By Mr. POULSON:

H. R. 6334. A bill for the relief of Mrs. Carmen Rickards Mandelbaum; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 6335. A bill to authorize and request the President to appoint Gen. Omar N. Bradley to the permanent grade of general of the Army; 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:

1518. By Mrs. NORTON: Petition of 43 veteran residents of New Jersey, protesting provisions of instruction 1-A, issued by the Veterans' Administration September 1, 1949; to the Committee on Veterans' Affairs.

1519. Also, petition of 67 veteran residents of New Jersey, protesting the provisions of instruction 1-A, issued by the Veterans' Administration September 1, 1949; to the Committee on Veterans' Affairs.

1520. By the SPEAKER: Petition of Bedford Classroom Teachers Association, Bedford, Ind., commending the Senate for passing Senate bill 246 and urging the House of Representatives to pass similar legislation providing Federal aid on a basis of need without Federal control; to the Committee on Education and Labor.

1521. Also, petition of Joliet Township High School, Joliet, Ill., reaffirming their stand as favoring Federal support of public education, provided that State and local control of education is retained; to the Committee on Education and Labor.

1522. Also, petition of Oak Ridge Education Association, Oak Ridge, Tenn., requesting that a Federal-aid-to-education bill be brought before the House, and endorsing Senate bill 246 or a substitute bill which will let the State determine the expenditure of Federal funds without Federal control; to the Committee on Education and Labor.

1523. Also, petition of Athens Teachers Association, Athens, Ala., expressing appreciation for efforts put forth in behalf of Federal aid to education and requesting that legislation be promoted that will secure Federal aid without Federal control and that Federal aid be restricted to public elementary and high schools of our country; to the Committee on Education and Labor.

1524. Also, petition of Southwest Shippers Advisory Board, Dallas, Tex., urging Congress not to enact into law Senate bill 238 and House bill 378; to the Committee on Interstate and Foreign Commerce.

1525. Also, petition of Henry B. Sims and others, Albuquerque, N. Mex., relative to training under the GI bill of rights, and endorsing Senate bill 2596 and requesting the support of this bill or a similar bill in the House of Representatives; to the Committee on Veterans' Affairs.

SENATE

THURSDAY, OCTOBER 6, 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, the might of them that put their trust in Thee amid all the subtle dangers that beset us, save us from the fatal folly of attempting to rely upon our own strength. In a world so uncertain about many things we are sure of no light but Thine, no refuge but in Thee. The din of words assails our ears from an agitated world. Grant us an inner calm undisturbed by any outer commotion. Give us courage to seek the truth honestly and reverence to follow humbly the kindly light that leads us on.

So may the service of our brief hour contribute to the beauty and glory of our America as in a darkened world she lifts aloft the light of freedom. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, October 5, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1834) for the relief of the widow of Robert V. Holland, and it was signed by the Vice President.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. GEORGE (on behalf of Mr. O'MAHONEY), and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to sit during the session of the Senate this afternoon.

On request of Mr. GEORGE, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to sit during the session of the Senate this afternoon.

On request of Mr. GEORGE, and by unanimous consent, the Committees on Agriculture and Forestry and the Judiciary were authorized to sit during the session of the Senate today.

REPORT BY SENATOR LODGE ON HIS RECENT TRIP TO EUROPE

Mr. LODGE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement which I issued yesterday regarding observations made on a recent trip to Europe.

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

STATEMENT OF SENATOR LODGE

EXTENT OF TRIP

The trip was devoted first to an examination of the military integration of the Brussels Pact powers, and secondly to a general study of the progress of a united western Europe toward prosperity and strength. All time was spent in France and Italy, but many conversations were held with persons arriving from other European countries on both sides of the iron curtain.

GENERAL STATEMENT

It is impossible to make even a brief and superficial survey of western Europe in this autumn of 1949 without feeling both great encouragement and some disappointment.

