State Department's release of September 15 that it has been agreed with representatives of France that the arrangements would be equally applicable to France and the other ECA countries.

I shall conclude when I have dealt with one additional subject. I want to say a few words regarding the American farm price program which is now under attack in what is supposed to be the house of its friends.

THE AMERICAN FARM PRICE-SUPPORT PROGRAM IS UNDER ATTACK

The American farm price-support program has never been popular in England. Mr. Bevin and other spokesmen for the British Government have complained about it on more than one occasion. They do not like it because they say it raises the prices of American farm products sold in Great Britain.

Mr. Brannan, the Secretary of Agriculture, likewise does not like the farm price-support program. Under the law, as Secretary of Agriculture, he is charged with the duty and responsibility of its execution and enforcement. However, he has not hesitated to show his decided preference for another program of which he is the author and which bears his name.

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

Mr. KEM. I shall be glad to yield.

Mr. WATKINS. Does the Senator consider it possible for a man faithfully to enforce a law, have it lived up to, and make it successful, if he is so bitterly opposed to it?

Mr. KEM. Perhaps it is possible, but I may say to the Senator from Utah that, in my judgment, it would be extremely difficult.

Mr. WATKINS. Has not the Secretary of Agriculture taken an oath to uphold the Constitution and to defend the laws of the United States?

Mr. KEM. I assume that he did when he took office.

Mr. WATKINS. Does the Senator think it is in line with his oath to condemn a law which he is supposed to be enforcing and placing in full effect?

Mr. KEM. I think the Senator's question carries its own answer. I thank him for his observation.

Mr. President, it may be that the present farm-support program is in need of amendment. Such amendments as appear desirable should be made by the elected Representatives of our people in Congress assembled. The program should not be choked to death by American, British, and Canadian bureaucrats, sitting in hush-hush sessions behind closed doors in the State Department.

Section 1, title 1, of the Agricultural Act of 1948, directs the Secretary of Agriculture, by means of "loans, purchases, or other operations," to support prices of wheat at the rate of 90 percent of parity. The Secretary decided to use a loan based on 90 percent of parity. Since then the price for wheat on the market has consistently been below the loan price. For example, wheat prices at Kansas City recently were 16 cents below the loan value. A month before they were 22 cents below, and still are generally under the loan value. Commodity Credit Corporation has bought very little wheat on this crop. If \$175,000,000 were to be spent by our Government in the United States in buying wheat for Great Britain, there would be a material advance in the price of American wheat to American producers. In that event, Great Britain would pay more for wheat purchased in the United States. It is apparent, then, that in the "dollar talks" in Washington, important steps were taken to scuttle the existing

policy of price supports for American farm products.

I am lacking in originality when I say that someone has "stuck a pitchfork in the farmer's back." But this is an accurate and graphic description of what has occurred. As the Secretary of Agriculture wielded the fork, he whispered sweet nothings, smooth as butter, in the farmer's ear.

Mr. President, the Senate Committee on Agriculture should lose no time in making an objective, unprejudiced, and impersonal appraisal of just what was done at these "dollar talks" in Washington. Their effect upon the American economy, present and future, should be investigated promptly, carefully, publicly.

MILITARY ASSISTANCE TO FOREIGN NATIONS

The Senate resumed the consideration of the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations.

Mr. JENNER. Mr. President, I offer an amendment to the pending bill and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. JENNER. I intend to address myself, Mr. President, to the amendment which I have just submitted.

Mr. President, these are dark days for the American people.

The very introduction of this military aid proposal is just a further indication of how grim are the prospects for the future.

Yet, Mr. President, I am convinced that the days ahead are doomed to become darker still, if the basic philosophy of permanent world intervention which underlies this military aid proposal is permitted to continue to gorge itself on the earnings, the savings, the rights and liberties which by the sweat and toil of a hundred and fifty years have been hewn out of what was once a vast wilderness, by a God-fearing, law-abiding, and liberty-loving people.

For years the American people have been drugged by the poisonous propaganda of an internationalist clique, under the influence of which, this alien ideology, which they have embraced, has been eating away like a cancer at the very heart of the American body politic.

It is my solemn conviction that the very presentation of this military aid proposal is nothing but a frightening indication of how far this cancerous internationalism has now spread to the mind of the American body politic as well.

Mr. President, throughout recent years it has been increasingly difficult to legislate in matters of the utmost urgency in such an atmosphere of increasing secrecy.

In truth, it has been practically impossible to present a detailed analysis and intelligent criticism of each one of the whole rash of international commitments that have broken out. There have been 23 of them, as a matter of fact, the senior Senator from Virginia [Mr.

BYRD just told us about them. We have been told that we could go to the committee and see the secret records, the hearings of the Committee on Foreign Relations. But if we go there and read them, when we get to a certain place we will find a parenthesis and the notation that the witness spoke off the record. So, if we read the records, we cannot find the truth. It is not there for any Member of the Senate. The United States Senate has been denied access to the facts, has been slowly paralyzed by the bipartisan paralysis of all honest and open debate, and has been increasingly reduced to the point of uselessness in the formulation of this Nation's foreign policy.

Mr. President, there is little wonder that, confronted with the consequences of this international bipartisan paralysis to date, Felix Morley wrote in a recent issue of *Human Events*:

The duty of the opposition is to oppose.

The position of the opposition must be opposite to the position of the party in power.

It may seem childish to reduce political philosophy to such an elementary term but we must face the fact that never before in American history has political thought sunk to a level as low as that which is accepted today.

Mr. President, the record will show that throughout this dangerous disintegration of our political life, I have continued to believe that the fiercest yearning of the human heart is the yearning to be free.

And I continue to believe with Edmund Burke that "people never surrender their freedom except under some delusion."

Therefore, Mr. President, as a result of this conviction, I am grateful that I have never surrendered my allegiance to the following principles:

First. Any proposition that is advanced for the alleged benefit of the American people is a delusion and a threat to their freedom, if in assigning new functions and tasks to Government on the domestic scene, it does not assign them within the framework of those traditional safeguards of human dignity and freedom, for the preservation of which this Government was instituted.

Second. It is our duty to be eternally vigilant to expose, and to shun as a plague, every proposition that is advanced for our good, or as our duty, the acceptance of which by its very nature infects us with the diseases it seeks to cure, which would inflict on us the ills it seeks to remedy, and which would create in our own midst the very image of those same vicious forces from which it professes to be saving others.

In all seriousness, I ask my distinguished colleagues who urge the adoption of this military-aid proposal if it meets the test of these two simple but basic American principles.

Mr. President, it is my conviction that the answer to this question is obviously in the negative. Why? The very atmosphere of uncertainty and misgiving, as is revealed in the welter of conflicting opinions which this military-aid proposal has aroused, reveals a basic dilemma in the minds of the supporters of this bill themselves.

To my mind, these misgivings further reveal a growing skepticism concerning the validity of this military-aid program and the possibility of achieving its alleged objectives.

These conflicts also reveal a deepening resentment against the growing arrogance that lies behind the outrageous request for congressional surrender of its war-making powers, to set the President up as a global war lord, a request which was contained in the original draft of this bill.

This request for military powers, powers which by their very nature would be greater than any man ever wielded in history before, was so shocking that it has brought out into the open all of the implications of the course we are pursuing, and brings to a head the basic conflict that is raging around the world today, not only between the future of our way of life and totalitarianism abroad, but also between our way of life and the forces of totalitarianism that are operating right in our own midst.

Mr. President, my position on these matters has been stated clearly and fully on many other occasions, particularly in our debate on the Marshall plan and the North Atlantic Pact. I do not want to burden my colleagues with repetitious details. They know I am convinced we are headed into a semisuper state which, with its allocations of raw materials, industrial potentials and manpower, will destroy our freedoms, and bankrupt our people.

I feel it my duty, however, to record what I consider to be convincing support of my own position, by referring to those who, in their increasing dilemma, are now beginning to confess openly that they, too, share my fears, that they, too, see the dangers to this country, from within as well as from without, which are inherent in our present course of action.

These outstanding Americans to whom I refer are beginning to realize the truth of what George Sokolsky wrote on August 15, 1949:

The object of diplomacy used to be to protect a country, to strengthen it, to use war as an instrument of national development, to employ peace to gain allies, to support friends, to achieve national preeminence.

In a word, the focus of diplomatic activity was the nation.

At certain stages of history, for the word "nation" might be substituted "dynasty" or "empire," but in essence it all meant the same.

Those who have been conducting our foreign policy, certainly since Franklin D. Roosevelt became President, have concentrated upon the world state rather than upon the specific interests of the United States.

When the interests of the United States came into conflict with the concept of the world state, the United States was sacrificed.

Confronted by increasing proof of this fact, Mr. President, I am convinced that those of my colleagues on the Foreign Relations and Armed Services Committees who have reported out this bill are more alarmed today for the future of this Nation than ever before, not so much because of the Communistic menace itself, but because of the danger to our free institutions which our present inter-

nationalists' adventure to stop communism constitutes.

First, Mr. President, these men can now clearly see how far this administration has gone to nullify the treaty-making powers of the United States Senate. Nowhere has this been more clearly revealed than in this military-aid proposal now before us.

We can all remember, Mr. President, how emphatically the proponents of the North Atlantic Treaty denied there was any connection between that Treaty and this military-aid program.

Time and again on the Senate floor, in the press, and in radio comments across the Nation, the administration spokesmen deliberately deceived the American people as to exactly where they were being taken down this international road.

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

Mr. JENNER. I am glad to yield.

Mr. WATKINS. Was the Senator present in the Senate Chamber earlier in the session today when a distinguished Member of the Senate said that the bill which finally came to the floor for European rearmament was held back until after we had finished the debate on the Atlantic Pact, and had voted on it?

Mr. JENNER. Of course, we all know that the distinguished senior Senator from Texas [Mr. CONNALLY], chairman of the Foreign Relations Committee, had a run-in with the State Department when the North Atlantic Pact was under debate because the Department then wanted to bring the arms implementation measure up in the Senate, and the distinguished senior Senator from Texas thought it would jeopardize ratification of the treaty. I say, Mr. President, there is nothing wrong with this country that a little honesty and integrity in higher altitudes will not remedy.

As a matter of fact, back as far as May 6, 1947—note this, Senators; as far back as 1947—the *New York Times* revealed:

President Truman refused today to disturb the secrecy surrounding administration plans for giving military aid to countries taking part in the European recovery program.

He refused either to confirm or deny suggestions that legislative authority would be sought for such a plan.

Yet, Mr. President, in the report of the joint committees on this military assistance program, we find the following admission:

Recognizing the fundamental interrelationship between the two programs (military aid program and ECA) ECA has participated actively in the formulation of the military-assistance program.

And then on page 8 of the same report, Mr. President, the joint committee gives the lie to the administration's denial that this military-aid program was inseparable from the North Atlantic Pact, when, admitting the piecemeal strategy that has been used to put this one over, it said:

The committee points out that while the program proposes assistance to eight of the Atlantic Pact members, it was not originally

submitted as an implementation of that pact. In fact, it was conceived—

Note this—

It was conceived before the pact negotiations began and the two evolved as separate and distinct programs.

In line with the suggestion of the Committee on Foreign Relations, the President did not submit the military-aid program to the Congress until after the Senate had concluded its deliberations on the pact.

And now, Mr. President, the members of these Senate committees know how gross a deception the administration has practiced in selling this program to the American people.

They know that it has been in the making behind the scenes for at least 2 years, that it was part and parcel of the Marshall plan itself, and that the administration went ahead to put it into effect behind the back of the United States Senate.

They now know where this spoon-feeding technique is leading.

No more impressive evidence of the growing revolt against this continued invasion of the field of congressional authority by the Chief Executive could be found, than in the tremendous indictment of President Truman's original arms-aid request, by the senior Senator from Michigan, who described it as—

A proposal that would have authorized the President to decide for himself what nations should be assisted, when that should be done, and how it should be done.

Further the Senator from Michigan said:

It called for the virtual creation of a total world-wide war-lord power in the White House.

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

Mr. JENNER. I am glad to yield.

Mr. KEM. Has the Senator heard of any Member of the Senate who was willing to defend on the floor of the Senate that proposed grab for power?

Mr. JENNER. I have not.

Then the Senator from Michigan went on to admit that the reaction of his colleagues and the American people was so spontaneous, immediate, and violent that it forced the President to withdraw his arrogant request.

Secondly, Mr. President, I want to place in the RECORD additional support of my own position, namely, that those who have been master-minding our economic, financial, and military involvement in international affairs have by their own confessions admitted they are not interested in exporting to other lands that which is unique to America.

They are determined rather to import that which is alien.

Mr. President, the dilemma, which this frightening development confronts every one of us with today simply cannot longer be ignored.

The realization of what is certain to happen to us if we continue on our present course is driving even the most outspoken champions of our present global crusade to warn the American people of just what the nature of this dilemma is and to call on them to join in the struggle to resolve it.

As the first witness, I call the attention of my colleagues to Mr. Bernard Baruch, who said on April 20, 1949:

All our commitments should now be re-examined to determine where a decision in the peacemaking can be reached and at what cost.

Mr. Baruch further said:

If a greater outlay of resources will break the stalemate on any front, let us "pour it on," instead of merely perpetuating the deadlock through ineffectual dribbles of aid.

If the facts presented by the distinguished Senator from Georgia [Mr. GEORGE] and by the distinguished Senator from Virginia [Mr. BYRD] do not show the proposed aid to be simply a dribble, when we are supposedly confronted with 100 divisions of Russians, with a possible 300 divisions to be called up in 1950, then I should like to know what it should be called.

I quote Mr. Baruch further:

If, however, no decision is possible, let us cut expenditures and insist that these nations do more for themselves.

Such a policy may provide rude awakenings for governments now content to coast on American aid, but this country is not strong enough to hold up the rest of the world indefinitely.

As a second witness, Mr. President, I call the Senator from Michigan [Mr. VANDENBERG] who, speaking to the over-sea writers on September 15, 1949, said:

Our common cause is human rights and fundamental liberties in a free world of free men.

So long as we preserve and strengthen and expand this fraternity, we labor in the vineyard of the Lord and I dare to believe He will bless our dedications.

The Senator from Michigan continued:

The task is only just begun. The testing time must now be met—and time is of the essence—which successive steps will not do. I repeat, let us face the facts.

No matter what our cooperative disposition or our self-interests, there are definite limits to the American resources which we can safely invest in foreign aid.

The Senator from Michigan went on to warn:

Even though this were not true, there are definite limits to the practical utility and wisdom of external aid because it must not drift into permanent reliance.

As a third witness, I call the junior Senator from New York [Mr. DULLES], who said on September 15, 1949:

During the past 5 years I have worked in close cooperation with five Democratic Secretaries of State.

We have had a great many of them. We put them on and take them off like overcoats.

Further quoting the junior Senator from New York:

We have all been in agreement that individual human freedom is the only reliable foundation for lasting peace and justice.

We have consistently attacked the all-powerful government as a danger to world peace.

If, at home, we concede dependence on the all-powerful state, our foreign policy will be bereft of power.

The Truman program for vastly increasing the power of the Federal Government

involves a heavy cost in money, liberty, and perhaps peace.

No honest person can deny that, and the American people ought to know.

A fourth illustration, Mr. President, is found in a speech of February 23, 1949, by Democratic Representative Ed Gossett in which he warned that the country is suffering from "value blindness, security psychosis, propaganda and political cowardice."

He further stated:

Value blindness I call the people's failure to see the immutable principles of right and wrong against the great clamor of change.

As a fifth witness, Mr. President, I call attention to Gen. Dwight Eisenhower's warning to the American people as to where those in control of this Government were taking us behind the propaganda that they are remaking a brave new world. He said:

Very frankly, I firmly believe that the army of persons who urge greater and greater centralization of authority and greater and greater dependence upon the Federal Treasury are really more dangerous to our form of government than any external threat that can possibly be arrayed against us.

From these warnings it is obvious that the present global crusade against communism has been covering up the fact that during recent years we have had not one, but actually two, fights on our hands.

This is why I have continually fought to arouse my colleagues and the American people to the futility of the course we have been following.

This is why I have been pointing out the futility of trying to stop the spread of totalitarianism abroad while we openly embraced it at home.

We are talking about fighting communism. According to an article in today's Baltimore Sun, the distinguished Senator from Maryland [Mr. O'CONNOR] charges official blocks attempts to bar Communist aliens. Reading from the news article:

Dean Acheson, Secretary of State, today was accused by Senator O'Connor, Democrat, Maryland, of standing in the way of attempts to halt the flow of alien Communist spies into this country through immigration-law loopholes and especially under diplomatic immunity.

This is why I now feel it my duty to point out the dangers inherent in the grant of power we have already extended to the Chief Executive, the use of which this military-aid program cannot help but guarantee, underwrite, and extend.

First there are the powers in the economic field which the Chief Executive is exercising on an ever broader front.

We have heard much talk about how ERP has progressed—talk that continues to hide from the American people the fact that the basic objective of the Marshall plan, which was to eliminate financial and trade restrictions and integrate the European economy, has only produced a more impossible situation.

Mr. William Henry Chamberlain has just recently cabled from Paris:

Paris headquarters ready to admit plan is failure and new approach needed to Europe's trade problems.

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

Mr. JENNER. I yield.

Mr. WATKINS. Is it not true that after each of the international conferences during the war, at Yalta, Tehran, Cairo, Quebec, and the others, we were regaled with reports of great things accomplished and great victories won in the diplomatic field, later to learn that instead of winning victories, we met with reverse after reverse, finally to find ourselves in the position we are in today?

Mr. JENNER. The Senator is correct. That has been true of the British loan. It was true of the Marshall plan. It was true of UNRRA, it was true of the International Bank. It has been true of every one; and now we have the military-assistance program.

Mr. WATKINS. As a matter of fact, we have a continuation of the same stories—stories about what victories we have won, and what great things have been accomplished, later to be told that that was not the result, because we must do something else to cure the same situation.

Mr. JENNER. The Senator is entirely correct.

In spite of this, Mr. President, Secretary of the Interior Krug has just promised the United Nations that the United States will back to the hilt the President's global plan under point 4 of his bold new program, although the Foreign Relations Committee of the Senate has not even held hearings on the proposal.

So as soon as we dispose of the military-aid program, on will come another bold new plan under point 4. Secretary of the Interior Krug, a man not elected to office, but appointed by the President, has notified the United Nations that we, meaning the American Government, will back to the hilt the President's point 4 program, although the Foreign Relations Committee of the Senate has not even held hearings on the program. Cannot Senators see where we are going?

It is obvious that in the field of economic power, the President is preparing to plunge us deeper into new international economic commitments with a reckless abandon that makes even the achievement of an integrated European economy impossible.

In the field of financial matters, the President has the power, in connection with the International Monetary Fund, to regulate the value of our currency. At this very moment, the International Trade Organization, in which we have 1 vote in 23, has entered into such dangerous financial negotiations as to bring an immediate and unequivocal protest from the Senate Finance Committee.

Under the reciprocal trade agreements, the President now holds the power of life or death over every segment of America's economic, agricultural, and industrial life. England devalues her pound 30 percent; but under the reciprocal trade agreements, what do we do? We are planning on lowering our tariffs still further. So if a suit of clothes is made in England for \$10 and is ex-

ported to the United States, with a 30 percent devaluation, that suit of clothes will come on the American market at a price of \$7. On the other hand, if a suit of clothes is manufactured in the United States for \$10 and is sent into the sterling bloc area, where the pound is the unit of currency, that suit of clothes will sell there for \$13. Mr. President, we are going to get ulcers before we ever get England with that kind of a program. [Laughter.]

And now we learn that negotiations are being carried on in London for a third round of American tariff reductions. Word has already seeped out that 409 more products of American industry and labor are going to be subject to that change.

Mr. President, we have talked about the financial field and the economic field and where we are getting. Now let us look at the legal field for a moment. In the legal field we have become so enmeshed by what our American representatives are doing in the various international organizations of which we are members, that even Mr. Justice Frankfurter admitted that so far as concerns the jurisdiction of the Supreme Court over the legal effects of our international commitments and policies—

Something may be unconstitutional and still be international and so be something over which this Court has no jurisdiction.

That is a direct quotation from Mr. Justice Frankfurter.

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

Mr. JENNER. I am glad to yield to the distinguished Senator from Utah.

Mr. WATKINS. Does the Senator think Mr. Justice Frankfurter had in mind the North Atlantic Pact, which many of us held to be a violation of the Constitution of the United States?

Mr. JENNER. Probably he had in mind that pact and many other of these international agreements.

Mr. President, I wish to place in the RECORD at this point a statement prepared by the State Department, which appears in the House hearings on this military-aid bill, and which reveals the powers which already have been granted to the President to render military assistance to foreign countries since VJ-day, and a record of how those powers have been used. I do not wish to take the time of my distinguished colleagues to read all the statement into the RECORD at this point; but I hope and pray that every Member of this distinguished body will read it, for it is a statement of the powers the President already has in the military field and how he has exercised them since VJ-day. I submit the statement at this time, and ask unanimous consent to have it printed at this point in the RECORD.

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

REPORT ON MILITARY ASSISTANCE RENDERED TO FOREIGN COUNTRIES SINCE VJ-DAY

The following qualifications of the report should be noted:

(a) The data generally includes only combat material, i. e., arms, ammunition, and implements of war as defined in the President's Proclamation 2776, dated March 26, 1948. In some cases, however, it has not been possible to exclude military equipment not strictly definable as combat material.

(b) Although not included in this report, military equipment other than combat material has also been supplied to foreign governments under various congressional authorities, e. g., trucks, military clothing, communications, equipment, etc.

(c) No attempt has been made in this report to distinguish between combat material transferred to foreign governments for the specific purpose of augmenting the military establishments of those governments and that transferred for other purposes, e. g., for internal police purposes for demilitarization and use in the civilian economy (generally, ammunition).

Military assistance has been extended to foreign countries under the following procedures:

(a) Direct sales of United States military surplus.

(b) Transfers from either military surplus or Government stocks but financed or facilitated by special congressional authorization.

(c) Transfers from Government stocks under the plenary powers of the President.

It should be noted that "military assistance" within the meaning of the statement in the preceding paragraph is considered to embrace generally only combat material (arms, ammunition, implements of war). In some cases, however, it has not been possible to exclude from the data in this report military equipment not strictly definable as combat material.

A. DIRECT SALES OF UNITED STATES MILITARY SURPLUS (SEE TABLE A)

This Government has continued to dispose of United States military surplus to foreign governments under the authority of the Surplus Property Act of 1944 (Public Law 457, 78th Cong., 2d sess.), as amended. These sales have consisted of limited quantities of aircraft, weapons, vessels, ammunition, and spare parts therefor, which in most cases were needed by the recipient countries for the replacement or maintenance of United States equipment already in their possession. A number of sales involved large quantities of ammunition sold for scrap or salvage purposes. Information on sales under this authority is identifiable in the attached table by the term "Public Law 457" in the last column, and reflect sales completed through May 15, 1949.

Iran: Sales of surplus United States military equipment have been made to Iran under the general authority of the Surplus Property Act of 1944, and have been facilitated by funds made available by Public Law 785, Eightieth Congress, second session, which, among other provisions, provides funds for defraying expenses for the care, handling, and disposal of surplus property abroad. Data reflected in the attached table under this authority are as of May 15, 1949.

Korea: Under the authority of the Surplus Property Act, this Government has transferred to the Government of the Republic of Korea, approximately \$40,000,000 in military equipment and supplies. Of this amount, which is based on acquisition cost, approximately \$13,000,000 has been for vessels for the Korean Coast Guard, while the remainder has consisted principally of equipment and supplies, including small arms and ammunition, for the Korean army and police. The transfer of this material has been effected without monetary compensation in consideration of other benefits derived.

B. TRANSFERS FROM EITHER MILITARY SURPLUS OR GOVERNMENT STOCKS BUT FINANCED OR FACILITATED BY SPECIAL CONGRESSIONAL AUTHORIZATION (SEE TABLE B)

Greece and Turkey: Assistance has been rendered to Greece and Turkey under the authority of Public Law 75, Eightieth Congress, first session, and Public Law 472, title III, Eightieth Congress, second session (the Greek and Turkish Assistance Act of 1948). Information on sales under this authority is identifiable in the attached table by the term "Public Laws 75 and 472" in the last column, and reflects Army shipments as of April 3, 1949, and Navy shipments as of May 20, 1949.

Latin America: In addition to sales under the authority of the Surplus Property Act, military assistance has been rendered to certain Latin American nations under the specific authority of Public Resolution 83, Seventy-sixth Congress, third session, which provides the National Military Establishment with limited authority to assist the governments of American Republics to increase their Military and Naval Establishments. Information in the attached table reflecting

Army shipments under this authority is as of April 30, 1949; Navy information is as of May 20, 1949.

China: Under the authority of Public Law 512, Seventy-ninth Congress, second session, and following an agreement between the United States and China signed on December 8, 1947, there have been authorized for transfer to China on a grant basis 271 naval vessels.

Under the authority of Public Law 472, title IV, Eightieth Congress, second session (the China Aid Act of 1948) there has been allocated to the Chinese Government \$125,000,000 which has been used by that Government for the purchase of aircraft and other military equipment from both Government and commercial sources in the United States.

The Philippines: In addition to direct sales of surplus property under the general authority of the Surplus Property Act military assistance has been rendered to the Republic of the Philippines under the specific authority of Public Law 454, Seventy-ninth Congress, second session (The Republic of the Philippines Military Assistance Act.) Information

in the attached table on Army shipments is as of January 31, 1949; Navy shipments include data through May 20, 1949.

C. TRANSFERS FROM GOVERNMENT STOCKS UNDER THE PLENARY POWERS OF THE PRESIDENT

The President, acting under his plenary powers of Chief Executive and Commander in Chief, for the purpose of protecting primary security interests of the United States, has authorized the transfer of combat matériel from United States Government stocks to France and Italy. The transfer to France under this authority consisted of certain spare parts and replacement items, excess to the needs of United States occupation forces in Germany.

The transfer to Italy consisted of small quantities of military equipment and supplies, primarily small arms and ammunition, which were needed to complete the reequipping of Italian security forces which had been rearmed mainly with surplus Allied material in Italy. In authorizing this transfer the limitations imposed upon Italy by the treaty of peace were scrupulously observed.

TABLE A.—Direct sales of United States military surplus under authority of Public Law 457

Country	Procurement cost	Selling price	Type of equipment	Country	Procurement cost	Selling price	Type of equipment
	Thous. of dol.	Thous. of dol.			Thous. of dol.	Thous. of dol.	
Argentina.....	6, 673	748	Aircraft, ammunition, small arms, explosives, artillery, spare parts.	Iran.....	26, 469	5, 298	Ammunition, small arms, aircraft parts, artillery.
Australia.....	4		Machine guns. Part of bulk sale.	Italy.....	141, 357	22, 125	Vessels, aircraft, ammunition, explosives, tanks.
Belgium.....	44, 845	1, 210	Ammunition, armored vehicles.	Korea.....	40, 000	(9)	Small arms, ammunition, vessels, miscellaneous ordnance matériel.
Brazil.....	25, 191	3, 488	Small arms, ammunition, aircraft, artillery.	Mexico.....	21, 286	644	Aircraft, armored vehicles, vessels, small arms, artillery, spare parts.
Canada.....	29, 626	1, 242	Aircraft, radar, light artillery, armored vehicles, spare parts.	Netherlands.....	7, 216	680	Aircraft, vessels, small arms, ammunition, spare parts.
Chile.....	22, 265	1, 647	Aircraft, ammunition, vessels.	Norway.....	7, 739	169	Vessels, ammunition.
China.....	102, 072	6, 740	Ammunition, aircraft, ordnance and Air Force matériel.	Paraguay.....	16	7	Aircraft, spare parts.
Colombia.....	7, 570	632	Aircraft, armored vehicles, small arms, artillery.	Peru.....	13, 870	1, 021	Aircraft, vessels, small arms, artillery, spare parts.
Cuba.....	15, 632	504	Vessels, aircraft, ammunition, spare parts.	Philippines.....	634	340	Small arms, ammunition, aircraft, spare parts.
Denmark.....	(9)	1, 031	Vessels.	Poland.....	2, 600	240	Demilitarized minesweepers.
Dominican Republic.....	501	23	Vessels, small arms, artillery.	Portugal.....	2, 500	562	Aircraft, spare parts.
Ecuador.....	4, 964	414	Vessels, aircraft, ammunition, spare parts.	Sweden.....	7, 632	1, 758	Aircraft, ammunition.
Egypt.....	5, 240	540	Vessels.	Switzerland.....	6, 903	549	Do.
El Salvador.....	318	43	Aircraft, ammunition, spare parts.	Turkey.....	24, 748	1, 161	Vessels, armored vehicle parts.
Ethiopia.....	11	1	Ammunition, artillery.	United Kingdom.....	70, 410	100	Miscellaneous military equipment.
Finland.....	2, 911	190	Trawler and demilitarized minesweepers.	Uruguay.....	6, 801	831	Aircraft, ammunition, vessels, small arms, artillery, spare parts.
France.....	116, 720	10, 527	Vessels, ammunition, aircraft.	Venezuela.....	9, 339	983	Aircraft, ammunition, vessels, small arms, spare parts.
Greece.....	15, 050	1, 960	Vessels.				
Guatemala.....	2, 343	20	Ammunition, artillery, aircraft, small arms.				
Haiti.....	319	34	Aircraft, small arms, ammunition, vessels.				
Honduras.....	92	6	Small arms, artillery, ammunition.				
Iceland.....	85		Aircraft matériel. Part of bulk sale.				

¹ Includes a large quantity of surplus ammunition for demilitarization, 50 percent of the profits therefrom to accrue to the United States.

² Includes \$3,736,604 in military surplus financed by Chinese Government from the \$125,000,000 grant authorized by the China Aid Act of 1948.

³ Captured enemy equipment.

⁴ And captured enemy equipment.

⁵ Plus unestimated value of ammunition included in bulk sale

⁶ Includes Army and Air Force equipment valued at \$2,041,000 transferred gratis due to reverse lend-lease credit built up by Guatemala.

⁷ Facilitated by funds made available by Public Law 785.

⁸ Data not complete, since certain figures with respect to aircraft matériel, aircraft, and ammunition are not available at this time.

⁹ This transfer was effected without monetary compensation in consideration of other benefits involved.

¹⁰ Plus portion of proceeds included in bulk sale.

TABLE B.—Transfers from either military surplus or Government stocks but financed or facilitated by special congressional authorization

UNDER PUBLIC LAWS 75 AND 472

Country	Authorized	Shipped	Type of equipment
	Thousands of dollars	Thousands of dollars	
Greece.....	295, 510	270, 562	Army and Air Force equipment.
Turkey.....	Unknown	11, 358	Navy equipment, including vessels.
	103, 331	87, 651	Army and Air Force equipment.
	Unknown	13, 840	Navy equipment, including vessels.

UNDER PUBLIC RESOLUTION 83

Country	Authorized	Shipped	Type of equipment
	Thousands of dollars	Thousands of dollars	
Argentina.....	1, 709	1, 412	Army and Air Force: Ammunition, small arms, explosives, artillery, spare parts.
Brazil.....	2, 333	2, 333	Naval ordnance.
Chile.....	135	135	Do.
Dominican Republic.....	28	28	Do.
Haiti.....	41	41	Do.
Mexico.....	166	166	Do.
	246	246	Do.

TABLE B.—Transfers from either military surplus or Government stocks but financed or facilitated by special congressional authorization—Continued

MISCELLANEOUS TRANSFERS

Country	Procurement cost	Selling price	Type of equipment	Authority
China.....	Thous. of dol. 141,315	Thous. of dol. (1) 25,000	Naval vessels.....	Public Law 512.
	Unknown	None	Wide range United States military equipment left in western China by United States troops.	Military operations.
	694,700	(4)	Ammunition abandoned to Chinese Government by United States Marines in northern China.	Do.
	17,667	(5)	Ordnance and aircraft matériel, vessels, tanks, miscellaneous service equipment.	Post VJ L. L.
Philippines.....	72,556	1,875	Ordnance and other supplies.	Sino-American Cooperative Organization. ⁶
	59,129	Gratis	\$125,000,000 disbursed to China for direct procurement or through U. S. Government agencies.	Public Law 472.
			Army and Air Force equipment.	Public Law 454.
			Navy equipment, largely vessels.	Do.

¹ Grant basis.

² Plus 5.16 billion Chinese dollars. Includes United States \$5,000,000 in bulk sale agreement.

³ Includes \$336,000,000 in services, the largest part of which involved the movement of Chinese Armies by air to reoccupation assignments.

⁴ Under negotiation.

⁵ Services.

⁶ Transferred in exchange for services by U. S. Navy under Sino-American Cooperative Organization Agreement.

Mr. JENNER. Mr. President, I am certain the American people have not the slightest notion of the extent to which the President has been acting to continue the lend-lease rearmament of other nations, since the end of the war. The President does not need the enactment of this bill. He already has sent France military assistance in the amount of over \$100,000,000. Mr. President, the Senate and the American people are being "kidded."

This brings me Mr. President, to the last grant of power already extended to the Chief Executive, namely, political power. Thus far we have discussed the economic, financial, and legal powers. Now let us discuss the last grant of power which has been extended to the Chief Executive, namely, political power. That power was granted when the Congress ratified the United Nations Charter and its implementing treaty.

How many Americans, or how many Members of Congress, for that matter, believed that when they placed that power in the hands of the Chief Executive, it would be used, not for the purpose of strengthening the United Nations as a world organization, not for the purpose of securing the peace, but as an instrument of power politics which has been used, behind the scenes, to force the disintegration of the prestige and functions of the United Nations Organization.

At this point, Mr. President, I wish to read into the Record a statement by Ambassador Phillip Jessup, which was deliberately designed to cover up the power politics this administration has been playing within the UN Organization, which was the dream of every American for future world peace. The statement was made by Mr. Jessup on March 17, 1949 when he spoke of the UN Organization. He said:

A lot of people think of it in universal terms; at one high point, on one side, the extreme terms of world government, world federalism, whatever form it may take; at a lower extreme, but still within the field of international cooperation, a concept of attending meetings of various bodies of the United Nations, but without any real sense of participating in an organization which is actually doing and accomplishing various things.

This is the statement of Ambassador Jessup, who represents us in the United Nations:

I would suggest that there is a very broad middle ground between the concept of universality and the concept of unilateralism—unilateralism which at certain periods was identical with isolationism.

It is in that broad middle group, the middle ground which the United Nations itself occupies now, because the United Nations is far from universal, that the United States is operating.

Today, Mr. President, we are told that we are operating, not in the extreme field, but in the broad middle ground of which Ambassador Jessup spoke. Do Senators know what it is? I do not.

Although under article 3 of the North Atlantic Pact an overwhelming majority of the United States Senate has committed us to furnish military aid to the signatory powers, it must be obvious that the military aid we now are asked to provide will be used merely to round out the vicious circle in which we are now caught, for this insistence upon the necessity for rearming the nations of western Europe amounts to the claim that the strength which comes from unity and integration—which we have been unable to achieve in the economic, financial, the trade, the legal, and political fields—can now be achieved by building up military strength.

The sheer futility, Mr. President, of this basic assumption is revealed in the fact that by thus implementing the North Atlantic Treaty, we shall have entered actively upon the impossible task of supporting at least seven different military programs around the world. I state them now:

First, the joint Anglo-American Chiefs of Staff program that has continued, at least on a consultative basis, since the end of the war.

Second, the Greek-Turkish program, which has been extended to Iran and the Middle East.

Third, our army of occupation in Germany.

Fourth, the Brussels Pact, the deficiencies of which we have promised to underwrite.

Fifth, the 3,000,000 square miles in the Pacific, with our outposts in Japan, Okinawa, and the Philippines.

Sixth, the Rio Pact with South American countries.

Seventh, our own National Defense Establishment.

Not one of those comes within the jurisdiction of the United Nations. Every one of them has rendered the UN more impotent, and each one constitutes another step away from any intention whatever of setting up security forces within the United Nations, although in this bill lip service is given to the United Nations.

Instead, we are placing a halo around our head as the sponsors of a holy crusade against communism.

Certainly, Mr. President, this military-aid program does not give the United Nations a chance, particularly when the Senator from Texas [Mr. CONNALLY] admitted it was the purpose of this bill to bring all our military projects together in one program.

The futility of our present course is further revealed by the economic insecurity upon which it is based. For not only has the Marshall plan failed, but it has actually strengthened the very forces which have fed the fires of statism, increased the drain on American resources, and intensified the discrimination against American labor, industry, and farmers all over the world.

Meanwhile, our peace-loving allies are continuing to ship factories from the western zones of Germany to points behind the iron curtain, together with over \$2,000,000,000 worth of material, machinery, and manufactured goods, a year, to build up the very forces we are seeking to destroy. And now this administration is preparing to cut American tariffs to the bone, to flood the American markets with cheap goods, the production of which has been subsidized by Marshall-plan dollars.

In addition, we shall be asked to finance the sterling-bloc debts of Britain.

This one-way road of economic cooperation not only is failing to produce a sound economic and financial basis for the economies of those nations we are seeking to defend, but, again I say, it will impoverish and enslave our own people and produce a situation in which totalitarianism can march in and take over here without firing a shot.

The futility of relying upon this military-aid program for defense against communism is further revealed in the fact that its burdens not only are going to be superimposed upon the load we are already bearing, but its very strategy has become meaningless in terms of modern warfare.

We are now told that under this strategy our main weapon is the atomic bomb. Yet far more destructive weapons of bacteriological warfare make reliance on the atomic bomb an illusion.

In spite of this, we are assuming the burdens of a ground-war defense in Europe based on the atomic strategy, which admittedly requires 40 to 50 divisions, if only for a holding action against the 100 divisions Russia has on the eastern front.

This proposal is based on the maintenance of 18 divisions—9 French, which are poorly equipped, 3 Belgian, and 6 British.

It costs \$400,000,000 to equip one division. It will take nearly \$4,000,000,000 merely to modernize the nine French divisions, and, after that has been spent, we shall still have just started on this rearmament program. No one dares predict where it will lead or where it will stop.

On top of this, there is the fallacious assumption, that, after these divisions have been armed, they will use their arms in our defense.

One out of every four Frenchmen is a Communist, one out of every five Italians is a Communist. England is struggling to play both ends against the middle and to move into a position of neutrality between Russia and ourselves, if a war should come.

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

Mr. JENNER. I am glad to yield.

Mr. WATKINS. Does the Senator have in mind the Italian peace treaty with Russia, to which we are parties, which forbids Italy to rearm, except she may have certain obsolete equipment and a very limited force for police duty only?

Mr. JENNER. That is correct.

Mr. WATKINS. Can the Senator point out to the Senate how it would be possible for us to rearm Italy and still keep the terms of the treaty?

Mr. JENNER. No; we would have to break the terms of the treaty. The distinguished Senator knows that when we made the treaty, instead of fighting communism we were making the poor Italians pay money to the Communists.

Mr. WATKINS. It was in connection with the reparations they were required to pay, was it not?

Mr. JENNER. That is correct.

Mr. WATKINS. Does the Senator regard the Italian peninsula as necessary to the defense of the North Atlantic area?

Mr. JENNER. I am not a military man, but on the basis of past experience, I should say they would not be worth very much.

Mr. WATKINS. I do not mean the Italian people themselves, but I mean the Italian peninsula, the territory itself.

Mr. JENNER. I do not mean the Italian people. I say I am not a military man, but, in view of their position, I should not think it would strengthen the defense of the North Atlantic area very much.

Mr. WATKINS. Is it not a fact that any nation which holds the Italian peninsula would in effect largely control the Mediterranean?

Mr. JENNER. Possibly. I am not sufficiently expert in military affairs to answer the distinguished Senator's questions.

Mr. WATKINS. Is it not a fact that the so-called Italian treaty is one of the weakest links in the entire diplomatic situation connected with our defense of the North Atlantic area?

Mr. JENNER. That is my understanding. Britain and France have now agreed that even their opposition to the spread of communism is limited only to Europe, and that so far as the Far East is concerned, if they can maintain their colonial possessions and trade advantages, communism may go on the rampage.

Only a few days ago, in Washington, D. C., the French and the English, along with our Government, sat down and said, "We are through with the Far East, so far as communism is concerned." They do not care about communism. As a matter of fact, if they did, why does anyone suppose our State Department would approve the sending of a steel mill to Tito? If we are fighting communism why should we loan \$20,000,000 to Tito, and why is it that at this time another loan is being negotiated for Tito? Tito is a Communist and the whole world knows it.

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

Mr. JENNER. I am glad to yield.

Mr. WATKINS. Is it not possible the State Department has some kind of guaranty from Tito that he is not going to follow the Communist line, and that he will aid the western democracies?

Mr. JENNER. I do not know whether we can buy friends of that type or not. Perhaps someone else will buy him back the next day after we buy him.

Mr. WATKINS. Does not the Senator believe, for instance, that in view of our experience with Russia, in which we did not get guaranties, in which we furnished all kinds of equipment under lend-lease to the extent of \$11,000,000,000 or \$12,000,000,000, we have now learned a lesson, and at the present time are getting the necessary guaranties from Tito?

Mr. JENNER. I hope so, but I doubt it.

Mr. WATKINS. Does the Senator know what the terms of the deal are with respect to sending Tito the steel mill and making the loan?

Mr. JENNER. Of course, the junior Senator from Indiana does not know. As I previously pointed out, secret diplomacy prohibits the junior Senator from Indiana from knowing what is going on. The American people are likewise in the dark.

Mr. WATKINS. Does not the Senator believe we ought to have some sort of guaranty from Tito that, if we aid him now, we shall have his support in any

contest which may take place in the future between us and Russia and her satellites?

Mr. JENNER. I most assuredly do, but we are not going to get it from the "do-gooder" internationalists who are now setting our foreign policy, so far as I know.

Mr. WATKINS. By that, does the Senator mean the State Department?

Mr. JENNER. I do.

Mr. WATKINS. The Senator could not possibly include the Foreign Relations Committee of the Senate, could he?

Mr. JENNER. I am afraid we have to include them also.

Mr. WATKINS. I am not suggesting it to the Senator, but I was asking for information.

Mr. JENNER. There is another even more basic fallacy, behind this whole approach toward the problem of the containment of communism and of winning the struggle against totalitarianism. That is the basic state of mind that has resigned itself to the inevitability of war. We hear much said about the inevitability of war and that we had better get ready. We heard the distinguished Senator from Maryland [Mr. TYDINGS] give us a frightening picture of the situation.

We have this from one of our most outstanding military experts, Mr. Hanson W. Baldwin, of the New York Times, who wrote on May 2, 1949:

If nations or their rulers think in those terms a state of mind is created which does make war inevitable. Moreover, the concentration upon purely military measures which this state of mind forces may reduce the effectiveness of the nonmilitary measures which, if successfully followed, might make shooting war unnecessary.

Mr. President, it is at this point that someone raises the question with the smug finality that always accompanies it: "Well, what would you do?" How many times have we heard that? We hear it said, "This is the best course. This is a calculated risk." If we criticize it, even intelligently, we are met with the response, "Well, what would you do about it?" My answer to that question has already been stated by J. Reuben Clark, our former ambassador to Mexico and former Under Secretary of State, one of our greatest authorities on international law, who said, in a Chicago address, November 14, 1947, in response to this same question:

I frankly answer. I do not know, for I do not know the facts.

Furthermore, a critic with no authority or power in a situation and from whom is withheld a knowledge of the facts, is under no obligation to propose an alternative.

He may rest by pointing out defects in policy.

On the other hand, I say, give us the facts, all of them, hiding nothing, and we shall tell you what to do.

As one American citizen, I dare government to give us the facts, all the facts, including what kind of war they think the next war will be, what kind they intend to wage, and how many lives it will cost, including the aged, the infirm, and women and children.

We, the common people, have not been told the facts for years, since long before the last war broke.

We are not now being told the facts.

We can only surmise.

But give us the facts and we will answer. And in our multitude of counsel, you will find wisdom.

How true in government that is today.

Mr. President, the greatest fallacy of all that lies behind this military program we are now about to undertake is revealed in the following warning to his people, which Lincoln uttered during the darkest days of the Civil War:

We have been the recipients of the choicest bounties of Heaven; we have been preserved these many years in peace and prosperity; we have grown in number, wealth, and power, as no other nation has ever grown. But we have forgotten God.

We have forgotten the gracious hand which preserved us in peace and multiplied and enriched and strengthened us, and we have vainly imagined, in the deceitfulness of our hearts, that all these blessings were produced by some superior wisdom and virtue of our own.

Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God who made us.

Mr. President, this prayer is also an indictment of our leaders, of our policies, and of our people, for we cannot build peace in the hearts of other men if we have become too proud to pray to the God who made us.

How can we expect to obtain facts if our own leaders are deceitful and dishonest?

While the champions of this military-aid program have exhausted the realms of logic, of military strategy, of legal niceties, and of the necessities of the hour, they have failed to incorporate in their plea, and in their plans, that without which every plan is doomed to fail.

No one has seen this more clearly than that magnificent American, Gen. Douglas MacArthur, who on VJ-day, September 2, 1945, aboard the U. S. S. *Missouri*, in Tokyo Bay, told the world:

Men since the beginning of time have sought peace.

Various methods through the ages have been attempted to devise an international process to prevent or settle disputes between nations.

From the very start, workable methods were found insofar as individual citizens were concerned but the mechanics of an instrumentality of larger international scope have never been successful.

Military alliances, balances of power, leagues of nations—

I might say, the North Atlantic Treaty—

all in turn failed, leaving only the path to be by way of the crucible of war.

The utter destructiveness of war now blots out this alternative.

We have had our last chance.

If we do not now devise some greater and more equitable system, Armageddon will be at our door.

The problem basically is theological and involves a spiritual recrudescence and improvement of human character that will synchronize with our almost matchless advance in science, art, literature, and all material and cultural developments of the past 2,000 years.

It must be of the spirit if we are to save the flesh.

Who knows more about military alliances and wars than does that great leader?

Let me repeat his closing sentence:

It must be of the spirit if we are to save the flesh.

Even more recently, Mr. President, the distinguished junior Senator from New York [Mr. DULLES], speaking from the pulpit of the First Presbyterian Church in Watertown, N. Y., August 28, 1949, warned that—

Reliance by the United States mainly on material and military might in the world struggle for peace is dangerous.

He went on to say:

If communism and fascism are hateful, because of the consequences of their godlessness, it is equally true that they can be successfully resisted only by societies imbued with strong, spiritual convictions.

Moral power does not derive from any act of Congress.

It depends on the relations of a people to their God.

It is the churches to which we must look to develop the resources for the great moral offensive that is required to make human rights secure, and to win a just and lasting peace.