ENCOURAGING FACTORS

On the encouraging side mention must first be made of the very significant start which has been achieved toward the military integration of western Europe. The staff already functions smoothly and is completely international; studies of great thoroughness are in progress; an important amount of standardization, I was told, has been achieved among the respective navies and air forces; and some agreement on types of weapons has been reached as between the various armies. There is no doubt but that functions will be allotted on a noncompetitive and nonduplicating basis. Of course much remains to be done. But in view of the recent news of the possession by the Soviet Union of the atomic bomb, it is encouraging to be able to report the conviction of expert and responsible officials that western Europe can be successfully defended against aggression. To put western Europe in such a strong defensive posture will require prolonged and extensive efforts, but it is good to know that the fundamentals are such that these efforts would not be in vain.

The economic recovery in France is striking to one who saw France during the war and again in 1947. There is every outward indication of better living; foods of all kinds are plentiful and the shops are full. A great amount of reconstruction of areas devastated during the war has been achieved. Prices appear to be still high and many persons in the so-called white-collar class are still badly squeezed, but France's recovery is such that many professional observers believe that at the expiration of the Marshall plan in 1952 she will be able to stand by herself.

Italy's effort is immensely impressive, inasmuch as she underwent staggering destruction during the war. For example, 5,000 bridges were destroyed and, judging by the areas I visited, practically all of them have been repaired. In Italy I heard even greater concern than in France expressed for the so-called white-collar class, and disturbing statements were made to me about the whole state of higher education in Italy, and the future for university-trained people generally. Italy's relatively meager natural resources in relation to its large population make it appear likely that after 1952 some further assistance will still be necessary, but there is no doubt of Italian good will and of the fact that the Italians have, without stint, made their maximum effort.

A similar story of progress can be told about the other nations of continental western Europe. Living standards are up, much constructive work has been done, production in many cases is well above prewar levels, hope and confidence have replaced fear and defeatism. All this has been helped by—and most of it would not have been possible without—the Marshall plan. The record of its operations is a credit to all the men and women, including particularly such men as Averell Harriman and Milton Katz who, under the leadership of Paul Hoffman, have administered it with such remarkable efficiency. The record of its operations reflects credit on General Marshall, on Senator VANDENBERG, and on the Congress which enacted the Economic Cooperation Act, and set up procedures and standards which prevented this unprecedented adventure in foreign policy from degenerating into a chaotic hand-out.

Yet, while it has assuredly brought hope and prosperity and strength, and while it has

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assuredly stopped the growth of the Communist disease—while it has prevented the patient's death, it still has not cured him.

DISAPPOINTING FACTORS

For it is a truism that these things are not enough. Anti-Communist tactics, however effective, are no substitute for that constructive statesmanship which actually effects a permanent and fundamental change, solves the problem which harasses suffering humanity, and leaves something different—and vastly better—than what it first found. This thought was implicit in the Economic Cooperation Act which in its statement of intentions expressed the hope that the nations of Europe would give practical effect to the desire which they had themselves expressed of giving the every-day man in Europe the advantages of a single European market, free from barriers, such as we have in America and which, together with our insistence on an antitrust competitive system, reflects the spirit which has largely made us what we are. The debates in the Senate in 1947 will show the determination of the Senate not simply to rebuild the same old row of European firetraps which has been so instrumental in involving us in two world wars. There was the feeling then that, if united, the nations of Europe could be prosperous and strong, whereas, divided, they would be poor and weak.

ISOLATIONISM AND LOBBIES

The feeling that a single European market is a "must" is even stronger now—which makes it all the more disappointing to record that economic isolationism is rife in Europe today, and that many mature and careful observers do not hesitate to say that restrictions on the free exchange of goods are actually worse than they were at the end of the war. In that sense Europe, they, say, has actually moved backward.

This failure to progress can be explained on many grounds, there as here, there are strong lobbies of interests which do not hesitate to use their influence to put their own selfish short view ahead of the greater good of the community to which they, of course, belong.

The United States cannot and should not try to compel European unification. Europe has had enough of compulsion. But we can renew expression of our belief that there is no future for Europe in having its component states cut off one from the other. And believing that time is short, we have the right and duty to say that prompt and careful study should be given to whatever steps may hasten the creation of a true European community. Some of these are:

NEW STEPS

1. The development by Europe of new and more intensive plans for integration.

2. The possibility of concentrating American aid in the future wholly on plans which embrace all the Marshall plan nations.