Here then, Mr. President, is what I would do.

I would put Uncle Sam, who has been standing on his head in this international dither, back on his feet.

I would give priority now to every single measure that will keep this country sound, strong, and free.

Frankly, Mr. President, who could help but be alarmed to know that in the midst of all this passion for strengthening others, for underwriting the interests and defenses of others, Mr. Bernard Baruch charges that there is still not in existence, so far as the United States Senate is concerned, a single over-all defense plan for the Western Hemisphere, nor even for the defense of these United States, which we can count on as adequate, even to our minimum needs?

If we are to be successful in our fight against communism or any other kind of tyranny, let us look to our own economic, financial, and military strength, let us keep ahead in the development of military preparedness, and let us keep our people and this Nation free.

If America, by any act of ours, should be dragged down into the economic and social and moral chaos that is engulfing the Old World, we cannot help but become a curse, not only to those whom we seek to champion, but we shall become a curse to future generations of Americans yet unborn.

There is our military strength and might, as the distinguished Senator from Virginia said, and the only hope for the future peace of the world at present, unless we can bring back the moral and spiritual qualities of people, lies in a strong America. But we are being bled white, and when we go down, pray, where will the world turn for leadership in peace?

Then, Mr. President, there is this much more I would do—this, if nothing else. I would see to it that this Nation was not

launched on the sea of power politics, trusting only to our material resources and physical might.

I would proceed now to give to the people in Europe whom we profess to be aiding under this bill, some tangible proof of our own faith in the living God.

I would help them to keep this faith alive in their own hearts and minds, giving them something really to live, to struggle, to sacrifice, and yes, something really to die for, if need be, on the theory that communism cannot live in the house of God.

The Senator from Maryland [Mr. TYNDINGS] says the core of the defense will be the land armies of France; and today one Frenchman out of every four is a Communist. That is why I have prepared the amendment I have to which I have referred, and it is why every man who believes in a God of love and who wants peace should support it.

I do not know how many dollars we are going to send to the countries in Europe, but let us fortify them spiritually and morally. Communism cannot live in the house of God. Let us give those people something to fight for. Before the start of World War II France had an army and Great Britain had a navy, but when Hitler marched into the Ruhr, did the people resist? No, because they did not have anything to fight for. They had lost spiritual values.

We are living in an age now when we can look through the clouds and see the moon by radar. We are living in the age of the atomic bomb, which is made up of the very stuff of which the universe is created. We are living in the age of scientific warfare, which scientists tell us will make the atomic bomb extinct. We hear talk about turning back the armies of Russia. That is silly. Let us rebuild the churches, let us revive the spiritual being in men, let us give the people of Europe something to fight for and to die for.

Therefore, Mr. President, I urge my colleagues to give their most earnest consideration to the amendment which I have prepared and which I shall offer.

Knowing that this money for military aid is going to be furnished, let us not just pour more physical force into a spiritual vacuum.

Let us set aside \$100,000,000 of these funds for the rehabilitation and reconstruction of the war-shattered churches and church properties as a tangible evidence of our faith that in our struggle to remain free and to preserve the freedom of others in a world of peace, we are not alone.

Mr. SPARKMAN. Mr. President, last Friday, September 16, I offered two amendments to H. R. 5895 on my own behalf, and on behalf of 10 of my distinguished colleagues, the senior Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the junior Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. HENDRICKSON], the senior Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. HOEY], the Senator from Colorado [Mr. JOHNSON], the Senator from South Dakota [Mr.

MUNDT] and the Senator from Mississippi [Mr. STENNIS]. Last July 8 I submitted, in the names of the same group of Senators, a Senate resolution. At that time I stated:

The purpose of the resolution is to point the way toward a more effective implementation of the Atlantic Pact than that which has been suggested in the military aid program.

I then announced our intention to offer this resolution in the form of amendments to the military assistance bill. Our purpose remains to use this opportunity as a springboard for something far better and more effective than a mere military alliance, to the end that effective steps can be taken now through the provisions of the military assistance program to break the vicious circle of the world armament race which can only end in a third world war, and to make sure that our aid to our Atlantic Pact allies—an aid the necessity of which no one denies—shall not be frittered away, in well meaning, but hasty measures.

The immediate objective of the amendment is to earmark from 10 percent to 25 percent of the military assistance funds for the Atlantic Pact nations, for the organization of an Atlantic police force, to be under control of the Atlantic Council, and composed of volunteers from the smaller European nations which cannot maintain effective military forces of their own. The second and fundamental objective of the amendment is the revision of the United Nations so as to establish effective world arms control backed by an international police force; or, failing that, the extension of the Atlantic Pact into a world pact open to all nations, with its own workable authority and police force, based on the principle of enforceable law against aggression.

A great deal has been said about how much to appropriate; but we believe it is even more important to determine how best to utilize whatever appropriation is made for the Atlantic Pact nations so as to insure the maximum returns in security for our investment. We believe the amendment will resolve some of the doubts as to the efficacy of the military aid program. The Atlantic police force would be a highly trained, well-paid professional force of the highest type, immediately available against an aggressor, and largely independent of the internal politics of individual European member states. For America, in the long run it would save billions of dollars. Instead of spending our millions on building up the weak and dispersed armed forces of the smaller nations, we can build up a powerful collective force to defend them all. More important still, this Atlantic police force will serve as a nuclear international police force whenever we decide, as we should, to extend the Atlantic Pact into a world pact, under a proper world authority.

As the Senator from Vermont [Mr. FLANDERS] stated so well:

We seek through this amendment to transform the Military Assistance Act and the Atlantic Pact which it implements, from a shaky power-politics alliance into the kind of United Nations that was promised to us but never delivered.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks a copy of the proposed amendment.

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

On page 17, between lines 8 and 9, insert the following:

"In furnishing such assistance, the Congress recognizes that a fundamental objective of the policy of the United States, in accordance with paragraph (6) of Senate Resolution 239, Eightieth Congress, should be to seek review of the United Nations Charter at an appropriate time by a general conference called under article 109, or by the General Assembly; and that among the ends of such review should be (a) the elimination of the paralyzing veto-right with respect to defined matters of aggression and armament for aggression; (b) the establishment of effective international control of atomic energy, and world-wide quota limitation of production of heavy armament, with provision for strict inspection and enforcement; and (c) the establishment of an effective international police force, with proper safeguards for national sovereignty. The Congress also recognizes that if revision of the United Nations Charter to attain such ends proves unattainable within a reasonable time, then it should become an objective of the policy of the United States to extend the principles of the North Atlantic Treaty into a world pact open to all nations, having its own workable authority based on the principle of enforceable law against aggression and backed by its own international police force."

On page 20, between lines 19 and 20, insert the following new section:

"Sec. 105. Notwithstanding any other provision of this act, not less than 10 percent or more than 25 percent of the sums appropriated to carry out the provisions and accomplish the policies and purposes of this title shall be available only for the purpose of furnishing military assistance in the form of equipment of an Atlantic police force to be assistance, to be used in the training and equipment of an Atlantic Police Force to be recruited from among volunteers who are nationals of European nations except the United Kingdom, France, and Italy. The organization and command of such force shall be vested in the Defense Committee of the Atlantic Council, provided for in article 9 of the North Atlantic Treaty, or in some other body subsequently established for such purpose by the nations which are parties to the North Atlantic Treaty. Such Atlantic police force shall be used as a nuclear international police force for the collective defense of the smaller nations which are parties to the North Atlantic Treaty and as an auxiliary to the national armed forces of the larger nations which are parties to such treaty, in the event of armed attack."

Mr. SPARKMAN. Mr. President, the portion of the amendment relating to an Atlantic police force simply provides that a part of the military assistance appropriated by the United States be used for the establishment and equipment of a special mobile force, to be called the Atlantic police force, made up of volunteers from nationals of European states other than the United Kingdom, France, and Italy (which are, or will be, provided with effective military establishments of their own).

This Atlantic police force would be a highly trained, well-paid professional legion of the highest type, a balanced land, sea, and air force, immediately available against an aggressor. It could be quickly organized, in national units,

from the already available trained manpower in Europe, not only in the Atlantic Pact nations, but also from other European volunteers. It could be stationed in western Germany or, upon mutual agreement, in special bases provided for this purpose by participating member states.

The presence of such an Atlantic police force in being would be a definite deterrent to Soviet aggression. It would be a dependable emergency defense force for the smaller nations, an auxiliary force for the larger nations, and a symbol of the united determination of the Atlantic Pact nations, as a collective entity, to defend themselves against armed attack. It would save lives.

The establishment of this force would not interfere with plans for Uniforce or other defense arrangements based on the various national armed forces. It would simply supply for mutual defense an additional, powerful armed force, by drawing upon the large and hitherto untapped manpower resources of Europe on a voluntary basis, backed by the industrial resources of the United States.

The organization and command of this Atlantic police force should be vested in the defense committee of the Atlantic council, or in some other body subsequently established for this purpose by the Atlantic Pact nations. This controlling body should accord fair representation to all members of the Atlantic Pact.

Many otherwise unsolvable problems could be resolved through this simple and practical proposal:

First. The smaller nations of western Europe, which individually are unable to maintain effective military establishments of their own, would collectively become a new great military power.

Second. The free nations bordering on Soviet Russia and her satellites would no longer be threatened by immediate occupation; since the powerful Atlantic police force could be moved for their defense without waiting for parliamentary debates of member states.

Third. The fear of a revived militarist Germany would also be removed; for the Atlantic police force could serve as an effective occupation force as long as necessary. It would even be possible, without any risk, to use the industrial resources of Germany to help supply the Atlantic police force or to admit recruits from Germany into the Atlantic police force.

Fourth. The principles of the Atlantic Treaty, implemented in the method described above, could, if conditions warrant it, be extended to a larger organization of all peaceful nations. Such a world collective front, organized under a higher law with a workable authority, and backed by its own international police force, could function until the United Nations becomes strong enough to maintain general peace and security.

We believe that American public opinion would enthusiastically support this proposal. From a nationalist standpoint, support of an Atlantic police force is the best investment America could make for its own security, as well as for that of its European allies. From an internationalist viewpoint the Atlantic police force would be welcomed as the nucleus

of a more effective mutual-defense organization. A near majority of the Members of the United States Senate, responding to popular demand, have recently introduced resolutions moving along these lines, as the attached breakdown will show.

Favorable action now by the representatives of the Atlantic Pact nations to establish this Atlantic police force would not only bring about a closer union of the Atlantic nations, but would be a tremendous step forward on the road to lasting peace.

Mr. President, as an example of how public opinion will reflect on our proposal, I want to quote a few extracts from an editorial in the *Cleveland (Ohio) Plain Dealer* of September 19, as follows:

Few deny the need for adequate defense measures for what is left of the free world. But the question invariably arises whether these steps are the whole or even an adequate answer to the needs of the times.

The two Senate committees pointed out in their report that the Russians, against whom the Atlantic defense system is aimed, have 5,000,000 men under arms. They have increased their 1949 military budget by 19 percent over that of 1948. The purport of these statistics is to show an aggressive intent on the part of the clique in the Kremlin. They are supplied as proof of the need for all-out military assistance to the signatories.

Little or no argument is needed to convince most persons of the fact that the Russians will not hesitate to step in and take what they can get, as they did in eastern and Balkan Europe after the war. If, however, they actually are as intent upon aggression as the joint report contends—a viewpoint expounded at every opportunity—then they will not permit the arming of western Europe to the degree contemplated by the Atlantic Pact powers. Long before that happy day arrives the Russians will have swooped upon defenseless western Europe. And if the argument is made that they would not be so brazen for fear of eventual retaliation by the United States, the same argument can be used against the unlimited rearmament of western Europe now or in the future.

Certainly western Europe should have an adequate defense establishment, but no one yet has ventured to say just what constitutes adequate. If the Russian force totals 5,000,000 now may it not total 10,000,000 when the combined manpower of the western nations under arms reaches 5,000,000? This is a no-limit poker game that can end in either bankruptcy or war or both.

There are some Americans, among them Senator JOHN J. SPARKMAN, of Alabama, member of the Senate Armed Services Committee—

I interpolate that I am not a member of that committee—

and 10 of his colleagues, who believe real defense is to be found in giving power to the United Nations rather than by building a subsidiary, but actually rival, organization of Atlantic powers.

To this end SPARKMAN and his collaborators have introduced two amendments to the bill projecting military aid to foreign powers which comes before the Senate today. One would review the United Nations Charter or call a special meeting of the General Assembly.

The other amendment would provide between 10 percent and 25 percent of the funds provided for defense for pact signatories to be used in the training and equipment of an Atlantic police force to be recruited from among volunteers who are nationals of Eu-

ropean nations except the United Kingdom, France, and Italy.

While these amendments may not win a majority of the Senate, they will muster a sizable minority behind them. They are indicative of clearer thinking on defense matters.

It should be apparent to all that nations which can muster the force evident behind the Atlantic Pact can, should they so desire, put equally effective force behind plans to make the United Nations work as its charter intends or find a workable substitute. Here, rather than in old military alliances under new names, is the road to adequate and effective defense against aggression, Russian or other.

Mr. President, I quote extracts from another significant editorial published in the *Washington Post* of September 20:

MAP IN THE SENATE

As debate began yesterday on the military aid program, Senator CONNALLY claimed a substantial majority of votes for the administration's bill. That has long been taken for granted. Neither the Senate nor the House will take responsibility for blocking aid measures which the experts as well as the man in the street believe to be essential to our national security. For this very reason the question ought not to be whether the votes are at hand to pass the bill but whether the program that it will put into effect is sound in detail as well as in general principle. The fact that public opinion dictates the enactment of an arms aid bill makes it the more imperative for the Senate to insist that the bill be right.

It is fortunate that the debate is taking place after the initial steps toward setting up the Atlantic defense system have taken shape. The Senate should now have no difficulty in resisting the tempting proposal of Senator SPARKMAN and 10 other Senators to earmark 10 to 25 percent of the MAP fund for an Atlantic police force. We hope that such a force will come into being and that MAP funds will be used to hasten it. But it is not for Congress to dictate the form of the new supernatural military organization. It must evolve out of the Defense Committee that was set up on Saturday by the North Atlantic Council. Undoubtedly the administration can use MAP funds to good effect in compelling a unity of command in the new defense system and a specialization of functions among the participating powers. The aim should be thorough internationalization of the defenses of the Atlantic community. It is well to remember, however, that this aim cannot be achieved merely by setting up an Atlantic police force composed of volunteers from many nations and owing allegiance to no one country.

Along with an international police force we must have civil authorities capable of directing it. That can be achieved only when the nations are ready to surrender their sovereign power to make war to an international body. There is hope that the North Atlantic Council or the Security Council of the United Nations stripped of the veto handicap may become such a body.

Mr. President, of course, this editorial expresses the hope that the Senate will reject the amendment we have submitted. But at the same time it calls attention in very strong terms to the need of just such a program. The United Nations promised us such an international police force. As the Senator from Vermont [Mr. FLANDERS] said in the quotation I read a few minutes ago, it was promised to us, but it has never been delivered. We believe that it is time that it be delivered, or certainly that a start be made on the program which all along

has been recognized as the only one that can give us the feeling of a secure and lasting peace. Even the Committee on Foreign Relations and the Committee on Armed Services in reporting this bill recognize that principle, because they incorporated in the bill language, in substance, to the effect that it continues to be our objective to work for an international police force. In other words, in the enactment of this bill, we reassert the policy set forth in Senate Resolution 239 in the Eightieth Congress, submitted by the able Senator from Michigan [Mr. VANDENBERG].

The 11 of us who have submitted this resolution which is now in the form of an amendment to the pending bill, appreciate the fact that many people recognize the need for such a police force. We believe that it is time to start building it up. It could very well be done as a part of this program.

Mr. President, we believe that future events will largely justify the absolute necessity of the proposals made by our group and by other distinguished Senators who may join us in voting for this amendment. Even if our amendment is defeated, we are confident that it will be but a temporary defeat, leading to a greater victory later.

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

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

Mr. SPARKMAN. I yield.

Mr. CONNALLY. The Senator knows that there is nothing in our report on the bill which is hostile to his idea. We are for the United Nations providing international armed forces. We have been endeavoring to promote such a program. However, the military committee of the United Nations, with the veto of the Soviets, has prevented it. If there is any way by which we can accomplish that purpose under existing circumstances, we are willing to do it, and we are willing to continue to insist that it be done. However, we feel that the Senator's proposal to set up still another organization within the North Atlantic Treaty would not be practicable, because we would have to confer with all the other 11 countries. They can now do it, in effect, under the Council and the military committee established under the treaty. In effect they can accomplish what the Senator has in mind without tying it to this bill and making it a statute, which would be unilateral. We cannot do it on our own. It must be based upon the cooperation of all nations in the North Atlantic Treaty.

Mr. SPARKMAN. I certainly have no quarrel with any statement which the able Senator from Texas, chairman of the Foreign Relations Committee, has made.

I had just finished referring to the fact that the principle of an international police force has been recognized by the able chairman and his committee all along, and it is recognized in this particular bill. I agree also with the statement that it can be accomplished without being written into the law. However, if we earmark a certain part of the

funds to be used only for that purpose, I certainly believe that it will hasten the project.

In April 1948, 16 Senators, including myself, submitted for the first time a resolution based upon a specific ABC plan for the revision of the United Nations Charter. We did not obtain favorable action on that resolution, but as a result of the public discussions of the resolution and the obvious approval of this new move by public opinion came other steps leading in part to the resolution of the distinguished Senator from Michigan [Mr. VANDENBERG], Senate Resolution 239, to which I have just made reference. That resolution was adopted by the Senate, and is carried forward in the present bill.

I confidently expect that General Bradley, whose military genius is rivaled only by his angelic patience, will rally around him the statesmen and the military leaders of our Atlantic Pact allies. It is to be hoped that then General Bradley, whose strategic planning is far reaching and who has never been afraid of a new and original approach, will be influenced substantially by the concept of the Atlantic police force against which no military leader has raised so far any valid objection.

I may add, Mr. President, that the time has come when some elements in our State Department should abandon the old and threadbare argument to the effect that the Senate would never agree to the elimination of the UN veto, never agree to specific methods for the elimination of the back-breaking load of the atomic and armament race, never agree to an effective international police force, even within the framework of national sovereignty.

I have before me a detailed breakdown of three resolutions introduced since the Atlantic Pact debate subsequent to the original Senate Concurrent Resolution 50, introduced by 16 Senators last April 1948. These three most recent resolutions prove beyond any doubt that 43 United States Senators have announced their support of a far more effective international organization based on enforceable law against aggression than the present veto-ridden United Nations. There are other Senators, whose names are not on these resolutions, who heartily sympathize with them. For example, I quote the Senator from Ohio [Mr. TAFT], from the CONGRESSIONAL RECORD of July 11, 1949:

The Senate Atlantic Treaty might have been so drafted as to create a small United Nations within the larger group improving upon the United Nations Charter, eliminating its defects, and furnishing an example of an improved international organization which could be followed by the United Nations itself . . . it is the general plan suggested in Senate Resolution 133, introduced by the distinguished junior Senator from Alabama and 10 other Senators on Friday of last week, with which I have great sympathy.

Mr. President, I have before me a list of the names of 43 Members of the Senate who have sponsored one or more of the several resolutions looking toward an improvement on the present United Nations Organization. Rather than take

the time to read it, I ask that the list be printed in the RECORD at this point as a part of my remarks, together with a brief explanation showing what the various resolutions are that the respective Senators, whose names I have just asked to have printed in the RECORD, have supported.

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

Senator AIKEN: Senate Concurrent Resolution 50, Senate Resolution 133.

Senator BALDWIN: Senate Concurrent Resolution 50, Senate Concurrent Resolution 57.

Senator BYRD: Senate Concurrent Resolution 50.

Senator CAIN: Senate Concurrent Resolution 50, Senate Resolution 133, Senate Concurrent Resolution 57.

Senator CAPEHART: Senate Concurrent Resolution 50, Senate Resolution 133.

Senator FERGUSON: Senate Concurrent Resolution 50.

Senator FLANDERS: Senate Concurrent Resolution 50, Senate Resolution 133.

Senator HOEY: Senate Concurrent Resolution 50, Senate Resolution 133.

Senator JENNER: Senate Concurrent Resolution 50.

Senator JOHNSON of Colorado: Senate Concurrent Resolution 50, Senate Resolution 133, Senate Concurrent Resolution 56.

Senator KEFAUVER: Senate Concurrent Resolution 50, Senate Concurrent Resolution 57.

Senator MCFARLAND: Senate Concurrent Resolution 50.

Senator MUNDT: Senate Concurrent Resolution 50, Senate Resolution 133.

Senator O'CONNOR: Senate Concurrent Resolution 50.

Senator SPARKMAN: Senate Concurrent Resolution 50, Senate Resolution 133, Senate Concurrent Resolution 56, Senate Concurrent Resolution 57.

Senator STENNIS: Senate Concurrent Resolution 50, Senate Resolution 133.

Senator TOBEY: Senate Concurrent Resolution 50, Senate Concurrent Resolution 56.

Senator HENDRICKSON: Senate Resolution 133, Senate Concurrent Resolution 56, Senate Concurrent Resolution 57.

Senator HILL: Senate Resolution 133, Senate Concurrent Resolution 56, Senate Concurrent Resolution 57.

Senator DOUGLAS: Senate Concurrent Resolution 56.

Senator DOWNEY: Senate Concurrent Resolution 56.

Senator GRAHAM: Senate Concurrent Resolution 56.

Senator HUMPHREY: Senate Concurrent Resolution 56.

Senator HUNT: Senate Concurrent Resolution 56.

Senator JOHNSTON of South Carolina: Senate Concurrent Resolution 56.

Senator LONG: Senate Concurrent Resolution 56.

Senator MAGNUSON: Senate Concurrent Resolution 56.

Senator MCMAHON: Senate Concurrent Resolution 56.

Senator MORSE: Senate Concurrent Resolution 56.

Senator MURRAY: Senate Concurrent Resolution 56.

Senator PEPPER: Senate Concurrent Resolution 56.

Senator THYE: Senate Concurrent Resolution 56, Senate Concurrent Resolution 57.

Senator WITHERS: Senate Concurrent Resolution 56, Senate Concurrent Resolution 57.

Senator CHAPMAN: Senate Concurrent Resolution 57.

Senator FREAR: Senate Concurrent Resolution 57.

Senator FULBRIGHT: Senate Concurrent Resolution 57.

Senator ECTON: Senate Concurrent Resolution 57.

Senator GEORGE: Senate Concurrent Resolution 57.

Senator GILLETTE: Senate Concurrent Resolution 57.

Senator KILGORE: Senate Concurrent Resolution 57.

Senator MAYBANK: Senate Concurrent Resolution 57.

Senator MCCARTHY: Senate Concurrent Resolution 57.

Senator MILLER: Senate Concurrent Resolution 57.

SUMMARIES OF RESOLUTIONS

SENATE CONCURRENT RESOLUTION 50

There are three large national movements demanding the establishment of a stronger international organization, through or within the United Nations. Together they reflect a near majority in the Senate. As poll after poll has shown, they have the support of an overwhelming majority of the American people. The three movements are:

I. The revisionists, supported by the Citizens Committee for United Nations Reform (and the American Legion), who advocate concrete methods for the revision of the United Nations Charter, called the ABC plan, embodied in Senate Concurrent Resolution 50: (A) elimination of the veto in defined matters of aggression and armament for aggression; (B) international control of atomic energy in accordance with the official United States (Baruch) proposal, together with enforced limitation of all other important armament through a quota system; and (C) an effective but tyranny-proof international police force under a reorganized Security Council and World Court. In answer to a probable veto of these revisions of the UN Charter by Soviet Russia, the resolution proposes the use of article 51 to establish a world organization without Soviet Russia (although open to her), under its own workable authority and court, backed up by its own international police force.