3. The desirability of one plan for continental Europe and other plans for other areas.

4. The desirability of putting a European of the stature of Prime Minister Spaak of Belgium, who has shown such great leadership in this field, in charge of such a plan.

5. Reexamination of our own foreign-trade policies to see whether they are actually in tune with the new times.

6. Renewed study of practical ways and means to revive American investment capital for foreign development.

7. Our constant watchword should be to preserve the great good that has been done, and then to go ahead.

Finally, let us all, here and in Europe, ask ourselves the question, do we in America and in Europe really mean what we say regarding the development of a great, strong, and prosperous western Europe community of peoples, or are we just talking for the pleasure of hearing the sound of our own voices?

We emphatically do not confront the question of abandoning our efforts to strengthen Europe. The suggestions which I make certainly do not mean that we are not deeply gratified by all the good that has been accomplished, but they do indicate the need of searching for new methods. We Americans must join in that search first because our safety is at stake; this in itself is enough reason. But there is the further reason that in Europe the greatest single fact today is that in the face of the threat of a godless world dictatorship, the United States remains the one human factor in which Europeans have the greatest and most profoundly instinctive confidence. Our self-preservation gives us the impulse; the mood of Europe and the faith she still has in us, gives us the opportunity.

DISPLACED PERSONS—LETTER FROM JOHN THOMAS TAYLOR

Mr. McKELLAR. Mr. President, I ask unanimous consent that there be printed in the RECORD a letter from John Thomas Taylor, director of the national legislative commission of the American Legion, concerning displaced-persons legislation.

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

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
Washington, D. C., October 5, 1949.

Hon. KENNETH MCKELLAR,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MCKELLAR: A statement appearing in the CONGRESSIONAL RECORD of October 3 on page 13652 would indicate there is a possibility that Senate Resolution 160, a resolution to discharge the Committee on the Judiciary from further consideration of H. R. 4567, to amend the Displaced Persons Act of 1948, might be considered before adjournment.

The American Legion met in convention in Philadelphia August 29 to September 1, 1949, and there were present 3,344 delegates and 3,344 alternates from every department of the American Legion (from every State and from five foreign departments). The subject of amending the Displaced Persons Act of 1948 was considered by a Convention Committee on Immigration, composed of a delegate from every one of these departments, and the following resolution was adopted unanimously by the convention without one dissenting vote: Now, therefore, be it

Resolved, That the American Legion in national convention assembled in Philadelphia, Pa., August 29, 30, 31, and September 1, 1949, demand of our Government heads that they strictly adhere to the existing laws and quotas allowing immigration to the United States and particularly adhere to the laws now in force applying to displaced persons and rather than place any additional burden on the people of America by increasing the quotas of immigration; and be it further

Resolved, That we take steps to curtail as far as possible any further immigration to this country at the present time.

The hearings before the Senate Committee on the Judiciary are not concluded. The chairman of that committee, Senator MCCARRAN, and the chairman of the subcommittee of the House Committee on the Judiciary, Mr. WALTER, are both in Europe at the present moment investigating this entire matter. The question of amending our immigration laws is of the most vital importance to our country and we respectfully request that this subject matter be given the most careful and deliberate hearings, investigation, and consideration by the Judiciary Committees.

The American Legion desires to register its objection and its opposition to Senate Resolution 160, which is contrary to the historic and long-established parliamentary procedure of the Senate. In order that this legislation might receive its proper and careful consideration, we respectfully request your aid and support in opposition to Senate Resolution 160.

Respectfully yours,
JOHN THOMAS TAYLOR,
Director, National Legislative Commission.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

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

Mr. MYERS. The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR] and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

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 Maryland [Mr. O'CONOR] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from New York [Mr. DULLES], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

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

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

The Senator from Ohio [Mr. BRICKER] and the Senator from Maine [Mrs. SMITH] are absent on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Senators for insertions in the RECORD, and other routine matters, without debate.

EXECUTIVE COMMUNICATIONS, ETC.

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

INTERNAL SECURITY OF THE UNITED STATES

A letter from the assistant to the Attorney General of the United States, urging the early enactment of Senate bill 595, relating to the internal security of the United States; to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS

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

REPORT OF MARINE CORPS MEMORIAL COMMISSION

A letter from the Chairman of the Marine Corps Memorial Commission, transmitting, pursuant to law, a report of that Commission, including its recommendations for congressional action (with accompanying papers); to the Committee on Rules and Administration.