SENATE RESOLUTION 133

Senate Resolution 133, also supported by the revisionists, repeats the essentials of Senate Concurrent Resolution 50 as a general goal, advocating the extension of the Atlantic Pact into a world pact for mutual defense, open to all, "based on the principle of enforceable law against aggression and armament for aggression." As an immediate goal, Senate Resolution 133 proposes the establishment by the Atlantic Pact nations of a nuclear international police force composed of volunteers from smaller nations only, stationed in western Germany, and owing its allegiance solely to the Atlantic council and its defense committee. Instead of costly and weak individual armed forces for smaller nations, they would be defended by this highly trained, well-paid professional legion, which at the same time would serve as a powerful mobile force in support of the national armed forces of the larger Atlantic Pact nations.

SENATE CONCURRENT RESOLUTION 56

II. The United World Federalists, who support Senate Concurrent Resolution 56, which, since it states a general formula only, can be quoted in full: "It should be a fundamental objective of the foreign policy of the United States to support and strengthen the United Nations and to seek its development into a world federation, open to all nations, with confined and limited powers adequate to preserve peace and prevent aggression through the enactment, interpretation, and enforcement of world law."

SENATE CONCURRENT RESOLUTION 57

III. The Atlantic Union Committee, who support Senate Concurrent Resolution 57, which also can be quoted in full except for

"whereas": "The President is requested to invite the democracies which sponsored the North Atlantic Treaty to name delegates, representing their principal political parties, to meet this year with delegates of the United States in a federal convention to explore how far their peoples, and the peoples of such other democracies as the convention may invite to send delegates, can apply among them, within the framework of the United Nations, the principles of free federal union."

Mr. SPARKMAN. Mr. President, by eliminating the duplications, we find that there are 43 Senators on the list. We also find that the names of several Senators, including my own, are on different resolutions. In fact, if I correctly recall, my name appears on all four of the resolutions. It is there because I believe that any method or any step in the direction of a stronger United Nations than now exists is an important step forward toward the fundamental solution of the problem of peace. Therefore, together with many other Senators, I shall support any measure which moves in what I consider to be the right direction.

Mr. President, I have no hesitancy in saying that, while I have supported every one of these measures and shall continue to support them, nevertheless I am afraid that there may be a tendency at times for us to forget that the main objective toward which we must always drive is the establishment of permanent peace. If we forget that objective we are likely to find ourselves lost in a maddening and never-ceasing armament race—that is, never ceasing until the inevitable result, a third world war, comes about, through which civilization cannot live. That is the reason why I am supporting all these resolutions.

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

Mr. SPARKMAN. I yield.

Mr. THYE. I wish to commend the Senator for his able remarks on this question. I have always shared the feeling that an international police force must be established. What chaotic conditions would exist within the city of Washington, on every street corner, if there were no police force to guard the conduct of the public. It is just that simple. One policeman on the street corner maintains law and order. There is no parking before water hydrants. There is no parking in areas marked by yellow paint, merely because of the fact that there is one policeman on the block who would notice if there were a violation of the parking regulations.

The same would be true of an international police force. The mere presence of such a body to maintain law and order among the nations of the world would go a long way toward preserving peace. The operation of such an agency would be a very simple matter in maintaining law and order and proper conduct on the part of the leaders of the various nations.

For that reason I say to the able Senator that I am very much impressed with his remarks. While we may not achieve our objective at this time, I know that with the Senator's efforts and the efforts of other Senators who have joined in the various resolutions, we shall achieve what we have all hoped and prayed for,

namely, an international policing body in connection with the United Nations Organization, and an international world court which can determine when there are violations of the principles incorporated in the documents of the United Nations Organization.

So again I say I am glad to hear the very pertinent remarks of the able Senator from Alabama relative to an international police force.

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

Mr. SPARKMAN. I yield.

Mr. CONNALLY. I am very much impressed with the remarks of the Senator from Minnesota about the psychology of a peace force as sort of an international policeman. What he has said reminds me of an incident which occurred in my State some years ago. We had a famous police force called the Texas Rangers. They had a reputation for quickly restoring order in any community where turmoil or mob action might exist or be threatened. The mere presence of the Texas Rangers restored order. On one occasion old Capt. Bill McDonald, who was a famous Texas Ranger, was instructed by the Governor, our "Department of defense," to send a group of rangers to a place where a riot was occurring. Captain McDonald went there alone, without having any other members of the Texas Rangers with him. When he got there, the sheriff and the committee approached him and said, "Where are the rangers?"

He said, "I am here."

They said, "Just one ranger?"

He said, "Well, there's just one riot, ain't there?" [Laughter.]

Mr. SPARKMAN. Mr. President, I appreciate the remarks of both the able Senators.

In conclusion, let me say that the fundamental objective of American foreign policy must be to fulfill the historic mission of the American Nation, twice attempted. That mission is to use the power of the American Nation and the good-will of four-fifths of the world to establish now, before it is too late, the kind of international organization in which no aggressor may veto the peace.

The world lives today in the shadow of atomic catastrophe. The world is divided into two military camps, feverishly rearming for possible mutual annihilation. The world lives in terrifying turmoil, with violent outbreaks of ideological hatreds, destruction of the dignity of the individual, and sporadic wars breaking out in different parts of the world with increasing tempo and intensity.

Humanity has twice in the twentieth century attempted to establish an effective international authority to restrain aggressors. We must not repeat in the implementation of the Atlantic Pact the same tragic errors that wrecked the League of Nations and now paralyze the Security Council of the United Nations. For the third and perhaps last time there exists a historic opportunity for the United States to help create, through the Atlantic Treaty and military and now, and subsequently through a revised United Nations, an international organization of irresistible spiritual,

legal, and military authority. This organization must be so designed that no peaceful nation, whatever its form of government, may be excluded or threatened; and that no government may be permitted to rearm for aggression with impunity or attack a divided world with any chance of success.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Georgia on page 18 of the bill.

HOUSING AMENDMENTS OF 1949

Mr. SPARKMAN. Mr. President, I wish to take just a few minutes on another subject. There is pending on the calendar Senate bill 2246, entitled "The Housing Amendments of 1949." Title III of that bill proposes to set up a system of cooperative housing on a low-cost basis, without subsidy, to provide housing for persons of moderate incomes. There is a great deal of opposition to that particular title. It is a highly controversial matter. We knew that when we incorporated that title in the bill. But there are many groups and many persons who support that program.

Without extending my remarks at this time, I should like to have incorporated at this point in the body of the RECORD, as a part of my remarks, the following several items:

First, a resolution passed by the National Encampment of the Veterans of Foreign Wars, recently meeting in Miami, Fla., endorsing this program unqualifiedly.

Next, a resolution by the American Legion National Convention, meeting just a few days ago in Philadelphia, unqualifiedly endorsing this bill and this particular title of it.

An editorial from a paper, *Veteran's Report*, of September 1949, endorsing this program.

A telegram sent to me on July 14, 1949, by Walter P. Reuther, president of the United Automobile Workers, CIO, and chairman of the CIO National Housing Committee.

An article from the *Machinist* of September 8, 1949.

An article from the *Washington Post* of August 20, 1949, written by Mr. Harry C. Bates, chairman of the housing committee, American Federation of Labor.

A copy of the remarks of the Secretary of Labor, Maurice J. Tobin, at a testimonial dinner recently given for Harry C. Bates, in which Mr. Tobin paid his compliments to Mr. Bates and also to this housing program.

An article from the *American Federation of Labor Weekly News Service* for August 16, 1949, telling of the action by the A. F. of L. Council endorsing this program.

A resolution recently adopted by the State convention, Minnesota Department of the American Legion, endorsing this program.

An article from the *Washington Post* of September 1, 1949, by the Right Reverend Monsignor John O'Grady, secretary of the National Conference of Catholic Charities, endorsing this program.

And a statement of the Cooperative League of the United States of America, including a letter written by Mr. Murray

D. Lincoln, of Columbus, Ohio, president of the Cooperative League, United States of America, written to President Truman, both the statement and the letter endorsing this program.

Mr. President, I also ask consent to have printed at this point in the RECORD some excerpts from statutes of several States, showing that various States have adopted this type of program. For instance, I submit an excerpt taken from the Housing Laws of the State of Connecticut; an excerpt from a report of the Director of the Massachusetts State Housing Board; an editorial from a New York newspaper—unfortunately I do not have a notation of the particular newspaper, but I believe it is the New York Herald Tribune—telling of the similar program in New York State; an extract from the housing acts of the State of New Jersey; and also certain legislation enacted by the State of Wisconsin. I ask unanimous consent that all these matters be incorporated at this point in the RECORD, as a part of my remarks.

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

Resolution 426

Resolution endorsing S. 2246, housing bill

Whereas the housing policy of the Veterans of Foreign Wars of the United States as adopted by the St. Louis encampment provides for a comprehensive housing program that affects veterans; and

Whereas most of the provisions of this policy are contained in bills now pending before the Congress, S. 2246 in the Senate of the United States and its companion bill H. R. 5987 in the House of Representatives; and

Whereas the amendments adopted through H. R. 5987, as well as others proposed for adoption through the House of Representatives, eliminate many of the salient points in the Housing Program of the Veterans of Foreign Wars of the United States; and

Whereas S. 2246 in its present form on the Senate Calendar accomplishes most of the objectives we have sought through the years in order to ease the housing shortage of veterans of the Nation and H. R. 5987, as amended, does not include many of these provisions, and, also proposes to eliminate the so-called GI loan; now, therefore, be it

Resolved, That the commander in chief in the name of this encampment be directed to send telegrams to the chairman of the Rules Committee of the House of Representatives and to the authors of the two bills, Senator SPARKMAN and Representative SPENCE, urging that the Congress of the United States, in enacting pending housing legislation, follow the provisions of S. 2246 and restore to the legislation the provisions eliminated from H. R. 5987 by the House committee; and be it further

Resolved, That such telegram include a determined objection to any portion in housing legislation which tends to weaken the home loan provisions of the Servicemen's Readjustment Act of 1944, as amended, or any other legislation which seeks to eliminate the GI loan; and be it further

Resolved, That such telegram also advocate strongly the abolition of the so-called combination loan also known as 505-A laws; and be it further

Resolved, That the national legislative service be directed to take immediate additional steps to carry out the provisions of this resolution.

Approved by the Fiftieth National Encampment, VFW.

Resolution 653

Whereas the American Legion has consistently urged the formulation of a complete and well-rounded housing program for the aid of veterans of all income groups and at its last annual convention adopted a specific program for that purpose; and

Whereas the various specific proposals which have been advanced by the American Legion have been presented to Congress and in part have been enacted into law; and

Whereas the incomplete portion of the Legion's program is embodied in legislation now pending before the Congress known as the Sparkman bill, S. 2246, which included among others, provisions of liberalization of existing FHA loan insurance and GI loan guaranty laws, a secondary market for GI loans and direct GI loans where private loans are not available, maintenance of the present 4-percent GI interest rate, elimination of a costly FHA-GI combination loan, direct Government loans to nonprofit veterans cooperatives, and veterans preference in disposition of war housing; and

Whereas this legislation is expected to receive consideration in the near future at this session of Congress: Now, therefore, be it

Resolved by the American Legion in convention assembled in Philadelphia, Pa., August 29 to 31, September 1, 1949, at the National Legislative Commission, That the American Legion be instructed to exert every effort to secure its speedy enactment into law; and be it further

Resolved, That the American Legion does urge Congress to enact this bill into law prior to the expiration of this session of Congress.

AMERICAN LEGION NATIONAL CONVENTION.

[From the Veteran's Report for September 1949]

ON HOUSING

Most of America's veterans, according to the Federal Reserve Board, earn on an average of \$2,000 to \$4,000 a year.

That being the case, it is clear that very few veterans are able to buy homes at today's prices.

Veteran's Report, therefore, recommends to the Congress the Sparkman cooperative housing bill (S. 2246) which would make it possible for cooperative housing projects to be financed by direct loans from the Federal Government at the going Federal rate of interest (now 2½ percent), plus one-half of 1 percent for administration.

In our opinion, the Sparkman bill, which has been approved by the Senate Banking and Currency Committee, is a vitally needed piece of legislation, there being an acute need for housing at prices the veterans can afford to pay—about \$50 to \$60 per month.

A TRAGIC PROBLEM

The housing problem facing \$2,500-\$2,800 a year veterans and their families is both simple and tragic. Largely untouched by any existing housing legislation, they are too poor to afford the housing constructed by private builders, yet their income is too high to make them eligible for public housing.

According to the Federal Reserve Board, the average price of new houses for sale in 1948 was between \$7,500 and \$8,500, requiring monthly payments of approximately \$75 to \$85. The estimated rental for an average apartment in an FHA rental project is in the neighborhood of \$100 a month, including services and utilities. Clearly, the overwhelming majority of moderate-income families cannot buy or rent the homes private builders are constructing today.

On the other hand, these families are not eligible for public housing. The average income of families admitted to public housing projects during the latest period for which figures are available was only \$28 a week.

Thus, existing programs are not meeting the needs of these moderate-income families.

Principal point of attack thus far in Congress has been the direct-loan feature of the Sparkman bill.

NO EXPERIMENT

We submit, however, that these provisions represent no untried experiment. Henry C. Bates, chairman of the housing committee of the A. F. of L. (which is backing the Sparkman bill) points out that direct lending programs by the Federal Government have been in existence for many years and have been of inestimable benefit, particularly to the farm families of the Nation. Direct Federal loans to rural electrification cooperatives at interest rates of 2 percent and with long amortization periods have been made for many years.

As we see it, there is no possibility of the Government losing one cent of the money that this bill proposes it should loan to housing cooperatives.

We favor the Sparkman bill not only because it would cause some 2,000,000 new homes per year to be built for veterans and workers, but also because it would do much to correct the unemployment situation. Building construction is already helping to revive industrial production, generally.

MILWAUKEE, July 14, 1949.—UAW-CIO President Walter P. Reuther today sent the following telegram to Senator JOHN SPARKMAN, Democrat, of Alabama, chairman of the Senate Subcommittee on Housing of the Banking and Currency Committee:

"Congratulations for introducing cooperative housing provisions in S. 2246. Convention representing more than 1,000,000 organized workers has just adopted a resolution urging such action. I join with you in hoping that the Senate and the Congress will proceed to early passage of S. 2246.

"WALTER P. REUTHER,
"President, UAW-CIO; Chairman,
CIO National Housing Committee."

The resolution Reuther referred to in the telegram urged passage of legislation designed to aid those "whose incomes are too small to pay the prices charged by private builders but are above the limit set for occupants of public housing."

[From the Machinist of September 8, 1949]
NEW UNITED STATES HOUSING BILL WOULD HELP UNIONISTS BUILD MODERN HOMES

How would you like to build a new, modern, comfortable home of your own and pay for it in installments of \$50 to \$60 a month?

Such a prospect could be a reality if Congress sees fit to adopt proposed legislation to help foster cooperative housing, a program that won't cost the Government a cent.

So far the cooperative housing proposal has had rough sledding in the House, which in passing a so-called housing bill to aid middle-income groups yielded to pressure of real estate groups and struck out entirely the cooperative feature, thus eliminating the heart of the bill.

However, the Senate Committee on Banking and Currency has approved a bill introduced by Senator JOHN J. SPARKMAN, Democrat of Alabama, which contains the cooperative provisions.

The cooperative feature won't cost the Government anything. It merely provides the means whereby trade-unionists and others in the middle-income group can obtain long-term loans at fair interest rates and make other savings to help reduce the monthly payment.

The cooperative housing provision is designed to help families with incomes ranging from \$2,500 to \$4,000 a year, including the

great majority of union workers and their families, many of whom are now forced to live in antiquated dwellings and pay higher rent than they can afford.

Why is Government help needed to provide decent housing for working men and women? The answer is simple: The Government has already taken steps to aid persons in the lowest income group through the federally subsidized slum-clearance program. Families in the higher income groups can purchase housing from private builders. But some means is needed to help provide adequate houses for the in-between group, families with incomes ranging from \$2,500 to \$4,000.

Government experts have found that decent, modern houses cost from \$7,500 to \$8,500, and in many sections of the country no decent houses are available for less than \$10,000.

Backers of the cooperative housing provision say that it will make possible reduced monthly payments so that houses costing \$7,500 to \$8,500 will be easily financed with payments of \$50 to \$60 a month. Here is how it would be done:

By utilizing the cooperative type of organization, a saving of about \$5 a month can be achieved.

The vacancy rate in the projects will be about 2 percent rather than 7 percent normally allowed by FHA, thereby making possible another \$5 a month saving.

Tenants and owners will be asked to provide some of the services, such as cutting the grass, normally provided by maintenance personnel. This saving should amount to \$11 a month.

The present FHA interest rate of $4\frac{1}{2}$ percent would be reduced to 3 percent, and the period for paying back the loan would be lengthened from the present maximum of 35 to 50 years. These changes would make possible additional savings of \$12 a month.

Thus the cost of building and financing a home through the Government-sponsored cooperative set-up would be reduced by \$33 a month, bringing the total cost well within the reach of the average family.

Trade-unions have pledged their full support to Senator SPARKMAN's bill. They predict that if the bill is passed it will prove so successful that it will be rapidly expanded far beyond the present limits of 60,000 to 120,000 individual houses or apartments, which is only a small fraction of the number needed.

[From the Washington Post of August 20, 1949]

COOPERATIVE HOUSING FOR MEDIUM INCOMES
(By Harry C. Bates, chairman, housing committee, American Federation of Labor)

The intelligent treatment which the Washington Post has given to the question of housing legislation contributed greatly to the enactment of the housing law passed earlier this year. Remembering many fine editorials in support of public housing and slum clearance I was very much surprised by your editorial on August 14 criticizing the cooperative-housing provisions of the new bill (S. 2246), introduced by Senator SPARKMAN, and approved by the Senate Banking and Currency Committee.

The value of a housing measure, like any other type of legislation, must be judged in terms of the answers to the following three questions:

1. Is there a real need which this legislation is designed to meet?
2. How well does the proposed program meet this need?
3. Are there any alternative, more effective methods for meeting this need?

The American Federation of Labor is convinced that the cooperative-housing program in Senator SPARKMAN's bill meets all these tests.

There is common agreement that at the present time the housing needs of moderate-income families are not being met. By moderate-income families we mean the 40 percent of American families whose incomes in 1948 ranged between \$2,000 and \$4,000, according to the Federal Reserve Board.

The great majority of union members and veterans fall in this group. The average factory worker today earns about \$53 a week, equivalent to \$2,756 a year for full-time work. The average veteran earns approximately the same amount, or a little less. Assuming that no family should be forced to spend more than 20 to 25 percent of its income for shelter, these families can afford to pay no more than about \$50-\$60 a month for housing.

The housing problem facing these families is both simple and tragic. Largely untouched by any existing housing legislation, they are too poor to afford the housing constructed by private builders, yet their income is too high to make them eligible for public housing.

According to the Federal Reserve Board, the average price of new houses for sale in 1948 was between \$7,500 and \$8,500, requiring monthly payments of approximately \$75 to \$85. The estimated rental for an average apartment in an FHA rental project is in the neighborhood of \$100 a month, including services and utilities. Clearly the overwhelming majority of moderate-income families cannot buy or rent the homes private builders are constructing today.

On the other hand, these families are not eligible for public housing. The average income of families admitted to public-housing projects during the latest period for which figures are available was only \$28 a week. Existing programs are clearly not meeting the needs of these moderate-income families.

A number of different proposals have been advanced to deal with this problem. After careful study of these proposals, public interest groups which have been most concerned with this problem, including all the major labor and veterans' organizations, have concluded that the most effective and practical solution is embodied in Senator SPARKMAN's bill for a cooperative housing program.

This bill makes it possible for cooperative housing projects to be financed by direct loans from the Federal Government at the going Federal rate of interest (now $2\frac{1}{2}$ percent) plus one-half of 1 percent for administration for an amortization period of up to 50 years. Experts in the housing field have estimated that this program would make possible the following types of savings compared with the rent for the average FHA-insured $4\frac{1}{2}$ -room apartment:

1. Utilizing the nonprofit cooperative type of organization, \$5 a month.
2. Allowing very low vacancy rate comparable to that in public housing, an additional saving of \$5 a month.
3. Reduction in operating and maintenance expenses made possible by a maximum of tenant maintenance, \$11 a month.

These savings amount to \$21 a month, and if private ordinary mortgage terms were to be applied, the resulting rents would average \$65-\$80 a month—still substantially more than the moderate-income families can afford to pay.

The crucial savings made possible by the provisions of the Sparkman bill are in the financing terms. The reduction in the effective interest rate from the present $4\frac{1}{2}$ percent to 3 percent and the lengthening of the amortization period to 50 years allows a further reduction of about \$12 a month. The total savings, therefore, would amount to about \$33 a month and would bring the cost down from \$85-\$100 to \$52-\$67 a month.

The direct loan feature of the bill has been criticized, but as the Senate Banking and

Currency Committee has pointed out, these provisions represent no untried experiment. Direct lending programs by the Federal Government have been in existence for many years and have been of inestimable benefit, particularly to the farm families of our Nation. Direct Federal loans to rural electrification cooperatives at interest rates of 2 percent and with long amortization periods have been made for many years. Direct Federal loans have also been made to farm cooperatives at low interest rates, and to cooperatives of water users for irrigation projects.

The Government also has undertaken direct real-estate loans in the past, and, indeed, provision is made for such loans for other types of housing developments in the Sparkman bill. For the Government to recognize that its lending powers are necessary to meet the housing needs of a large group of families represents simply a continuation of policies which have long been effective in other fields.

The editorial asserts that the proposed cooperative housing program involves some element of subsidy from the taxpayers. This is a contention which we vigorously deny. The fact is that all groups working on this program have insisted from the start that any housing program for moderate-income families must be one which can be carried on completely without subsidy.

For the Government to lend money at the same interest rate at which it borrows it clearly involves no element of subsidy, if it receives an additional amount to cover the cost of administration. In the bill an additional one-half percent interest is included for the purpose, and our calculations indicate that it will be entirely adequate.

Nor do we think that the adoption of this program "might result in substantial losses." The cooperative principle has proved its worth many times over. Unlike a cooperative retail store, for example, families who join this type of cooperative will be continually investing their savings in the housing project. In our opinion, this will assure that losses will be kept at a very low rate.

The American Federation of Labor supports the cooperative housing program contained in S. 2246. To us this seems the only practical solution to a very acute problem, the problem of finding a way whereby the moderate-income families can be helped to provide decent housing for themselves.

We feel that there are certain dangers in applying subsidized housing to moderate-income families. In the cooperative principle, plus the provision for direct loans by the Federal Government at low interest rates, we have a practical solution to meet this pressing problem. It is true that this country has not had extensive experience with cooperative housing, but in the light of foreign experiences, particularly Sweden, we feel confident that a vigorous cooperative housing movement can be successfully organized. We are prepared ourselves to do everything within our power to make certain that this program will be a success.

WASHINGTON.