PETITIONS

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

By the VICE PRESIDENT:

A resolution adopted by the Wood, Wire and Metal Lathers' International Union, assembled at Los Angeles, Calif., the week of September 12, 1949, favoring the enactment of legislation providing Federal aid to education; to the Committee on Labor and Public Welfare.

Two resolutions adopted by the Wood, Wire and Metal Lathers' International Union, assembled at Los Angeles, Calif., the week of September 12, 1949, favoring an amendment of the Water Pollution Control Act so as to eliminate the limitation upon the amounts of loans and grants now included, and the enactment of legislation which will enable the Government to make advances to States and their political subdivisions to aid in financing the cost of construction of public works; to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

S. 501. A bill repealing section 202 (e) of the Sugar Act of 1948; without amendment (Rept. No. 1128).

By Mr. ANDERSON, from the Committee on Agriculture and Forestry:

S. 2522. A bill to stabilize prices of agricultural commodities; with amendments (Rept. No. 1129); and

H. R. 5345. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; with an amendment (Rept. No. 1130).

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. R. 2186. A bill providing for a location survey for a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska; without amendment (Rept. No. 1131).

By Mr. JOHNSTON of South Carolina, from the Committee on the District of Columbia:

S. 333. A bill to authorize the appointment of three additional judges of the municipal court for the District of Columbia and prescribe the qualifications of the judges of such court; with amendments (Rept. No. 1132);

H. R. 4749. A bill to remove the requirement of residence in the District of Columbia for membership on the Commission on Mental Health; without amendment (Rept. No. 1133); and

H. R. 4789. A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Abraham J. Ehrlich; without amendment (Rept. No. 1134).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, October 6, 1949, he presented to the President of the United States the following enrolled bills:

S. 377. An act for the relief of Ernest J. Jenkins; and

S. 1834. An act for the relief of the widow of Robert V. Holland.

BILLS INTRODUCED

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

(Mr. FLANDERS introduced Senate bill 2645, to incorporate the American Standards Association, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. KEM:

S. 2646. A bill for the relief of the Articaire Refrigeration Co.; to the Committee on the Judiciary.

(Mr. MAYBANK introduced Senate bill 2647, to increase the compensation of the Members of the Board of Governors of the Federal Reserve System and the Members of the Board of Directors of the Federal Deposit Insurance Corporation, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

INCORPORATION OF AMERICAN STANDARDS ASSOCIATION

Mr. FLANDERS. Mr. President, I introduce for appropriate reference a bill to incorporate the American Standards Association, and I ask unanimous consent that my introductory remarks in regard to the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the introductory remarks of the Senator from Vermont will be printed in the RECORD.

The bill (S. 2645) to incorporate the American Standards Association, introduced by Mr. FLANDERS, was read twice by its title, and referred to the Committee on the Judiciary.

The introductory remarks of Mr. FLANDERS are as follows:

Mr. President, a few months ago we were all greatly interested to learn that the United States, Great Britain, and Canada had succeeded in unifying their screw-thread systems into a single unified system, thus bringing about interchangeability in the use of screw threads by the industries and governments of these three countries. The American Chairman of the Combined Production and Resources Board, William L. Batt, has estimated that the small differences between the British and American screw-thread systems cost this country hundreds of millions of dollars during the Second World War. Equally costly, it wasted precious months in delaying the production of many important munitions.

The extensive technical work back of this important accomplishment was carried out through the national standardizing bodies of the three countries—the British Standards Institution, the Canadian Standards Association, and the American Standards Association. Each of these had the full cooperation of their respective governments, on both the military and the civil side, and of the great technical and industrial groups concerned with the problem.

For 15 years I was chairman of the screw thread committee of the American Standards Association through which the various groups cooperated. As such, I had the privilege of presiding over the 1943 international meeting with British and Canadian representatives which led to the unification of screw threads of our three countries. That meeting was the beginning of a long series of conference which culminated last November in the signing at the National Bureau of Standards of an accord on screw threads by representatives of government and industry from the United Kingdom, Canada, and the United States.

This unification of screw threads is only one of hundreds of illustrations of the fundamental role that standards are playing in the development of our national economy.

Standards are of fundamental importance to government and industry alike. And it is highly important that there be the closest teamwork between them in the development and in the use of standards which are of primary concern to both. To insure this close relationship in standards work, the senior Senator from Wyoming and I are introducing a bill, a major purpose of which is to make it clear that it is the policy of the Congress to encourage intimate and effective cooperation between the Federal Government and industry in the establishment of common standards acceptable and useful to both—in our peacetime economy and in preparation for defense.

ALL INDUSTRIES USE STANDARDS

All of our major industries are making extensive use of standards. The automobile industry is often cited as a striking example of the role which standards have played in the development in a single generation of one of the major industries of the world. It has often been pointed out that if a modern automobile, instead of being a highly standardized product built under mass production methods, were to be built entirely from parts each specifically designed and made, the cost would be utterly prohibitive, and we would not be living in a motor age.

The electrical industry, which is one of the relatively newer industries, has reaped enormous advantages from standardization. Its basic nomenclature, units, and systems of measurements are uniform the world over, but no other country has achieved such results from electrical standardization as has the United States. For example, lamps, household appliances, motors, and industrial equipment are interchangeable from coast to coast.

The adoption by the railways of a standard track gage and a system of interchangeable couplings was necessary before we could have a national railroad transportation system, which requires the interchange of rolling stock. And upon a national transportation system, in turn, rests our whole economic and industrial structure.

FOUR STAGES OF STANDARDIZATION

Standardization has developed in four stages:

1. In individual companies.
2. By groups—technical societies and trade associations or Government agencies.
3. On a national scale.
4. On an international scale.

The first stage, standardization within the plant, has been the essential factor in the development of mass production, and mass production in turn has been the chief contribution of the United States to the development of industry.

I am going to pause to mention an incident of great historical interest which occurred in 1797 during President Adams' administration which was the start of mass production in this country. The Government was in great need of arms. Under authorization of the Fifth Congress, Thomas Jefferson, then Vice President, signed the contract with Eli Whitney, inventor of the cotton gin, to supply 10,000 muskets. Whitney took the unprecedented step of tooling up and making all parts interchangeable, instead of following the traditional method of fitting the parts by hand for each musket. At a critical stage of his contract he went to Washington, and in a dramatic incident, he demonstrated his methods to an assemblage of Government experts and Members of Congress. He assembled 10 muskets by picking standard parts at random from a pile. This was the beginning of mass production in this country.

The second stage, standardization by industries, carried on by technical societies and trade associations, has for the most part been a product of this century. The standards achievements in the automobile, electrical, and railway industries, which I have already mentioned, are products of this stage.

Third, the intergroup or national stage, was brought on by problems created by the First World War. With hundreds of organizations, trade associations, technical societies and Government agencies active in standards work, it was obvious that a national clearinghouse for standards was necessary. Our national clearinghouse is the American Standards Association, which is generally referred to by the initials "ASA."

The ASA was organized in 1918 by five great engineering societies. It has developed into a federation of 106 national organizations.

The fourth, or international stage, is still in its early stages. There are now national standardizing bodies similar to the ASA in 30 countries. Two-thirds of these were organized during or immediately following World War I. Twenty-seven of them, including the ASA, are now banded together in the International Organization for Standardization.

GOVERNMENT'S USE OF STANDARDS

The Federal Government is interested in industrial standardization in two ways: First, as a purchaser, it is interested in an extraordinarily wide range of specifications for materials and apparatus; and second, through its great service and research bureaus, whose function is to serve industry and commerce, is interested in innumerable standardization questions.

You will all recall that the reports of the Hoover Commission and one of its task committees dealt extensively with the subjects of purchasing and specifications, and that many of these recommendations have already been enacted into law, including establishment of the Office of Administrative Services, which embodies the former Bureau of Federal Supply, from the Treasury Department.

One of the task-force recommendations was that both the military and civilian agencies of the Government should, in their standards-work, follow industrial practices more closely and should make extensive use of the work of the ASA and of technical and trade associations.