REMARKS OF SECRETARY OF LABOR MAURICE J. TOBIN AT TESTIMONIAL DINNER FOR HARRY C. BATES, PRESIDENT, BRICKLAYERS, MASONS, AND PLASTERERS INTERNATIONAL UNION, AFL, HOTEL COMMODORE, NEW YORK CITY, THURSDAY, AUGUST 25, 1949

HOUSING AND A LABOR LEADER

We are gathered to pay tribute to a great American leader of labor. The nature of his leadership, and the scope of the good works of this man and his union broadens the topic, however, to a wider, even more important field.

Decent housing, next to adequate food, is topmost among the physical necessities of

modern man. One might also say that civilization is based on decent housing. Certainly we know that the development of moral and spiritual values goes along with the kind of housing that makes for good families, good children, and good lives.

Since the dawn of history the men who erect dwellings have been in the forefront of man's effort to better his living standards, and his family's health and happiness.

The union and the leader we honor today are the very center of the builders of civilization. They are the bricklayers, masons, and plasterers.

Since 1865, when the war clouds rolled away, this union as a national organization has been helping in the building of a peaceful and prosperous Nation.

Its individual members by the toil of their hands and brains have been contributing daily to the improvement of all our people.

More than that, the union organization through its president, Harry C. Bates, the man we are honoring tonight, has thrown its powerful collective weight behind the movement to speed along more and better habitations for those of our citizens who are now barred from comfortable lives because of their economic status.

Mr. Bates and his union, and the American Federation of Labor Housing Commission of which he is chairman, are among the stoutest supporters of President Truman's housing program. Indeed, it seems to me likely that without the support of Mr. Bates and the federation, the Congress might not have passed the long-range Public Housing Act of 1949. That act is one of the most important laws of this decade. It strengthens our economy as well as providing more than 800,000 new housing units for our crowded population. And Mr. Bates actively, through his expert knowledge of the subject and his testimony before committees of Congress, was a strong leader in that campaign.

Without pausing, Mr. Bates has embarked upon another great forward step in housing—the advancement toward passing of the housing bill now before Congress to make possible the construction of homes by middle-income workers. I have great hopes that this conservative and constructive measure will be enacted into law at this session of the Congress.

I should also take note here of other ways in which the Nation's labor organizations are helping to meet the housing problem. I join my own praise and good wishes to those recently expressed by President Truman in a letter hailing the new union-cooperative housing project inaugurated here by local 3, of the International Brotherhood of Electrical Workers. That project is an illustration of how strong organizations of unions and employers by joint action can meet such problems without Government subsidy. It is a helpful and important contribution, although there are not enough such organizations of sufficient strength to deal with all of the aspects of this great problem.

Mr. Bates' personal record of service to his union and to the public is as long as it is strong. He came up the hard way, through apprenticeship in his native State of Texas, to become a journeyman bricklayer and a member of the union in 1900—49 years ago.

He rose rapidly in his organization, to become president of the Dallas local in 1910. Then he became an international representative of the union and president of its Texas State conference. During the twenties he served as treasurer and as first vice president of the international union.

Mr. Bates was elected to the American Federation of Labor's executive council in 1934, and he became international president of his union in 1935. Since then he has served continuously in both capacities, and his services grow more valuable every year.

During World War II he devoted long and useful hours to the advancement of the war

effort. He served on the Labor Advisory Commission of the National Defense Council, as labor adviser for the War Production Board, and as a member of the Wage Adjustment Board, which did such an excellent job in the promotion of wartime construction.

Future historians, in surveying the subject of housing, public and private, during this era of human affairs, will do well to avoid newspaper headlines and concentrate on Harry C. Bates. He is my choice as the "modern spark plug of housing."

[From the American Federation of Labor Weekly News Service for August 16, 1949]

AFL COUNCIL CALLS FOR ACTION TO AID SPOT UNEMPLOYMENT—BACKS TRUMAN'S MOVE, CO-OP HOUSING BILL, PUBLIC WORKS

TORONTO, CANADA.—In an optimistic report on American economic trends, the executive council of the American Federation of Labor urged a three-point program to combat sporadic unemployment.

First, the council gave its endorsement to President Truman's directive that Government agencies increase their purchases in communities seriously affected by factory shut-downs and unemployment.

Second, the council called upon Congress to approve the preparation of a "shelf" of public works projects which could be swung into operation promptly in localities needing a stimulus to business activity.

Third, the council emphasized the need of prompt congressional adoption on the pending housing bill which would authorize low-interest Government loans to cooperatives and nonprofit groups for the construction of moderate-rental apartments acutely needed by the Nation's workers.

At the opening session of its midsummer meeting here, the executive council hailed mounting evidence that business is picking up throughout the Nation.

AFL President William Green told his press conference that the council was especially gratified by reports that unemployment is leveling off and that the backlog of orders for manufactured products is increasing. The banner season in building construction, he said, is helping to revive industrial production generally.

Before adjourning its sessions here, the executive council will participate in shaping future plans for the 1950 congressional election campaign through the machinery of Labor's League for Political Education; review legislative developments affecting labor; formulate AFL's policies on the international labor front in connection with the forthcoming establishment of a world-wide organization of free trade-union centers, and draft its annual report to the October 3 AFL convention at St. Paul, Minn.

Because of the press of work, the council voted to hold regular night sessions in an attempt to wind up the meeting within 1 week.

The text of the statement issued by the council on economic conditions follows:

"The executive council is gratified by cumulative indications that business activity is increasing and that unemployment is leveling off.

"We wish to reiterate at this time that there is no justification for an economic depression in the United States. In fact, we attribute a good deal of the recession talk which was current earlier this year to a deliberate propaganda campaign designed to clamp the brakes on wages.

"While unemployment has now reached a total of 4,000,000 according to Government estimates, employment is still near the high 60,000,000 figure and serious dislocations have occurred only in relatively few localities and in few industries. As a whole business conditions are good and showing improvement.

"Nevertheless when unemployment reaches the highest point since prewar days, it is time for action. We commend President Truman's order to Government agencies to increase purchasing in communities which have been hard hit by factory closings and unemployment. We also emphatically urge that Congress authorize the preparation of a shelf of public works projects as a preparatory and precautionary step. Such projects could then be put into operation to stimulate business activity and create jobs in any locality which may encounter an emergency situation.

"Furthermore, the executive council calls upon Congress to approve before adjournment pending legislation to encourage the construction of moderate rental apartments for families just above the low-income group. This legislation, which would involve no Government subsidies but would authorize low-interest loans to cooperatives and nonprofit groups to build apartments, is badly needed to supplement the public housing and slum-clearance program already approved by Congress. The shortage of rental housing in the \$50 and \$60 a month level is acute and new construction activity in this field would serve as a stimulus to all of industry."

MIDDLE-INCOME HOUSING

RESOLUTION RECENTLY ADOPTED BY THE STATE CONVENTION, MINNESOTA DEPARTMENT OF THE AMERICAN LEGION, REGARDING THE NEED FOR ADDITIONAL HOUSING LEGISLATION FOR MIDDLE-INCOME FAMILIES AND VETERANS

Whereas the prewar shortage of housing, intensified by the war, has created a housing tragedy in this country which especially strikes at veterans, millions of families live doubled up or in slums, or cannot afford a home of their own because of the failure of the housing industry to meet the needs of the American people, a recent survey shows over 10,000 families live doubled up in St. Paul. The majority are veterans. But Congress has now enacted Federal public housing legislation. This new law makes a beginning toward meeting the housing needs of the people. However, its slum clearance, public housing and farm housing provisions will make only a dent on the problem of rehousing the millions of families who now live in slums, and in providing homes for families now doubled up with others. Its public housing provisions for only 810,000 units in the next 6 years falls far short of actual needs. Its restrictions that allot this housing only to those in the lowest 20 percent income group mean that veterans in the middle-income brackets cannot avail themselves of this housing. No provision is made for families whose incomes are too small to pay the prices charged by private builders but who are above the limit set for occupants of public housing; and

Whereas Senator SPARKMAN has now introduced a bill S. 2246, an omnibus housing bill enlarging the National Housing Act, increasing appropriations for loans to \$1,250,000,000, and

Whereas this bill provides for financial assistance to be made available by the Federal Government in the form of long-term loans, at a low rate of interest, for housing projects undertaken by cooperative ownership or other nonprofit housing corporations. This means loans at approximately 3-percent interest with maturities not exceeding 60 years. This means that veterans in the middle-income group could afford a \$10,000 home which at a 40-year, low-interest amortization would cut the cost of the monthly payments on such a home to about \$40 a month; and

Whereas we are appreciative that our national vice commander, the American Legion, Walter E. Allesandrini, appeared before the Senate Banking and Currency Com-

mittee on July 27, 1949, in support of the general provisions of S. 2246: Therefore, be it

Resolved by this Minnesota Department of the American Legion, in convention assembled at St. Paul, August 11-13, 1949, That we actively work for and support this piece of legislation so urgently needed by veterans and their families, with the following addition—include direct low-cost Government financing to veterans whose same cannot be obtained from private sources; that this resolution be forwarded to national convention of American Legion for positive action there, and that copies of this resolution be sent to our Minnesota Senators and Representatives and to the President of the United States.

[From the Washington Post of September 1, 1949]

A COMMUNICATION

(By the Rt. Rev. Msgr. John O'Grady, secretary, National Conference of Catholic Charities)

Now that the low-rent public-housing program for low-income families is getting under way on a large scale, serious consideration is being given to the problem of securing adequate housing for middle-income families. Unfortunately there seems to be some confusion as to just what are the requirements for housing for the middle-income group.

The editorial in the Washington Post of August 26 dealing with this subject defines the middle-income group as those families which are in the \$2,000 to \$4,000 income bracket. This is certainly a good definition; it includes about 40 percent of all American families.

The basic question is: How much can the families in this income group afford to pay for their homes? There are some widely accepted and simple ratios which give us the answer to this question.

Families in the \$2,000 to \$4,000 group can afford rents of not more than \$40 to \$80 a month, or an average of \$60. These are maximum figures since they imply that 25 percent of the income dollar will be spent for shelter, whereas the socially desirable expenditure for shelter should be not more than 20 percent. Assuming that under ordinary financing terms, a family should pay not more than twice its annual income in buying a house, middle-income families who wish to buy their own homes can afford to buy houses selling for not more than \$4,000 to \$8,000, or an average of about \$6,000.

Your editorial describes the bill (H. R. 6070) passed last week by the House as being a good middle-income housing bill. The editorial so describes the bill, even though the section relating to direct loans for veterans, which the editorial favors, was deleted from the bill as it passed the House.

The test of whether H. R. 6070 is a good middle-income housing bill is whether it meets the requirements stated above. If it will provide adequate rental housing with rents averaging not more than \$60 a month and if it will provide sales housing at selling prices of not more than \$4,000 to \$8,000, it is a good middle-income housing bill. My concern is that, unfortunately, the bill does not meet these objectives.

The provisions of the bill relating to FHA insurance of mortgages of sales housing make it clear that except for a relatively small amount of sales housing in rural nonfarm areas, the minimum selling price for the sales housing provided in the bill will be \$7,000. Even this figure may be increased to \$8,000 in any geographic area where the FHA Commissioner finds that cost levels require the higher amount.

It is true that this amount is the maximum allowed by FHA if the mortgagor is to receive the best insurance terms, but experience has shown that the maximum figure in the legislation is actually the minimum in practice.

Certainly, none of the mortgage-insurance provisions of the bill aimed at reducing the cost of sales housing below present highly inflated figures.

The only other significant provision of the bill provides for FHA insurance of cooperative housing developments at 4-percent interest for a 40-year amortization period. According to the estimates of the Housing and Home Finance Agency, monthly payments or rents in such developments would be in the neighborhood of \$90 to \$95. Even assuming that these figures are too high and that additional savings of \$15 a month could be made by reducing vacancies to a minimum and by a maximum of tenant maintenance, monthly payments or rents would still be in the neighborhood of \$75 to \$80 a month.

If we are realistic about this bill, it is perfectly clear that it can provide housing for only the very top level of the middle-income group, but would leave the great majority of middle-income families still untouched by housing legislation.

We have learned to be realistic about meeting the housing problems of low-income families. We recognize that low-income families can afford to pay only about \$30 a month for rent, and the low-rent public housing program operates on a down-to-earth basis in full recognition of that fact.

We must display equal realism in meeting the housing problems of middle-income families. We must somehow achieve rents or monthly payments of around \$50 to \$60 a month.

This problem has been given serious consideration by all of the major labor and veterans' groups, as well as many other public-interest organizations, and some of the members of Congress who have had a foremost part in shaping housing legislation in recent years. They have all come to the conclusion that only by reducing the interest rate and extending the amortization period will it be possible to build housing that moderate-income families can afford. That is why title III of Senator SPARKMAN's bill (S. 2246) as reported out by the Senate Banking and Currency Committee, provides for direct Federal loans to cooperative and other nonprofit housing groups at 3 percent interest, and for an amortization period of 50 years.

We believe that this program represents a realistic approach to middle-income housing. We recognize that in some respects it is a new approach. As a number of supporters of this program have pointed out, the new approach lies not so much in the direct Federal loans or even in the low-interest rate, but in the espousal by these organizations of the cooperative approach as being the solution to the housing problem for large numbers of middle-income families.

This is admittedly a new departure, but one which we think has every chance of success. The fact that the labor and veterans' groups are solidly behind this program represents in itself a very strong indication that if given a chance it will succeed.

STATEMENT OF THE COOPERATIVE LEAGUE OF THE UNITED STATES OF AMERICA, AUGUST 22, 1949

Murray D. Lincoln, president of the Cooperative League, United States of America, told President Truman and the United States Congress that they had to choose between a program to promote home ownership or a program to preserve high mortgage interest rates. Lincoln referred to President Truman's deep interest in home ownership and urged him to support the cooperative housing legislation which is now before the Senate and House.

Lincoln's request in a letter to the President released yesterday, referred to what is known as title III of the middle-income-housing bill which has been reported favorably by the Senate Committee on Banking

and Currency. The House committee, however, has indicated its rejection of title III. This title of the bill would create a Cooperative Housing Administration, provide for educational work to maintain sound cooperative principles, and authorize the Government to make mortgage loans to cooperatives at 3 percent or less.

This cooperative housing program was described by Lincoln as an REA-type program because it adapts to housing developments the methods developed by the Government to promote the rural-electrification program. Lincoln reminded the President that the Cooperative League of the United States of America, launched this housing program more than 5 years ago. It now has the support of the American Federation of Labor, the Congress of Industrial Organizations, the International Association of Machinists, some farm organizations, various organizations of veterans, some religious groups, and one public-housing group.

"In my opinion, if that title (title III) is approved by Congress," Lincoln told President Truman, "it will greatly encourage home ownership and provide a sound legislative program to make this possible. On the other hand, if title III is killed, then the decision will have been made that a high interest rate for capital is more important than the encouragement of home ownership."

Senators and Congressmen reported that the strongest lobby ever developed on housing issues has been organized to defeat title III. The Washington Post, ordinarily regarded as being friendly to progressive housing legislation, condemned title III editorially this week. The Post contended that cooperative housing had not been established as successful and that title III provided a subsidy to cooperative housing. Senator JOHN SPARKMAN, of Alabama, chairman of the Senate Housing Subcommittee, immediately challenged the Post by asserting that there was no subsidy proposed and that cooperative housing had been proved to be successful.

Lincoln's letter to the President was as follows:

THE COOPERATIVE LEAGUE OF THE U. S. A.,

Washington, D. C., August 16, 1949.

The President,

The White House,

Washington, D. C.

DEAR MR. PRESIDENT: I am writing you this letter because of your deep interest in home ownership. As you know, there are two middle-income housing bills, S. 2246 and H. R. 5631, now before Congress. Fundamental to the cause of home ownership is title III of these bills. In my opinion, if that title is approved by Congress it will greatly encourage home ownership and provide a sound legislative program to make this possible.

On the other hand, if title III is killed, then the decision will have been made that a high-interest rate for capital is more important than the encouragement of home ownership.

Our cooperative organizations are deeply concerned about the need for better housing for middle-income groups. We are certain that capital invested in this kind of housing is a sound investment, but we think that it must be made available at an interest rate low enough to encourage such construction.

More than 5 years ago the Cooperative League of the U. S. A. began to plead for the development of an REA-type housing program. We are now asking you and the Congress to support title III of these housing bills because it provides for the kind of housing program we have always supported.

The REA principle has demonstrated its value by providing our American farmers with electricity. You will remember that there was great opposition to this program

from the electric-power utilities. We are now facing the same kind of opposition to the development of a sound housing program. If our Government is sincerely interested in having families own their homes there should be no objection to making money available to people at a low rate of interest. These bills provide that loans be made available at the cost of money to the Government.

We hear rumors that your Housing and Home Finance Agency is opposed to title III of these bills. Why it should be is difficult to understand.

We ask your support in seeing that title III is not deleted from these bills which are so important for the welfare of all the people.

MURRAY D. LINCOLN.

EXCERPTS FROM HOUSING LAWS OF THE STATE OF CONNECTICUT (COMPILED BY CONNECTICUT STATE HOUSING AUTHORITY, HARTFORD, CONN., AUGUST 1949), PAGES 25-26

Section 10, Act No. 299 (replacing Gen. Stat., Sec. 948): "Moderate Rental Housing Projects: Declaration of Policy. It is hereby declared (a) that in addition to an acute shortage of low income rental housing, there is also a serious shortage in urban, suburban, and rural areas of moderate rental housing and moderate cost housing for families of veterans of World War II and of other citizens of the State of moderate income, endangering the health of such families and constituting a menace to the health, safety, morals, welfare, and comfort of inhabitants thereof; * * * (b) that it is in the public interest that work on housing projects for such families in addition to * * * housing projects for families of low income be commenced as soon as possible in order to alleviate the housing shortage which now constitutes an emergency, and that the building of private homes for such families be encouraged by the use of public funds as mortgage loans at a low rate of interest; (c) that State financial assistance in the form of loans to authorities at low interest rates, guaranties of notes, or a combination thereof, is needed to make housing accommodations available for such families at rentals within their reach; and that the necessity in the public interest for the provisions of sections 10 to 18, inclusive, of this act and the inclusion of housing projects for such families is declared to be a matter of legislative determination."

REPORT OF DIRECTOR OF MASSACHUSETTS STATE HOUSING BOARD, DECEMBER 31, 1948
PAGE 22: A COMPREHENSIVE PROGRAM

(d) The same income group that could be housed with State guaranties without cash subsidy could be housed through cooperatives if low enough interest rates are made available by the Federal Government. Permissive legislation authorizing the establishment of cooperatives should be supported. Consideration should also be given to authorizing the use of this office or local housing authorities in the initiation of such projects and assisting cooperatives by making available administrative staff in the initial stages of any such project.

THE NEW HOUSING COOPERATIVES

Legislation to aid cooperative housing has been on the books in New York State for better than 20 years, but we have remarkably little to show for it except A. E. Kazan's highly successful Amalgamated Clothing Workers development and a few other smaller and generally less successful. More recently things have been looking up for this neglected form of housing. At Bell Park Gardens, the Bayside project planned originally to let 800 veterans parlay a maximum \$250 State bonus into cooperative housing, the first families have been notified that they

can move in. Considering that this project took longer to promote than it did to build, it may be said that State Housing Commissioner Herman T. Stichman's perseverance has paid off. An addition to Bell Park Gardens is in the making. Not a little encouraged by this success, a group of housing-wise, public-spirited citizens have sponsored the promising Queensview development, on which construction is to begin at once. With the addition of the Amalgamated project, commenced earlier, this makes nearly 3,000 families who have purchased cooperative housing in New York City since the war. Another 2,000 units may be added to this total if the cooperative housing-development in Queens, sponsored by local 3 of the International Brotherhood of Electrical Workers, succeeds.

This is big business. It is good news to a city that still feels the pinch of the housing shortage. We find these developments of particular interest, also, in terms of the agitation in Washington these days for direct loans to housing cooperatives. If the impressive beginning we have made here is indicative, there is less immediate need for Federal legislation and loans, and more for work by cooperative-housing groups, State housing agencies, and help from local offices of the Federal Housing Administration. Some Federal aid may ultimately prove necessary, but nothing is to be gained by driving the cooperative housing idea too far and too fast. Even its oldest and best friends know that. Right now we would like to see a stronger drive on the part of Federal housing officials to encourage housing cooperatives, a little more sympathetic reception by lending institutions, and more zeal by the movement's local organizers. The new housing cooperatives in New York are showing the Nation what can be done without more legislation. That demonstration will not go unheeded.

LEGISLATION RE COOPERATIVES, NEW JERSEY
(Source: State of New Jersey—Housing Acts Approved by the Governor June 14, 1949)

Page 930—C. 55:14H-3. Terms defined:
"e. 'Cooperative' means any incorporated or unincorporated association of three or more persons, not for pecuniary profit, organized pursuant to any law of the State of New Jersey or of the Federal Government for the primary purpose of providing housing accommodations for its members, stockholders and others, and for the operation, management and maintenance of same."

Page 936—C. 55:14H-9. Additional powers of authority:

"9. The authority shall also have power to: * * * b. Enter into agreements, including, but not limited to, agreements of loan, lease, bond and mortgage, contract, guarantee, insurance, or subordination, or any combination thereof, with * * * cooperatives * * * to provide dwelling units for the people of the State in need of housing, by the planning, construction, management and operation of projects including, but not limited to, the clearance, development and redevelopment of blighted or slum areas. Such agreements may be entered into with the same agency or person for one or more housing projects, even though the project has received, or will receive aid from any other source. Such agreements may provide for the sale or transfer of the project and the disposition of proceeds of sale and priorities with reference thereto."

Page 940—C. 55:14H-11. Loan secured by bond and mortgage:

"11. The authority shall require that loans to * * * cooperatives, * * * be evidenced by a bond secured by a mortgage, which shall be a first lien on the project, unless otherwise specifically authorized by the council. Said bond and mortgage shall be on forms approved by the attorney gen-

eral providing for payments of interest and principal during such term of years as the authority may prescribe. However, in no event shall any loan be for a period more than the period of usefulness of the project, as determined by the authority. No loan shall be in an amount greater than the project cost."

LEGISLATION RE COOPERATIVES IN WISCONSIN
(Source: State of Wisconsin, ch. 627, August 8, 1949)

Section 8. 45.353 of the statutes is created to read:

"45.353. Veterans' cooperative and non-profit housing. The department may make loans to veterans' nonprofit housing corporations and veterans' nonprofit cooperative housing associations subject to the same provisions applicable to loans under section 45.352 except that section 45.352 (4) (a) shall not apply and the limitations of section 45.352 (4) (b) shall apply only to the cost per dwelling unit."

Section 45.352 (4) (a) reads as follows: "Requires the loan, in addition to his own and other funds available therefor, for the purchase or construction of a home for himself or family."

Section 45.352 (4) (b) reads as follows: "Can show to the satisfaction of the department that the total cost of such home, including land, does not exceed \$10,000."

SALARY INCREASES FOR GOVERNORS OF FEDERAL RESERVE SYSTEM—AMENDMENT

Mr. THYE. Mr. President, I understand the next order of business before the Senate will be one of the pay bills. For that reason, I should like to offer an amendment to House bill 1689, a bill to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, in order that it may be available to Senators before the bill is taken up for consideration. This particular amendment deals with salary increases for the Board of Governors of the Federal Reserve System. As I read the bill, it provides an increase of only \$1,000 in the salaries of Governors of the Federal Reserve System. That amount does not seem to make sense, when we consider the salary increases proposed for the executive departments, as well as for many of the other boards and agencies of the Federal Government. For that reason, I offer the amendment to House bill 1689.

Mr. GEORGE. Mr. President, if the Senator will yield, I should like to inquire the amount of salary increase he proposes.

Mr. THYE. The pay bill seeks to increase the salaries of Governors of the Federal Reserve System by only \$1,000.

Mr. GEORGE. That is correct. I was interested in the same thing, and I wondered whether the Senator was proposing to raise the salaries beyond that.

Mr. THYE. Yes, I am.

Mr. GEORGE. What is the amount the Senator proposes?

Mr. THYE. I propose to raise them to a bracket that would call for a salary of \$18,000 a year for the Governors of the Federal Reserve System. That is the purpose of the amendment. I know the bill is the next one to be taken up for consideration.

Mr. GEORGE. I had thought those salaries ought to be fixed at about \$20,000. I am glad the Senator is offering the amendment, because the bill provides

salaries now of only \$16,000, whereas many officials and assistant secretaries are given tremendous raises in the bill.

Mr. THYE. That is correct. I may say to the distinguished Senator from Georgia, if he shares the conviction that they should receive \$20,000, I am most happy. I thought I was really going quite a long way when I proposed \$18,000 instead of \$16,000.

Mr. GEORGE. I think the members of the Federal Reserve Board ought to receive \$20,000. If we are to have competent men at the head of the Reserve System, I do not see how we are going to get them for less than that.

Mr. THYE. I may say to the Senator, I share the conviction which he has just expressed. But I felt that if I recommended \$18,000 instead of \$16,000, I possibly would succeed. But if the Senator shares the conviction that it should be \$20,000, I should like, Mr. President, to modify my own amendment as it has been offered, so as to make the amount \$20,000 rather than \$18,000.

Mr. GEORGE. I would certainly support it. I had thought of offering an amendment myself to raise the salaries of these officers because they perform a very important function in government.

Mr. THYE. Indeed they do. The Governors of the Federal Reserve System are the supervisors and the men who pass opinion and judgment upon those who, as presidents of some of the larger banks of the United States, draw twice and three times their salary.

Mr. GEORGE. The Senator is entirely correct. If we are going to make anything like the raises proposed in the bill for others—and some of them, I think, are entirely too high, I do not mind saying—we certainly ought to raise these salaries. Twenty-five thousand dollars would not be out of line compared to the salaries fixed for a large group of other officers, in my judgment. But \$20,000, I think would be fair, and I should certainly be happy to support it.

Mr. THYE. Mr. President, I then request that my own amendment be modified by inserting \$20,000 instead of \$18,000.

The PRESIDING OFFICER. The amendment will be modified in accordance with the desire of the Senator.

Mr. THYE. Mr. President, my reason for offering the amendment this evening is that I intend to attend the farm conference at Sioux City on Friday of this week. I was thinking possibly the pay bill would be considered in my absence. That is why I wanted to offer the amendment.

The PRESIDING OFFICER. The amendment, as modified, will be received, printed, and lie on the table.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES—AMENDMENT

Mr. THYE. Mr. President, I desire also to offer an amendment to Senate bill 2522, to stabilize prices of agricultural commodities, known as the Anderson agricultural bill. The purpose of the amendment is to include honey in the act as coming under support-price provisions. The only reason I wish to

have honey named in the act is that the honey bee is important to the fruit producers of the Nation and to those engaged in the production of grass seeds, for it is impossible to get proper pollination without the honey bee, and we shall not have the honey bee unless there is a price support. The purpose of the amendment is to assure the producers of fruit and grass seeds in the United States that there will be honey bees to pollinate the crops.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

NOMINATIONS IN THE DIPLOMATIC AND FOREIGN SERVICE

Mr. CONNALLY. Mr. President, I ask unanimous consent that, as in executive session, the Senate confirm the nominations of Diplomatic and Foreign Service officers, ambassadors, and so on, appearing on pages 2 and 3 of the executive calendar. There are quite a number of them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. WHERRY. Mr. President, there is no objection, but I inquire, does the list start with the first name, Stanton Griffis, of Connecticut?

Mr. CONNALLY. It starts with Stanton Griffis and continues through the list, to and including Erwin W. Wendt, of Illinois.

Mr. WHERRY. There is no objection. The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc, and the President will be immediately notified.

RECESS

Mr. CONNALLY. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 48 minutes p. m.) the Senate took a recess until tomorrow, Thursday, September 22, 1949, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate September 21 (legislative day of September 3), 1949:

DIPLOMATIC AND FOREIGN SERVICE

Selden Chapin, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to The Netherlands.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 21 (legislative day of September 3), 1949:

UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

REPRESENTATIVES OF THE UNITED STATES OF AMERICA TO THE FOURTH SESSION OF THE GENERAL CONFERENCE OF THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

George V. Allen Miss Martha B. Lucas
Milton S. Eisenhower Reinhold Niebuhr
Luther H. Evans

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE COUNTRY INDICATED WITH THEIR RESPECTIVE NAMES

Stanton Griffis, to Argentina
Robert D. Murphy, to Belgium.
Joseph C. Satterthwaite, to Ceylon.

To be consuls general of the United States of America

LaVerne Baldwin James B. Pilcher
Knowlton V. Hicks James E. Parks

To be consuls of the United States of America

Dean R. Hinton Fred E. Waller
C. H. Walter Howe Leslie L. Lewis
Walter C. Isenberg, Jr.

To be secretaries in the diplomatic service of the United States of America

Joseph A. Robinson
Charles Allan Stewart

APPOINTMENT IN THE FOREIGN SERVICE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 517 OF THE FOREIGN SERVICE ACT OF 1946

To be Foreign Service officer of class 2, a consul, and a secretary in the diplomatic service of the United States of America

Henry L. Deimel, Jr.

To be Foreign Service officer of class 3, a consul, and a secretary in the diplomatic service of the United States of America

Sydney L. W. Mellen

To be Foreign Service officers of class 4, consuls and secretaries in the diplomatic service of the United States of America

J. Wesley Adams, Jr.
John E. Utter
Erwin W. Wendt

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 21, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Let us harken now to what the Lord saith: He hath showed thee, O man, what is good; and what doth the Lord require of thee, but to do justly, love mercy, and to walk humbly with thy God?

Thou Light of the world, we pray for Thy counsel, that we may keep Thy commandments and deepen our respect for truth, for honor, and for our brother's good name. O take our unused powers, our ideals unfulfilled; widen our horizon, and make our presence in this Chamber an omen of good, a sign of might, and a token that we are pledged to humanity and our Government. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

VETO MESSAGES REFERRED TO COMMITTEES

The SPEAKER. The Chair desires to make an announcement relative to unfinished business on the Speaker's table.

On August 30, 1949, the Speaker pro tempore [Mr. Cox] laid before the House a veto message of the President of the United States on the bill (H. R. 559) to confer jurisdiction upon the United

States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co. The objections of the President were ordered spread at large upon the Journal.

Without objection, the message, together with the bill, will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

The SPEAKER. On September 9, 1949, the Speaker pro tempore [Mr. Cox] laid before the House a veto message of the President of the United States on the bill (H. R. 3589) to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site. The objections of the President were ordered spread at large upon the Journal.

Without objection, the message, together with the bill, will be referred to the Committee on Public Lands and ordered to be printed.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include some editorials and articles.

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

There was no objection.

THE LATE HONORABLE JOHN ELIAKIM WEEKS

Mr. PLUMLEY. Mr. Speaker, it becomes my sad duty to announce that John E. Weeks, former Governor of Vermont and Member of this body in the Seventy-second Congress, died on the 10th day of September in the ninety-sixth year of his life. His funeral was held at Middlebury and he was buried at Salisbury. No man in the long story of Vermont's great men who have deserved and won distinction accorded by their constituents and the country more genuinely or richly merited the tributes of love, affection, and respect than did he.

The place he held in the hearts of all Vermonters is testified to by the press in the articles and editorials appearing incident to his death and funeral.

I include a few such editorials and articles selected at random and make the tribute they pay the memory of Vermont's grand old man my own:

[From the Rutland (Vt.) Herald of September 12, 1949]

MIDDLEBURY, September 11.—The funeral of former Gov. John E. Weeks, 96, who died here yesterday after a 10-day illness, will be held Tuesday at 2 p. m. in Mead Memorial Chapel at Middlebury College, of which he had been a trustee for more than 40 years.

Dr. John M. Thomas, of Rutland, who began his presidency at the college the same year that Governor Weeks was elected a trustee, will officiate, assisted by Dr. Stephen Freeman, vice president of the college.

Burial will be in West Salisbury in the former Governor's home town. The body is at the Weeks home on South Pleasant Street, where friends may call.

The former chief executive died in the house where he had lived since coming to Middlebury in 1912.

Since Mrs. Weeks' death in 1941, a housekeeper had cared for his home. Serving in that capacity for the past few years has been Mrs. Gertrude Stone, a long-time resident of Middlebury.

Governor Weeks had been the oldest of Vermont's five former chief executives. The others are Redfield Proctor, of Proctor; Stanley C. Wilson, of Chelsea; Senator George D. Aiken; and Mortimer R. Proctor, of Proctor.

During his second term as governor, he and Mrs. Weeks celebrated their golden wedding anniversary in Montpelier, and, in 1939, after Governor Weeks' retirement from public office, they observed their sixtieth anniversary in Middlebury.

Among the numerous articles of historical value which Governor Weeks had presented to the Vermont Historical Society during the last few years of his life were scrapbooks containing messages of congratulation from notables throughout the United States which he and Mrs. Weeks had received on their anniversaries.

At that time, it was believed that Governor Weeks was the only chief executive of any State to celebrate his fiftieth wedding anniversary while in office.

Governor Weeks was first elected governor in 1926 by the largest majority ever received by any chief executive of Vermont in a contested election.

BREAKS A TRADITION

Governor Weeks' reelection in 1928, breaking a tradition of more than half a century, was partly due to his work in the program of rebuilding roads and bridges destroyed by the 1927 flood.

During the post flood period, 114 bridges were repaired or built new.

The building of better roads in Vermont was, in Governor Weeks' own opinion, the greatest accomplishment of his administration.

John Eliakim Weeks was born in Salisbury, June 14, 1853, the son of Ebenezer Holland and Elizabeth (Dyer) Weeks.

He was educated at Middlebury High School and, after leaving school, assisted on the home farm for many years.

After leaving active farming, he engaged in the grain business and also dealt extensively in wool and livestock throughout Addison County.

On October 14, 1879, he married Hattie Jane Dyer of Salisbury. Mrs. Weeks died suddenly on July 13, 1941, at the age of 83 after 62 years of close companionship with her husband and keen interest in his activities.

Governor Weeks began his long career in public office in 1884-86, when he became assistant judge of Addison County. In 1888, he represented Salisbury in the legislature and, 4 years later, was elected senator from Addison County.

After moving to Middlebury, he represented that town in the legislature in 1912 and again in 1915, when he was elected speaker of the house.

In 1898, he was selected by Governor Grout to fill the vacancy on the board of trustees of the State industrial school, now the Weeks School.

That was the beginning of 28 years of untiring work in State institutions and their management, all of which showed growth during his tenure of office.

He served as director of State institutions from 1917 to 1923, when he was appointed commissioner of public welfare by Gov. Redfield Proctor.

He remained in that position until 1926, when he resigned to become a candidate for the governorship.

In his home community, as well as in State circles, Governor Weeks held many positions of trust.

For 29 years he was chairman of the Addison County Grammar School Corp., a position he held at the time of his death.

He had been a trustee of Middlebury College since 1908 and in 1941 was made president of the college corporation. When he died he was a trustee of the president and fellows of Middlebury College and chairman of the buildings and loans committee of the group, a trustee of the Illsley Library Building Fund at the college, and a trustee of the Porter Memorial Hospital Association.

He had been president of the Addison County Trust Co. since it was organized in July 1919, and was the oldest active bank president in New England.

Other positions he had held included director of the national bank in Middlebury for 27 years, director and president of the Addison County Fair Association, a director of the Middlebury Hotel Corp., and a member of the chamber of commerce.

He early won the respect of the community for his outstanding qualities of integrity, sane judgment, and sound sense.

Outside his home community he also held numerous positions of responsibility.

He was, when he died, a director of the Vermont Mutual Fire Insurance Co., a position he had held for 47 years; a director of the Brandon National Bank, a post where he had served for 49 years; a trustee of the Thorpe Camp at Goshen; honorary president of the Vermont Association for the Blind; president of Kurn Hattin Homes at Westminster, and president of the board of trustees of Shard Villa.

Fraternally, he was a member of Union Lodge, Free and Accepted Masons, of Middlebury; Mount Calvary Commandery, Knights Templar; Mount Sinai Temple, Mystic Shrine. In January 1945 he was honored with the 50-year jewel. He was the oldest living member of C. J. Bell Pomona Grange.

In 1912 the honorary degree of master of arts was conferred upon him by Middlebury College.

In 1927 the degree of doctor of laws was conferred upon him by both Middlebury College and Norwich University and the following year he received the same degree from the University of Vermont.

In 1942 he was made an honorary member of the alumni of both Middlebury College and of St. Michael's High School in Montpelier.

John E. Weeks was much loved for his qualities of mind and heart. He was respected as a high type of Vermonter, loyal to his State, honest in all his dealings, and democratic in every thought and action.

He was a devoted churchman, a Congregationalist by birth, who always supported and kept his membership in the church of his youth in Salisbury. He was an honorary deacon of the Middlebury Congregational Church.

His interest in young people was shown by his aid to boys and girls going through school and college and to those seeking to establish themselves in business ventures. He encouraged 4-H work by an annual gift for 19 years at both the Rutland and Champlain Valley fairs.

For many years, he and Mrs. Weeks had felt the need of a library for the Colony House in Rutland, and in 1943, in Mrs. Weeks' memory, he presented a library to the home. He also presented the Weeks School with gifts for the chapel and hospital.

Governor Weeks served in each of his many capacities with honor to himself, his friends, his business associates, the citizens of Vermont and the Nation.

Survivors are two nieces, Mrs. J. W. Estabrook of Brandon and Mrs. Martin Rice of Burlington; and three nephews, George Seeley, of Taunton, Mass., the Rev. Frank Seeley, of Kingston, N. Y., and John W. Goss, of Burlington.

Statements by present and former State officials who knew Governor Weeks follow:

Governor Gibson: "Governor Weeks was a truly great Vermonter. He was a man who knew what it was to earn a living from the earth. He had a tremendous feeling for all things good. He was a real Christian who practiced Christianity in his daily life and did a tremendous amount of good for all kinds of people in the State."

"He will always be remembered for his real and lively interest in the unfortunate of Vermont. Those who had the misfortune to have to be cared for by the State—in the State prison or house of correction, the Weeks School which bears his name, or the State hospital or Brandon State School—all had his keen interest."

Former Gov. Redfield Proctor, a life-long friend of Governor Weeks: "John Weeks for a great many years held some official position in the State. During much of that time he was responsible to a less or greater degree for those for whom the State must care—the feeble-minded, insane, wayward, criminals, and more recently, the cripples. He was deeply interested in this work and sympathetic toward all. Those who are now carrying this on will miss and long remember him."

Former Gov. Stanley C. Wilson, who succeeded Governor Weeks in office: "Governor Weeks won a place in the hearts of Vermonters, not merely by his long life but by his insistence during his active life in working for the high ideals of Vermont people. We can all take pride in his achievements and cherish his memory."

Lt. Gov. Harold J. Arthur, who served as Governor Weeks' executive messenger: "Vermont has lost a faithful exemplar of Christian living. Governor Weeks was one of my best friends, a sound adviser and keenly interested in my advancement and welfare since I served as his executive messenger in 1927. I shall miss him."

Commissioner of Social Welfare W. Arthur Simpson, who was senator during Governor Weeks administration and who was first appointed to the State highway board by the former governor: "Much credit should go to Governor Weeks for what he did for the highway program in Vermont. In the midst of the controversy that had arisen, he seemed to sense the middle ground the people of Vermont would adopt. Many people had been talking about better roads but he and the legislature were the ones who did something."

Representative Gerald Adams, of Marlboro, dean of the Vermont legislature, who served in the 1927 session—"I first became acquainted with Governor Weeks in 1923 when I was first in the legislature and he was director of State institutions, but I got to know him better in 1927 because I helped him put his highway program through the house. He was very sincere in any undertaking he ever attempted and was really 'sold' on what he was trying to accomplish."

[From the Newport Express of September 13, 1949]

A LONG AND USEFUL LIFE

In the death of former Gov. John E. Weeks, Vermont has lost one of the finest citizens this generation has seen. He was a man of exceptional qualities of spirit, of mind, and of physical stamina.

John Weeks was born and educated in Vermont, he spent his entire life in Vermont, dying last week in Middlebury at the advanced age of 96 years. He had been farmer, insurance agent, dealer in farm produce, census enumerator, banker, senate doorkeeper at the statehouse, town representative, State senator, assistant judge, speaker of the Vermont House, director of State institutions, commissioner of public welfare, governor, and Congressman from Vermont to the United States House of Representatives.

This wide field of activity and experience particularly fitted him for public service. Added to these experiences was his deeply religious life, which gave mercy to knowledge, patience to wisdom, persistence in public needs, sympathy with the afflicted, and prayerful consideration of all things. Nothing so fits a person for useful public service as a prayerful life with which there is combined native wisdom, experience, and physical vigor. Above that of most men John Weeks had these qualities.

He was so universally loved and respected that John Weeks was given all the important town offices, and he was the first Governor of Vermont in generations to receive a second election to that high and important office, seeming to prove that in his home town and in a State-wide sense he was esteemed beyond the average man. There are qualities in a character like his which command respect.

John Weeks was Governor of Vermont when the devastating flood of 1927 overwhelmed the State, taking many lives and destroying millions in private and public property. The disaster so affected Governor Weeks that one close to him at the time told the writer that he was distraught for a time. After a few hours of contemplation and prayer his mind was clear. He determined to call a special session of the legislature and recommend to it that the State bond itself to replace town roads and bridges and do what it could to repair the damage done and thereby give the people what comfort and courage such a course would naturally inspire.

It was John Weeks, who, first as Governor, traveled over the State to speak before Granges, young people's groups, religious organizations and every public occasion to which he was invited, anywhere in the State so long as his time and physical possibilities permitted. He believed in keeping in close personal touch with the people, and Vermont Governors since have followed his lead in this respect.

His administration of Vermont's penal institutions, its mental hospital, and charitable efforts were so outstanding that the State honored him by naming the former Vergennes Industrial School for incorrigible youth, the Weeks School, and so it is known today.

As the moving spirit in the former Middlebury Fair, John Weeks made the exhibition a success. It collapsed soon after he withdrew from its active oversight. Until 2 or 3 years ago, and after he was 90 years of age, he had spoken to Rotary clubs and other groups in his part of the State, had been an honored guest at many affairs on many occasions, and always lent dignity and grace to such events. The death of Mrs. Weeks a decade ago was a severe blow to the aging statesman, but with Christian fortitude he kept courageously active.

In the opinion of this column John Weeks was a great man. Not as highly educated as many, not as fluent a speaker as some, not as wealthy as others, his heart was always in the right place and his conscience active for the right. These qualities make for greatness.

[From the Vermont Argus of September 13, 1949]

EX-GOV. JOHN E. WEEKS

With the death of former Gov. John Ellakim Weeks, Vermont has lost one of its most highly esteemed citizens. Governor Weeks gave freely of his time, efforts, and money for the benefit of the State and was one of the most public-spirited men of our time.

Besides serving two terms as chief executive of Vermont, he had also served as Representative in Congress from 1931 to 1933, the last years in which Vermont had two Members in the House of Representatives.

Previous to his election as Governor in 1926, he had been connected with State public office for nearly 30 years, serving first as a member of the board of trustees of the State industrial school at Vergennes and later as director of State institutions and commissioner of public welfare. It was in recognition of these years of service in the field of public welfare and of his interest in youth that the name of the industrial school was changed to the Weeks School by the 1937 legislature.

BREAKS THE MOUNTAIN RULE

Governor Weeks was the first Governor to be reelected since the Mountain rule was established in 1870 and was the first Governor to occupy the executive chair for more than 2 years since the administration of Silas Jennison from 1835 to 1841. His reelection in 1928 broke a tradition of over half a century and was partly due to his work of reconstruction of roads and bridges following the disastrous flood of 1927.

The beginning of hard surface road construction in Vermont dates back to Governor Weeks' administration and the building of better roads in the State was, in his opinion, the greatest accomplishment during the time he was Governor. While in office he fulfilled his campaign promise that if elected and authorized by the people, he would have 40 miles of hard surface roads built each year.

Another accomplishment of the Weeks' administration included the State support of winter maintenance when a bill passed the 1927 legislature appropriating \$50,000 to assist towns in maintaining winter roads. A separate motor vehicle department was also created in the same year, the Lake Champlain Bridge Commission was set up and the machinery and money provided for the joint construction of the bridge with New York State.

At the beginning of Governor Weeks' second term, the 1929 legislature provided for the establishment of the first State forest parks; passed the uniform veterans' guardian act; and appropriated \$15,000 for the erection of a Vermont building at the Eastern States Exposition. An act was also passed clearing up the constitutionality of the outdoor advertising or billboard law thus bringing approximately \$10,000 into the State treasury.

Governor and Mrs. Weeks celebrated their fiftieth anniversary while he was in office and it is believed that he was the only chief executive of any State to hold such a celebration. The couple's sixtieth anniversary was observed in 1939 in Middlebury after Governor Weeks had retired from public office.

Governor Weeks was sincerely loved by Vermonters in all walks of life. His benevolence, kindness, and good deeds will long be remembered by his hosts of friends and acquaintances, and as a public figure he has taken his place in the history of the State.

[From the Addison County (Vt.) Independent of September 16, 1949]

MIDDLEBURY PAYS TRIBUTE TO CITIZEN AND FRIEND—ENTIRE STATE MOURNS PASSING OF FORMER GOV. JOHN E. WEEKS—MIDDLEBURY PAYS TRIBUTE TO FRIEND—MANY FLOWERS, DELEGATIONS AT RITES

Middlebury paid tribute to ex-Gov. John E. Weeks, Tuesday, by closing virtually all business places during the hour of the funeral. The banks and offices closed at noon. Many places had their curtains drawn and while the scores of cars passed through the village going to and from Mead Chapel, Main Street was practically bare of parked vehicles. All flags on State buildings flew at half staff, by order of Governor Gibson.

"GRAND OLD MAN" EULOGIZED AT SIMPLE SERVICES

State officials joined with Addison County friends and neighbors to pay final tribute

Tuesday afternoon to former Gov. John E. Weeks who died at his Middlebury home last Saturday at the age of 96.

The simple and dignified service was conducted by his close friend and associate, Dr. John M. Thomas, of Rutland, former Middlebury College president, in Mead Chapel on the campus of the college he had loved so well and for which he had long served as a trustee. He had requested that services be held in Mead Chapel. Assisting was Dr. Stephen A. Freeman, vice president of the college and close friend.

The chapel which had been built under the late Governor's supervision as trustee was filled and numerous floral tributes were massed around the chancel.

The body had lain in state in the vestibule preceding the service which was attended by numerous State officials and representatives of institutions and organizations with which Governor Weeks had been affiliated during his long and active life.

The bearers were S. Seeley Reynolds, Sr., Prof. Phelps N. Swett, F. Ray Churchill, and Page S. Ufford, of Middlebury; Edgar J. Wiley and J. R. Leonard, of Brandon, and Lt. Gov. Harold J. Arthur and Levi P. Smith, of Burlington.

Prof. Raymond H. White, Duane O. Robinson, Robert Hope, and James R. Scobie ushered. Mrs. Prudence Fish Bussey, of Vergennes, was at the organ.

Dr. Thomas prefaced his tribute by reading from passages of the Scripture which had been favorites of Governor Weeks and in his eulogy lauded him as a man "who feared God, kept His commandments, and did the very best he could."

The unfortunate were his chief care, he said, and while a long life is not always a blessing, with him it was a great blessing. "To the end many came to say 'thank you' for what you did for me many years ago to change the course of my life."

Dr. Thomas closed his remarks by reciting, to organ accompaniment of "Ten Thousand Times Ten Thousand," the first verse of the hymn, which he had recited at the funeral of Mrs. Hattie Jane (Dyer) Weeks 8 years ago.

FUNDAMENTAL SOURCES

Dr. Freeman also paid tribute to the former chief executive, saying:

"Two fundamental sources help to explain his character. The soil of Vermont and the Christian religion. He was a man of the common people. His thought and expression had the simplicity and directness of the Vermont farmer. His was the true democracy that interests itself in every man, without regard for station.

"Christianity was for him a way of life and he lived it every moment. He cared tremendously that the Christian virtues of honesty and loyalty, faith and trust, clean living, truth and goodness should be preserved in this modern world by holding fast to the teachings of Jesus Christ."

At the close of the service the casket was borne from the chapel along the north walk and the funeral procession was formed that was to take him to his home town of Salisbury and burial beside his wife in West Salisbury Cemetery.

Long before the escorted procession arrived numerous Salisbury friends gathered at the cemetery, including members of the Salisbury Congregational Church of which he had been a lifelong member, and who had honored him along with three others as oldest members of the church 2 years ago.

Dr. Thomas and Dr. Freeman officiated at the committal service, while overhead an unidentified plane dipped its wing in salute.

NATIONAL SECURITY COUNCIL APPROPRIATIONS, 1950

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4146) making appropriations for the National Se-

curity 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, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MAHON, SHEPPARD, SIKES, CANNON, ENGEL of Michigan, and PLUMLEY.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table 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, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KIRWAN, NORRELL, JACKSON of Washington, CANNON, JENSEN, and FENTON.

THIRD DEFICIENCY APPROPRIATION BILL, 1949

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table 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, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON, KERR, RA-BAUT, TABER, and PLUMLEY.

PURCHASE OF AUTOMOBILES OR OTHER CONVEYANCES FOR DISABLED VET- ERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2115) to authorize payments by the Administrator of Veterans Affairs on purchases of automobiles or other conveyances by certain disabled veterans and for other purposes, with amendments of the House thereto, insist on the amendments of the House, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, if I understand the gentleman's request, this is merely to send the bill to conference.

Mr. RANKIN. Yes, this is merely to send the bill to conference.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RANKIN, ALLEN of Louisiana, TEAGUE, Mrs. ROGERS of Massachusetts, and Mr. KEARNEY.

SURPLUS AIRPORTS

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3851) to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 5, after "aviation", insert "":
And provided further, That no release, conveyance, or quitclaim shall be executed by the Administrator pursuant to this section except upon the condition that, in the event that the property to which such release, conveyance, or quitclaim relates shall be sold to any third party within 5 years after the date of enactment of this act, the proceeds of such sale shall be devoted exclusively to the development, improvement, operation, or maintenance of a public airport."

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

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, this is one of those bills which makes it easier for private individuals to obtain possession of Government property without adequate compensation. The amendment placed on by the Senate makes that process a little more difficult, and as there is not anything that the minority can do about it, I shall not object.

Mr. MARTIN of Massachusetts. As I understand it, the amendment provides that the property must remain as an airport for at least 5 years?

Mr. HOFFMAN of Michigan. Yes; we keep it for 5 years, and then we let them have it.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DAWSON]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MANSFIELD (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. KEOGH (at the request of Mr. BUCHANAN) was given permission to extend his remarks in the RECORD in two separate instances.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on four different subjects; and also to place in the RECORD a statement by Prof. Milton Handler, notwithstanding

ing the estimated cost of the same will be \$359.50.

LEAVE OF ABSENCE

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that leave of absence be granted the gentleman from Georgia [Mr. VINSON], for an indefinite period, on account of official business.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ALLOWANCE FOR TELEPHONE AND TELEGRAPH EXPENSE

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. SIKES. Mr. Speaker, the Members of the House operate under a \$500 annual limitation for telephone and telegraph bills. By the end of the year, I will be paying telephone and telegraph bills to my constituents, on Government business, out of my own pocket. The Members of the other body can use that much in one blanket announcement, if they wish, and no questions are asked. While I do not condone abuse or extravagance, I do not believe the House wants to limit the effectiveness of its Members by making it impossible for them to carry on important business speedily.

I do not know how others are being affected, but I have personally held down my expenditures for telegrams and telephone service in every way I can, but there is not enough money in my fund to last the rest of the year.

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

Mr. SIKES. I yield.

Mr. RICH. You are getting air mail stamps, and you are privileged to use the post office.

Mr. SIKES. I do not question the gentleman's idea about how he should represent his constituents. I am doing what I think is necessary to the sound representation of my people. I want to give them effective service, which at times requires the use of telephone or telegraph. But the fund allotted for that purpose is clearly insufficient.

The SPEAKER. The time of the gentleman from Florida has expired.

EXTENSION OF REMARKS

Mr. FLOOD (at the request of Mr. LIND) was given permission to extend his remarks in the RECORD and include an editorial from the Polish-American Journal.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in three instances, with appropriate accompanying material.

Mr. MARCANTONIO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio speech.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in four instances, in each of them to include extraneous matter.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House today for 10 minutes upon the completion of all legislative business and any other special orders heretofore granted.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ALLOWANCE FOR TELEPHONE AND TELEGRAPH EXPENDITURES

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, while I doubt that the gentleman from Mississippi is very anxious to hear what I have to say, I do want to tell him how I get along on that \$500 allowance for telephone and telegraph expense, and that it is going to be ample.

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

Mr. HOFFMAN of Michigan. Just a minute. I just make up my mind what I am going to do on bills that are before the House. Then I let my constituents know. If you know your constituents and they know you and your convictions and willingness to stand on them you do not have to wire your home folks every day to find out what they think or what they want you to do. They know almost automatically how you are going to vote on bills that are before the Congress.

Mr. RANKIN. The gentleman is addressing the gentleman from Florida [Mr. SIKES] I assume.

Mr. HOFFMAN of Michigan. I am talking to all these boys who cannot get along on \$500 for telephone and telegraph bills.

The SPEAKER. The time of the gentleman from Michigan has expired.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter written to her by the DAV, and copy of a bill which they have asked her to introduce.

MEMBERS' TELEGRAPH ALLOWANCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I join with the gentleman from Florida [Mr. SIKES] regarding the insufficiency of the Members' allowance for telegrams. Telegrams are often necessary to and from Government departments and to constituents in order to expedite immediate and urgent business matters. There are many matters that often require telegrams such as passports for constituents going to foreign countries, cases of illness and death of men

and women in the armed services, claims complicated and long overdue often cannot wait for mail delivery. Often a telegram saves a very valuable piece of property, expedites a claim, and helps enormously in the running of the business of the country. I have never heard a single person object to the allowance for telegrams sent by Congressmen to their constituents for urgent business purposes; they are not political, they are purely for the people's business and interests.

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

Mrs. ROGERS of Massachusetts. I yield.

Mr. RICH. The gentleman's district is in Massachusetts. She can send a letter every day and it will be there the next day. She does not need any more money; she has enough money, and so do the Members of Congress to take care of their districts with the service we are now rendering.

Mrs. ROGERS of Massachusetts. A telegram often means an enormous amount of difference in money, in time, and in peace of mind to a constituent and is usually greatly appreciated.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. SIMFSON of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an article from Fortune Magazine, entitled "The Incentive Income Tax Plan," by Gwilym A. Price, president of Westinghouse Manufacturing Co.

Mr. HAGEN (at the request of Mr. LEMKE) was given permission to extend his remarks in the RECORD.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD in three instances and in each to include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances.

THE PEEKSKILL RIOT

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. JAVITS. Mr. Speaker, vigorous action by the State of New York which has just resulted in the indictment of six participants in the Peekskill riot should be gratifying to Americans everywhere. The local authorities are now having their opportunity—as they should—to demonstrate their ability to enforce the law and bring about respect for the Constitution. The issue is also a much wider one affecting respect for constitutional guarantees to minorities throughout the United States, emphasizing that we expect it as much in the North as in the South.

Those of us in the Congress who opposed the Mundt-Nixon bill and similar legislation have a special duty to see that

constitutional guarantees are neither flouted nor exploited. I hope that the grand jury action already inaugurated in New York will apply with equal weight to the hoodlums who participated in the riot as well as to any Communist or Communist sympathizers who incited it.

It reminds us that consideration of Federal antilynching legislation has been permitted to lag in a way which is a disservice to the American people. There should be an overriding power in the Federal Government to see that beyond considerations of community or even State the Constitution is honored by all.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. RANKIN. Mr. Speaker, it was not surprising to hear the gentleman from New York [Mr. JAVIRS] defend that Communist conclave in New York where Paul Robeson, the Negro Communist, sang the praises of Moscow and criticized the patriotic ex-servicemen who protested.

The American people were not in sympathy with that gang of Communists who composed that traitorous gathering.

When they now undertake to investigate and persecute those ex-servicemen who made that protest, those brave patriots who wore the uniform, who suffered and bled, and who saw their buddies die in two world wars, when they begin to investigate them for trying to break up that Communist meeting, the American people are with the ex-servicemen and not with that Negro Communist and that bunch of Reds who went up there from New York to put on that demonstration.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. The gentleman from Mississippi used the word "nigger." I ask that that word be taken down and stricken from the Record inasmuch as there are two Members in this House of the Negro race, and that word reflects on them.

The SPEAKER. The Chair understood the gentleman from Mississippi to say "Negro."

Mr. RANKIN. I said "Negro," just as I have said ever since I have been able to talk, and shall continue to say.

Mr. MARCANTONIO. The point of the matter is he used the word "nigger."

Mr. RANKIN. The gentleman from New York is doing more harm to the Negroes than he is good.

If that Negro, Robeson, does not like this country, let him go to Russia, and take that gang of alien Communists with him.

The SPEAKER. The Chair holds that the remarks of the gentleman from Mississippi are not subject to a point of order. He referred to the Negro race, and they should not be ashamed of that designation.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House today for 5 minutes following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

AMENDING THE ACT OF JULY 23, 1947 (61 STAT. 409)

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1824) to amend the act of July 23, 1947 (61 Stat. 409), with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That section 433 (f) of the act of August 4, 1949, is amended to read as follows:

"(f) In computing length of service for purposes of retirement of personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs transferred from those bureaus to the Coast Guard by Executive Order 9083 and by Reorganization Plan No. 3, effective July 16, 1946, who are commissioned, appointed, or enlisted, there shall be included, in addition to all service now or hereafter creditable by law, all service as a civilian employee of the United States within the purview of sections 691, 693, 698, 707, 709-715, 716-719, 720-725, 727-729, 730, 731, and 733 of title 5; and for all purposes of pay, so much of the service as was rendered as a civilian employee in the former Bureau of Marine Inspection and Navigation (including its predecessors, the Bureau of Navigation and the Steamboat Inspection Service), in the Bureau of Customs and in the Coast Guard. Such service for both retirement and pay purposes shall be classified as commissioned, warrant, or enlisted depending upon which status the person assumes upon his entry into the Regular Coast Guard. Service covering the same period shall not be counted more than once."

Amend the title so as to read: "A bill to amend section 433 (f) of the act of August 4, 1949."

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

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

Mr. BLAND. The report shows that the proposed legislation would permit the inclusion of time spent as a civilian employee for the purposes of retirement but not for the purposes of pay. The proposed legislation would permit the inclusion of time spent as a civilian employee in the former Bureau of Marine Inspection and Navigation, the Bureau of Customs, and the Coast Guard, for military pay purposes.

Mr. MARTIN of Massachusetts. The beneficiary would actually be in the Government service at all times?

Mr. BLAND. That is true.

Mr. MARTIN of Massachusetts. And he will get full credit for the time he put in for the Government?

Mr. BLAND. That is my understanding.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

AMERICAN TEXTILES HIT AGAIN WHILE THEY ARE DOWN

Mr. LANE. Mr. Speaker, whatever economic sacrifices are called for, in the name of war, peace, or world trade, Washington officials look to the textile industry first, last, and always.

They seem to think that our makers of cloth can go on taking repeated beatings from their own Government without being knocked out.

If further concessions are necessary to encourage world trade the time has come for other industries to share the burden. The textile cities of New England have already sacrificed too much. We have only two alternatives left: either to cut wages or go out of business.

I cannot believe that the Government in its right mind, would force us to these extremities, which we will resist to the utmost. It may be that the Government does not understand the facts of life in New England where so many communities depend for their bread and butter on the sales of woolen worsted goods which they produce.

We do not intend to stand by and see our mill cities drained of their lifeblood and transformed into ghost towns, simply to convenience the Government in its dealings with other nations.

We have been reasonable. We have made concessions. But the time has come to call a halt and insist that our side of the case, involving the whole American textile industry and its tens of thousands of workers, be given some consideration.

The jolly request that we be good fellows about the whole matter and give up our mills and our jobs to bail out other nations is stirring up resentment where I come from. Just because we call ourselves New England is no reason why we should be called upon to make the supreme sacrifice for old England. The United States has been generous beyond comparison in the help it has given, and is giving, to restore other nations to economic health. But there is a limit to what we can do. Other nations must exert themselves and not expect us to carry the major share of the load. The people of New England have reached the conclusion that this give-away policy of our Government must be checked before the United States, or any section of it, is threatened with bankruptcy.

Here are the grim facts in their strange sequence:

First. In the postwar readjustment, the textile industry has suffered most of all. Unemployment has been severe, and after repeated pleas for help, the Government has promised to route orders to distressed areas in order to restore production and recall workers to their machines.

Second. At the same time, the Government has vigorously fought for the extension of the Trade Agreements Act, first passed in 1934, which permits the

President to reduce tariff rates on certain articles if he wins reciprocal concessions from other countries in trade agreements. In the United States Senate last week efforts were made to impose restrictions on the wide powers granted by the House-approved extension bill, but they were defeated. The bill was sent to the White House for signature into law. Under it the President has the arbitrary power to cut tariff rates as much as 50 percent below the 1945 level.

Those of us who foresaw the danger to American textiles pleaded for a peril-points amendment. These are points at which tariff cuts, in the opinion of the Tariff Commission, would be harmful to American industry.

But now all depends upon the President's judgment, even without consulting Congress. The American market for American textiles can be severely depressed to provide an overseas market for some other American industry. In other words, the textile industry, discriminated against, seems chosen to become the "poor relative" of the American industrial family.

All because Great Britain needs a market for her cotton and woolen goods in the United States.

With the tariff barriers down, how can the United States textile worker who earns \$1.32 an hour compete with the English worker in the same industry who gets 30 cents an hour?

He cannot.

The Englishman would undersell his product right here in the United States. And do not forget that other nations, with cheaper labor, can put the American worker at a greater competitive disadvantage.

And now we come to step 3, the final blow.

The Anglo-American Conference, seeking ways and means of closing Britain's dollar gap and thereby saving her economy, was held recently in Washington. The United States was the dominant voice, and it was a Cabinet officer of the United States who had much to do with the devaluation of the British pound.

Neither the Congress nor the people were taken into consideration when this drastic step was taken. In the realm of high finance, the effect of this upon the American textile worker was completely ignored.

For again the hard-hit textile industry was hit in the solar plexus. Depression and tariff cuts—apparently these were considered of small concern by the officials of our Government. The British were urged to devalue their pound from 4.05 to 2.80, in terms of American dollars in order to open up American markets to British goods.

What are these goods?

British coal, motor cars, or agricultural products?

Hardly.

British woolens will lead the parade of exports to American stores to make matters worse for our own distressed mills, and the people who depend on these mills for their jobs.

To hold his own against this price-cutting flood, the American manufacturer will have to cut wages and lay off

help if he is to stay in business at all. Instead of bundles for Britain, we will need them for the displaced textile workers of New England.

I have no intention of being an apostle of gloom, but I cannot close my eyes to the difficulties under which the producers of woolen and worsted goods are presently operating. The dangers inherent in the lowering of the price of British goods exported to this country, through devaluation of the pound, could very well be the final stroke under which one of our main industries would break.

What are we going to do in the face of this very real threat?

I, personally, will appeal to the President to watch this situation carefully. With the great powers invested in him, he can keep tariff rates on woolens and worsteds at a rate high enough to protect the domestic market from being overwhelmed by an invasion of British textiles.

We can help the British and we can help world trade by spreading British imports to this country over the maximum number of industries possible to cushion the impact on our own economy. Textiles and a few others are in no position to absorb the shock by themselves.

On the theory that it is better to anticipate and thereby avoid, I say that the outcome rests entirely with the President. With clear notice that the peril point for textiles is at hand, even before the further effect of devaluation is felt, I am constrained to inform the President that responsibility for all ill effects that may follow must be shouldered by him. New England hopes that he will provide its important industry with at least a minimum of protection. It cannot forgive him if he fails.

Our textile workers, whose livelihood is at stake, want assurances of adequate protection before and not after the flood.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield.

Mr. MILLER of Nebraska. I agree 100 percent with what the gentleman has said. I do not know how he voted on the reciprocal trade agreements bill when it was before the House, but I do know it is the policy of the majority side to disregard the peril point in our reciprocal trade agreements.

Mr. LANE. I will inform the gentleman right now, lest we forget, that I voted against the reciprocal trade agreements.

Mr. MILLER of Nebraska. I think the gentleman used good judgment, and so did I. I predict that the present reciprocal trade agreements which have been passed by the other body, if accepted by your side, which has the responsibility in the House of Representatives, will wreak havoc upon the industries of the United States—not only the textile industry but the clock industry and pottery industry and half a dozen other industries.

SPECIAL ORDER GRANTED

Mr. COX. Mr. Speaker, I ask unanimous consent that following the special order granted to the gentleman from Michigan [Mr. HOFFMAN] I may address the House for 10 minutes.

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

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 5 minutes.

LABOR "GOON SQUADS"

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from New York [Mr. JAVITS], a Republican, and the gentleman from New York [Mr. MARCANTONIO], American Labor—I think he is—both deplore the rioting and violence which occurred at Peekskill in their home State, where the great Tom Dewey, who was a great prosecutor, is Governor. We can all join the two gentlemen from New York in expressing the hope that violence and rioting will not interfere with free speech or freedom of lawful action, and regret what happened. But what puzzles me is why those two self-styled champions of civil rights, and I do not criticize them nor do I question their sincerity—but what puzzles me is why those two gentlemen, who get so excited at this interruption of a meeting where a Communist is billed to speak, never seem to be concerned when Americans are beaten and sent to hospitals and sometimes to the morgue by labor "goon squads." I hope each of these gentlemen sometime will take the trouble and time to explain to the House why it is that each is so strangely silent about the violence, lawlessness, and rioting of labor "goon squads." Always go to bat when some Communist is deprived of his right. Hundreds of cases have occurred where property has been destroyed, the right of speech denied, and personal violence committed in defiance of the law and court orders by "goons" acting in the name of labor, and I have heard nothing which I can at the moment recall from these two gentlemen or that either of them has protested.

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

Mr. HOFFMAN of Michigan. I yield.

Mr. JAVITS. In the debate on the Mundt-Nixon bill, the very bill I mentioned, I said and I said unequivocally the reason I was vigorously opposed to the bill was I felt it could affect any organization, any church, any trade union, or any trade association and I will be just as vigorous in the denunciation of anything like that on the floor as the gentleman would.

The gentleman cannot deny that.

Mr. HOFFMAN of Michigan. Mr. Speaker, I decline to yield further to the gentleman.

Mr. JAVITS. The gentleman should admit that.

Mr. HOFFMAN of Michigan. Mr. Speaker, I decline to yield further. The statement is no answer to the question. It is a typical excuse and a typical alibi.

What I am telling the gentleman is that I have never heard him criticize the violence of labor "goon squads." There have been occasions, hundreds of them—I do not know, thousands of them, possibly—but at least I know there are hundreds of them where "goon squads"

have gone in and beaten up innocent citizens, men and women. Why do you not say something about that?

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

Mr. HOFFMAN of Michigan. I yield.
Mr. RANKIN. I was one of the supporters of the Mundt-Nixon bill. It was supported by the Committee on Un-American Activities because it was designed to protect this country against communistic attacks. Its object was to save America for Americans.

Mr. HOFFMAN of Michigan. Well, I am not talking solely about Communists. I am talking about violence and lawlessness generally. What I am saying is that if we get this steel strike, and a coal strike, and a railroad strike, and a strike in the motor industry with the usual violence you may find the people doing the very thing that we deplore and disapprove of. They will take the law in their own hands. Meet club with club. That profits no one—solves nothing—injures all.

Mr. RANKIN. I am answering the gentleman from New York [Mr. JAVITS] in his attack on the Mundt-Nixon bill.

It would have protected Christian churches and all other legitimate organizations against the attacks of atheistic communism.

The SPEAKER. The time of the gentleman from Michigan has expired.

EXTENSION OF REMARKS

Mr. DAVIS of Tennessee asked and was given permission to extend his remarks in the RECORD and include a speech recently made by him.

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. Cox] is recognized for 10 minutes.

THE PEEKSKILL RIOT

Mr. COX. Mr. Speaker, I ask unanimous consent that I may insert in the RECORD an article by George Sokolsky appearing in the Washington Times-Herald of September 8, last.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COX. Mr. Speaker, in an article that I have inserted in the CONGRESSIONAL RECORD, George Sokolsky, the author, makes the point that the fact that Paul Robeson is a Negro does not exempt him from responsibility for his personal conduct, and that the numerous indecencies of which he has been guilty would not have been suffered except for the fact that he is a Negro. That statement prompts me to ask if there is not a point where the coddling of the disloyal, operating as agents of a foreign power bent upon undermining our Government, should come to an end, and if the protest of war veterans to the meeting in Peekskill, N. Y., August 27, to feature this notorious Negro singer was not an expression of moral indignation on the part of those who love the flag, rather than a riotous display of hate on the part of irresponsible persons?

The rights of free speech and free assemblage are, of course, fundamental rights, but they are subject to the restraints that separate right from wrong, and depend upon attendant circum-

stances when and where asserted. The enumeration of these rights in the Constitution does not disparage other rights enjoyed by the people. If the natural tendency and probable effect of this assemblage under existing circumstances was to provoke protest and disorder, then it did not come under the protection guaranteed by the first amendment, and if the meeting was in pursuance of an unlawful conspiracy to promote the communistic program, then what was done by veteran vigilantes should not be stigmatized with invalidity.

That demonstration by American veterans against the presence of this particular Negro singer should have been warning that the community of Peekskill was opposed to the principles he advocated. It should have been warning that there was opposition to his denunciation of America and American institutions. It should have been sufficient warning that there was opposition to his alien propaganda. It would have been sufficient warning to any ordinary loyal, law-abiding American citizen, white or black.

Obviously, however, it was not sufficient warning to this notorious Negro singer, for safe from the vigilantes, he issued a defiant declaration that he would return. And, defiantly, he did return a week later. His sympathizers came armed with baseball bats and other weapons. Having been incited to riot, they came prepared for rioting. On that occasion more than 100 persons were injured. There was extensive property damage. But for the presence of a thousand law-enforcement officers, the casualties probably would have included human lives, greater human injury, and greater property damage.

These are the bare facts of the occurrences at Peekskill, normally a placid community, not far from the city of New York, on two successive Sabbath evenings. So far as I have been able to ascertain, no such rioting ever occurred before at Peekskill; for Peekskill, you see, is situated north of the Mason and Dixon's line in an area not referred to as a "trouble area"—a term reserved for opprobrious application generally to cities and communities of the South. Nor was the Ku Klux Klan present, either hooded or unhooded.

The thousands of persons who participated in those demonstrations and riots at Peekskill on both sides are but a part of a great mass of American citizens. Apparently none of them bears any particular individual distinction. One, who did not participate in the demonstrations, who escaped uninjured—the agent provocateur who incited the riot—is a notorious Negro singer. It was not the first time he had incited to riot. It was not the first time he had provoked a mass demonstration. It is a technique with which he is fully familiar, having acquired it at first hand in the school of Communist Russia itself. He is habituated to it.

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

Mr. COX. I yield.

Mr. RANKIN. That was a Communist demonstration, and they were using this Negro Communist, Paul Robeson, to do the singing.

Those American patriots, those servicemen, were protesting against their lynching of the Constitution of the United States, or undermining and destroying this great Government of ours for which they fought.

Mr. COX. Yes. What is there sacrosanct about this notorious Negro singer that panoplies him with the right to incite to riot in his denunciation of all that is American and his advocacy of communism? Why is he not among the defendants now on trial in the city of New York? Do you know of any white man who thus would be tolerated to provoke mass demonstrations, who would be protected by a thousand law-enforcement officers while he shatters the peace and calm of the Sabbath? Is this particular individual guaranteed freedom to incite to riot?

Under our Constitution this singer is guaranteed the right to appear at Peekskill or anywhere else. He is guaranteed the right to sing. In times of peace he may even propagandize for Russia and against America. And all who want to hear him may assemble for that purpose. A thousand law-enforcement officers will be called out to protect him and them. But has he a legal and constitutional right to incite to riot? Having incited to riot he carefully refrained from subjecting himself to harm. He stole away from the scene of conflict protected by a thousand law-enforcement officers, his hide unscratched.

Once again safe, he now impudently contends that the thousand law-enforcement officers who protected him in his escape from an impassioned group of American veterans failed to perform their duty. Brazenly and insolently he demands the impeachment of the Governor of New York. Rather than the Governor's being impeached for not affording even greater protection, would he not with better propriety be criticized for having provided any protection at all?

How far have we gone in the destruction of our temples—temples built by the founding fathers for the preservation of a glorious national faith? This Negro singer has gone about the land ridiculing and mocking and deriding and denouncing the institutions that have made us a free people. He seeks to destroy those institutions, all the while demanding nonetheless that they protect him in his infamy. Indeed, he now goes further and demands that they accord him the right to remove from office the elected Governor of a great State.

This Negro singer is not ignorant. Indeed, he is cunningly and mischievously intelligent. He has won power over the Negroes of America. He is the self-proclaimed black Stalin, the future head of the black state that is to reach from Virginia to Texas. He conducts his propaganda openly and brazenly and defiantly. He is engaged in force and violence against the peace and safety and security of the Nation, both within and without its borders. Yet he goes about unscathed, unmolested, and unimpeded. With what impunity is this black Stalin cloaked?

Not long ago wise leaders on both sides believed that our racial problem could be

adjusted without violence. Forbearance, tolerance, time, and a decent regard for the rights of each group were considered to be the principles upon which the problem was to be solved. But those principles have been cast aside under the provocation of such leaders as this Negro singer and those who abet him and follow him.

In hundreds of communities throughout the land Negroes, under the guidance of such leaders as this, now are engaged in promoting strife and discord. Contemptuous of our institutions, they nonetheless utilize our Federal courts to demand by law compliance with what they regard as rights, advantages they know cannot be accorded them, and for which they themselves make little or no contribution. They exert organized power over Federal, State, and local governments for the enactment of laws whose execution they know will lead to strife and discord, turmoil and riot.

The Negro singer who provoked the disturbances in placid Peekskill on two successive Sabbaths is openly in conflict with the peace, the safety, and the security of America, the land that gave him the opportunity to develop his talents. Instead of utilizing those talents and his power of leadership over 20,000,000 Negroes for good and for the peaceful adjustment of racial differences, he is engaged in provoking disorder and conflict. He has permitted the blight of communism to do injury to his race. He has changed the badge of communism in America from red to black. He has attained the Negro in America with the suspicion of disloyalty. He will not destroy the temples of America. They are indestructible. But he will destroy himself and do injury to his race.

I salute the veterans of Peekskill for their manifestation of concern for the thing they love and for the preservation of which they spilt their blood, and for which thousands of their compatriots died. Seeing what is right, let them ever put the law of their hearts to righteous employment and resist all influences that have as their objective the consignment of free America to the wrecks of time.

[From the Washington (D. C.) Times-Herald of September 8, 1949]

THESE DAYS

(By George Sokolsky)

Only one who suffers from race prejudice can forgive Paul Robeson his numerous indecencies, which would never have been tolerated in a white man. The fact that he is a Negro does not exempt him from responsibility for his personal conduct.

He has gone about this land denouncing this country, outraging the sentiments and loyalties of other Americans. He has stated a preference for Soviet Russia; yet he insists upon living in the United States. The earth is large and includes many countries.

No one needs to live in the United States who dislikes this country. Certainly, the Soviet Union or one of its satellites will accept him and even permit him to sing in Othello, which seems to be his frustration.

Naturally, such rioting and counter-demonstrations as occurred in Westchester are bad. Robeson should be permitted to sing or talk, to warble Old Man River, parrot Stalin's lines to his heart's content. He has a constitutional right to make a fool

of himself, and this country is still strong enough to suffer its fools.

But moral indignation is also understandable. Men who fought in a war, in which he did not fight, men who have been wounded and have seen their comrades killed, will not lightly accept venomous attacks upon their country by a fellow-countryman who hides behind his self-asserted leadership of the Negroes and who protests every objection to his misconduct on the ground that a Negro should act less loyally, less decently, less manly than a white person.

Were I a Negro, I should reject Robeson's insults by a bop on the nose—and I should regard it as proper to do so. This man is devoting himself to destroying the really great work of bringing about a better relationship in this country between Negroes and whites. He is provoking trouble.

The question here is, who incites to riot, Robeson or those who are morally indignant? He and his Soviet stooges feel that they are entitled to form picket lines everywhere, even to encircle our courts, to shriek their hateful slogans, to denounce and insult American institutions, to outrage the sensibilities of every loyal and decent American, but they reject the right of any American to do unto them as they do unto Americans.

They constantly incite to riot, they constantly stir hate. They constantly place themselves in positions where they provoke, to use one of their terms, street fights, riots, arrests, and even physical violence upon themselves. All that is done so that their masters in the Kremlin may say to Europeans and Asiatics, "Fascist America."

The time has come to face these Communists and their allies for what they are. They are our enemies. They hate us. They are fighting us the world over.

Only recently, one who had been their servant, John T. Pace, confessed that he had been hired by them and used by them to create rioting in Washington during Herbert Hoover's term as President and that a vast propaganda was developed out of the veterans' march on Washington to damage this country. Their hope was that someone would be killed and that that would start riots throughout the country.

How much do we need to take from these creatures? If Paul Robeson were a man, he would have appeared before that first Westchester crowd of veterans and he would have sung the Star-Spangled Banner. Every veteran would have uncovered or he would have stood at attention.

Most of them would have joined in the song. But the coward did not appear, and he could not have sung that anthem with respect and love in his heart.

If you ever see a man spit on the American flag, it is not necessary to call a policeman. It is only necessary to maintain one's self-respect. And this we need to relearn in this land of ours.

So much propaganda has been done to make us love other countries that we have forgotten how to love our own.

We have been made pro-Russian, pro-British, pro-this and pro-that, but what we need most is to be pro-American, to love our land, to respect its traditions, to reverence its flag.

SPECIAL ORDER GRANTED

By unanimous consent, Mr. HOFFMAN of Michigan was given permission to address the House for 10 minutes tomorrow, September 22, 1949, following the legislative business of the day and any special orders heretofore granted.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WORLEY, Mr. McMILLAN of South Carolina, and Mr. BRAMBLETT (at

the request of Mr. MAHON), for an indefinite period, on account of official business.

To Mr. JONES of Missouri (at the request of Mr. MAGEE), for today, on account of official business.

To Mr. BULWINKLE (at the request of Mr. JONES of North Carolina), for an indefinite period, on account of illness.

To Mr. FLOOD (at the request of Mr. McCORMACK), for an indefinite period, on account of important business.

To Mr. BARING (at the request of Mr. McCORMACK), for an indefinite period, on account of illness in the family.

COMMUNICATION ADDRESSED TO THE POLISH EPISCOPACY BY POPE PIUS XII

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, in a forceful letter addressed to the Polish Episcopacy to mark the tenth anniversary of the German invasion of Poland on September 1, 1939, Pope Pius XII consoled the oppressed people of that land in these words:

This is your merit, this is your badge of nobility: to act strenuously, to suffer with fortitude, to hope invincibly, to accomplish great things.

I quote these apt words of the Holy Father because, to my mind, they epitomize the spirit and faith of the Polish people.

That people and their gallant little nation have long lived with adversity.

It should not be forgotten that 16 days after the 1st day of September 10 years ago Poland suffered another invasion from the east. It is the latter invasion that has persisted.

Poland was the first sacrifice on the profane altar erected by Nazi and Communist despoilers to the idea of joint world domination by a Hitlerite Germany and a Stalinist Russia.

Hitler's Germany lies in the dust, but Poland is now a satellite of Stalin's Russia.

The Poland of 10 short years ago was a different land.

It was a living memorial to the ideals of Woodrow Wilson.

After World War I, the ancient wrongs of repeated partition had been righted by the reconstitution of an integrated Poland.

The Wilsonian political architecture of eastern Europe symbolized the triumph of the idea that small nations were entitled to national independence, complete autonomy and geographical integrity.

In September of 1939, this symbol of the ideals and the idea of Wilson was ruthlessly shattered by the effectuation of the criminal conspiracy between Stalin and Hitler.

Free Poland was invaded and devastated, her territory divided, and her people subjected to an inhuman program of brutalization.

Though forsaken by friends and pros-
trated by enemies, the spirit of Poland
never flagged.

With an underground at home and a
government in exile abroad, the fire of
resistance to tyranny burned brightly
throughout the dark days of World War
II.

Poland, the Polish people, and the Pol-
ish Army were preeminent in their loyal
and gallant espousal of the cause of de-
mocracy.

Paradoxically, Poland knew no real de-
feat until the day of the triumph of the
cause which she represented and for
which she fought so bravely.

What panzer divisions, concentration
camps, mass deportations, slave labor
battalions and human crematories could
not accomplish in Poland was finally
achieved by the wiles and treachery of
communism.

Drained of her life's blood, free Poland
succumbed under the crunch of the ty-
rannous heel of Red fascism.

Today, and once again partitioned,
she lies prostrate behind the iron curtain
of Soviet suppression.

The tragedy of Poland is that of an
ally deserted and a friend betrayed.

It is a tragedy heightened by the stark
fact that the present partition and sub-
jugation of Poland is one aimed, not only
at her territory but at her culture, her
religion, and her national traditions.

It is a tragedy relieved only by the
knowledge that, despite centuries of op-
pression, the people of Poland have
clung tenaciously to their faith in jus-
tice and their hope of liberty.

That faith and hope are still alive in
the breasts of Poles everywhere. They
are the virtues through which the Polish
nation has survived every conquest and
by which it has outlived every dictator.

With that faith and hope, the iron
chains of Communist slavery will also be
cast off.

With encouragement from the Atlan-
tic nations, with the exertion of every
possible influence and aid from the
United States, and with their historic
reliance in the providence of Almighty
God, the Polish people will again find
means to reestablish their homeland as
a bastion of democracy in eastern
Europe.

In this month of their sorrowful an-
niversaries, our prayers are joined with
their hopes that the day of deliverance
will be soon at hand.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I
move that the House do now adjourn.

The motion was agreed to; accordingly
(at 12 o'clock and 51 minutes p. m.) the
House adjourned until tomorrow, Thurs-
day, September 22, 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:

931. A letter from the Administrator, Gen-
eral Services Administration, Federal Works
Agency, transmitting a draft of a proposed
bill entitled "A bill to authorize the appoint-
ment of guards, watchmen, or other protec-
tive personnel of Federal agencies as special

policemen, prescribing their powers as such,
and for other purposes"; to the Committee
on Public Works.

932. A letter from the Acting Secretary of
the Treasury, transmitting a draft of a pro-
posed bill, entitled "A bill to authorize reim-
bursement to the appropriations of the Bu-
reau of Narcotics of moneys expended for
the purchase of narcotics"; to the Committee
on Ways and Means.

933. A letter from the Chairman, Export-
Import Bank of Washington, transmitting a
report of the operations of the Export-Im-
port Bank of Washington as of the close of
business June 30, 1949; to the Committee on
Banking and Currency.

934. A letter from the Acting Attorney
General, transmitting copies of orders of the
Commissioner of the Immigration and Nat-
uralization Service suspending deportation,
as well as a list of the persons involved; to
the Committee on the Judiciary.

935. A letter from Luis Muñoz Marín,
Governor of Puerto Rico, transmitting a mes-
sage expressing sympathy on the death of
Congressman Richard J. Welch; to the Com-
mittee on House Administration.

936. A letter from ANTONIO FERNÁNDEZ-
ISERN, Resident Commissioner of Puerto Rico,
transmitting a message expressing sympathy
on the death of Congressman Richard J.
Welch; to the Committee on House Admin-
istration.

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. BRYSON: Committee on the Judiciary.
House Joint Resolution 23. Joint resolution
designating November 19, the anniversary of
Lincoln's Gettysburg Address, as Dedication
Day; without amendment (Rept. No. 1336).
Referred to the House Calendar.

Mr. BRYSON: Committee on the Judiciary.
House Joint Resolution 184. Joint resolu-
tion authorizing the President of the United
States of America to proclaim the first Mon-
day of February as National Children's Den-
tal Health Day; without amendment (Rept.
No. 1337). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public
bills and resolutions were introduced and
severally referred as follows:

By Mr. BATTLE:

H. R. 6178. A bill to provide that the Vet-
erans' Administration hospital being con-
structed at Birmingham, Ala., shall be named
in honor of Gen. William Crawford Gorgas;
to the Committee on Veterans' Affairs.

By Mr. BENNETT of Florida:

H. R. 6179. A bill to increase from \$45 to
\$55 the maximum monthly expenditure for
any individual which may be counted in
determining the amount of the Federal pay-
ments to the States for old-age assistance
and aid to the blind; to the Committee on
Ways and Means.

By Mr. CELLER:

H. R. 6180. A bill to amend the Legislative
Reorganization Act of 1946 with respect to
the periods of congressional adjournment;
to the Committee on Rules.

By Mr. DAWSON:

H. R. 6181. A bill to authorize relief of
authorized certifying officers of terminated
war agencies in liquidation by the Depart-
ment of Commerce; to the Committee on
Expenditures.

By Mr. FLOOD:

H. R. 6182. A bill relating to education or
training of veterans under title II of the
Servicemen's Readjustment Act, as amended;
to the Committee on Veterans' Affairs.

By Mr. LANE:

H. R. 6183. A bill to authorize the issuance
of a special postage stamp in commemora-
tion of George Peabody; to the Committee
on Post Office and Civil Service.

By Mr. MARCANTONIO:

H. R. 6184. A bill to provide more adequate
relief against unemployment and to increase
the national purchasing power by supple-
menting unemployment compensation pay-
able under State laws, and for other pur-
poses; to the Committee on Ways and Means.

By Mr. PATMAN:

H. R. 6185. A bill to amend the Federal
Credit Union Act; to the Committee on
Banking and Currency.

By Mr. PHILBIN:

H. R. 6186. A bill to provide for the relief
of officers of the Naval Reserve who served as
midshipmen at the United States Naval
Academy prior to 1913; to the Committee on
Armed Services.

By Mr. RANKIN (by request):

H. R. 6187. A bill to amend section 304 of
the World War Veterans' Act, 1924, so as to
cancel certain indebtedness against Govern-
ment life-insurance policies held by disabled
veterans; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 6188. A bill to amend Public Law 483,
Seventy-eighth Congress, as amended, to
equalize pensions payable to dependents of
World War I and World War II veterans; to
the Committee on Veterans' Affairs.

By Mr. STIGLER:

H. R. 6189. A bill to authorize the com-
mutation of the annual appropriation for
fulfilling various treaties with the Choctaw
Nation of Indians in Oklahoma, and for
other purposes; to the Committee on Public
Lands.

By Mr. WICKERSHAM:

H. R. 6190. A bill to establish rearing ponds
and a fish hatchery in southwestern Okla-
homa; to the Committee on Merchant
Marine and Fisheries.

By Mr. WOLCOTT:

H. R. 6191. A bill to increase by \$1,000,-
000,000 the limit on the amount of money
the Commodity Credit Corporation is author-
ized to borrow; to the Committee on Banking
and Currency.

By Mr. KLEIN:

H. Con. Res. 135. Concurrent resolution to
print as a House document the formal state-
ments offered before the House Committee
on Un-American Activities by Jackie Robin-
son and others on July 13, 14, and 18, 1949;
to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CAVALCANTE:

H. R. 6192. A bill to record the lawful ad-
mission to the United States for permanent
residence of Fortunato Salamone; to the
Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6193. A bill for the relief of William
Weiss; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 6194. A bill for the relief of An-
tonino Valenti; to the Committee on the
Judiciary.

H. R. 6195. A bill for the relief of Carlo
de Luca; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6196. A bill for the relief of Peter
Horvath; to the Committee on the Judiciary.

By Mr. LYNCH:

H. R. 6197. A bill for the relief of Giovanni
Russo; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 6198. A bill for the relief of the First
National Bank in Richmond, Calif.; to the
Committee on the Judiciary.

By Mr. SADOWSKI:

H. R. 6199. A bill for the relief of Stefan Protasewicz; to the Committee on the Judiciary.

By Mr. DOYLE:

H. J. Res. 351. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes; to the Committee on Armed Services.

PETITIONS, ETC.

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

1493. By Mr. MORTON: Petition of Kentucky Society Sons of the American Revolution, petitioning for an independent and impartial investigation of the interstate traffic in subversive textbooks and teaching materials; to the Committee on Rules.

1494. By Mr. LARCADE: Petition signed by Gus Bordelais, A. S. Bourgeois, and 200 other citizens of Iota, La., urging consideration of House bills 2135 and 2136 at this session of Congress; to the Committee on Ways and Means.

SENATE

THURSDAY, SEPTEMBER 22, 1949

(Legislative day of Saturday, September 3, 1949)

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

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

O God our Father, as in this pavilion of prayer we fling open the shuttered windows of our darkened lives to the light of Thy presence may some broken beams of Thy glory shine upon our daily work. By the adventure of faith may we be victors over life, not victims of it. Teach us that to live worthily we must have a faith fit to live by, a self fit to live with, and a cause fit to live for. Enlarge the sensitive area of our sympathy for the shepherdless multitudes so broken by the burdens and stress of these cruel years. Give us such a vision of the appalling needs of this troubled world as to make us sharers with Thee in saving it from the worst that is in man, to the best that is in Thy will and plan when Thy kingdom comes. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, September 21, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that routine matters may be presented for the RECORD, without debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LETTER OF THANKS FROM FORMER VICE PRESIDENT CHARLES G. DAWES

The PRESIDENT pro tempore laid before the Senate a letter from former Vice President Charles G. Dawes, addressed to the Secretary of the Senate, which was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., September 15, 1949.
Mr. LESLIE L. BIFFLE,
Secretary, United States Senate,
Washington, D. C.

MY DEAR MR. SECRETARY: I acknowledge the attested copy of a resolution adopted by the Senate extending greetings and felicitations to me on the occasion of my eighty-fourth birthday and wish to thank the Senate through you for the honor of their remembrance.

Yours,

CHARLES G. DAWES.

REPORT ON ADDITIONAL WITHIN-GRADE SALARY ADVANCEMENTS AS REWARDS FOR SUPERIOR ACCOMPLISHMENT

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the United States Civil Service Commission, transmitting, pursuant to law, a report and supporting data covering additional within-grade salary advancements as rewards for superior accomplishment made by the several Government departments and agencies during the fiscal year ended June 30, 1949, which, with the accompanying papers, was referred to the Committee on Post Office and Civil Service.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

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

S. 2541. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes; without amendment (Rept. No. 1099); and

H. R. 6022. A bill to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; without amendment (Rept. No. 1098).

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Joseph H. Lyons, of Mobile, Ala., to be collector of customs for customs collection district No. 19, with headquarters at Mobile, Ala. (reappointment); and

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.

BILLS INTRODUCED

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

By Mr. FERGUSON:

S. 2583. A bill for the relief of Roy Albert Hamilton, Sr.; to the Committee on the Judiciary.

(Mr. PEPPER (for himself, Mr. THOMAS of Utah, Mr. MURRAY, Mr. HILL, Mr. NEELY, Mr. DOUGLAS, Mr. HUMPHREY, Mr. WITHERS, Mr. TAFT, Mr. SMITH of New Jersey, Mr. DONNELL, Mr. AIKEN, and Mr. MORSE) introduced Senate bill 2584, to provide for studies of the methods of determining the amount, distribution, and effects of illness in the United States and for conducting periodic inventories of illness by the best methods developed through such studies, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. DULLES:

S. 2585. A bill for the relief of Ilona Kahan, Tibor Kahan, Eva Radnal, Paul Radnal, Agnes Rosenberg, Edit B. Hannach, Eugene Nemes, Elisabeth Kozma, Jenta Rottenberg, Gabor Zipser, Elisabeth Zipser, and Nandor Zipser; to the Committee on the Judiciary.

By Mr. KILGORE (for Mr. MCCARRAN):

S. 2586. A bill for the relief of Delfo Giorgi; and

S. 2587. A bill for the relief of Vittorio Quilici; to the Committee on the Judiciary.

HEALTH SURVEY

Mr. PEPPER. Mr. President, on behalf of myself, the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. NEELY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Kentucky [Mr. WITHERS], the Senator from Ohio [Mr. TAFT], the Senator from New Jersey [Mr. SMITH], the Senator from Missouri [Mr. DONNELL], the Senator from Vermont [Mr. AIKEN], and the Senator from Oregon [Mr. MORSE], all of whom are members of the Committee on Labor and Public Welfare, I introduce for appropriate reference a bill to provide for studies of the methods of determining the amount, distribution, and effects of illness in the United States and for conducting periodic inventories of illness by the best methods developed through such studies.

The bill (S. 2584) to provide for studies of the methods of determining the amount, distribution, and effects of illness in the United States and for conducting periodic inventories of illness by the best methods developed through such studies, was read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. PEPPER. Mr. President, from the Committee on Labor and Public Welfare, I report favorably Senate bill 2584, just introduced, and I submit a report (No. 1097) thereon.

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

AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENT

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