STANDARDS IN NATIONAL DEFENSE

It is a far cry from Eli Whitney's standard muskets to the unbelievably complicated problems of production and transportation of World War II. That war demonstrated that standards are of major importance in national defense.

No previous war had ever required the production of such vast quantities of materials. The total war effort absorbed nearly half of the national economy. The need for industry and Government to use and work to the same standards was unprecedented. Wherever industry was not accustomed to working to standards at least similar to those laid down by the Government, the resulting disruptions and misfires were extremely costly.

And there were a very great number of such situations.

Every Government order carries with it the specifications that define the gun, the tank, or the blanket that the manufacturer has to make. Each manufacturer—whether prime contractor or subcontractor—must control all his operations so that both the individual parts and the completed product will comply with the standards originally laid down as part of the order.

The following are examples of the confusion and dislocations which occurred as a result of there not being a comprehensive set of standards in use by Government and industry alike:

"There were thousands of smaller companies which participated little or not at all in the war production, but which could have done so had there been such a comprehensive system of national defense standards to which they were accustomed to work. This lay at the heart of the small-plant problem.

"The whole problem of subcontracting was enormously complicated by the lack of such a national system. It limited prime contractors in their choice of subcontractors, and made it necessary for them to spend much more time in educational and supervisory efforts than would otherwise have been necessary. For example, the prime contractor often had to redraw the specification drawings to accord with his own practices to which his engineering and production staffs were accustomed, and as a basis for his instructions to his subcontractors.

"The logistical problem was greatly complicated. For example, greater quantities of repair parts were manufactured and delivered to the theaters of war than would have been necessary had a comprehensive system of national standards been in use. This, in turn, complicated the transport, warehousing, and servicing operations, introducing confusion and waste."

Officers who are in a position to know will tell you that such a comprehensive system of standards would have saved not millions but hundreds of millions of dollars.

At one time the prevailing idea was that the Army and Navy each by itself, after consulting a few producers, should in peacetime lay down its specifications telling industry what it wants, and assuming that industry could produce the enormous quantities of material specified even in time of war.

Fortunately, broader concepts have been developed over a period of years and were greatly hastened by World War II. The newer idea is that there shall be standards which are acceptable to Government and industry generally.

THE AMERICAN STANDARDS ASSOCIATION

As I have already said, the American Standards Association is our national clearinghouse for standards. Over 500 national organizations are participating in its technical activities. Through it, a national consensus has been reached on more than 1,000 standards. These cover a wide field of industries—mechanical, electrical, metallurgical, mining, chemical, textiles, and others.

I am sure that no other organization has done as much in a concrete way as has the American Standards Association to keep the solution of problems arising in the day-to-day operating of industry within the free-enterprise system.

A series of American standards for the prevention of industrial diseases is being worked out through the voluntary methods of the ASA. This is being done with the full cooperation of the Federal and State health agencies which are contributing invaluable research work to the standards program.

A series of building-code standards is assisting city and State governments to modernize their building codes and to make much greater use of sound engineering principles, thus helping them to free themselves from commercial and political pressures.

One of ASA's earliest jobs was a program of uniform national safety codes for the protection of workers. At the time this work was started there were conflicting requirements among the regulations of State governments.

The standards developed under the procedures of the American Standards Association touch your daily life and mine in many ways. The color code for the red, amber, and green traffic lights to which you responded on the way to your office this morning was developed through the ASA. Perhaps some of you remember the confusion which existed not many years ago when the colors had different meanings in different regions. At that time, New Yorkers stopped their cars on Fifth Avenue on green, started them on amber, and red was a caution sign. This American standard is now in use throughout the world.

More recently, ASA work has entered the field of consumer goods, such as specifications for sheets and household appliances.

During the last war the American Standards Association did extensive work for the armed forces and for the War Production Board, and for the Office of Price Administration. At first this work was done without cost to the Government. Finally, as the work grew, nonprofit contracts were entered into under which the association was reimbursed for actual expenditures. I will mention only three examples:

At the request of the Army Ordnance Department, standards adapted to a wide range of industry were developed for the application of the then new method of quality control, based on the experience of the telephone industry. These standards gave a great impetus to the new method. The Government established schools to teach it to their inspecting officers and to further the use of the method in the armed forces and by industry. The methods are now in use in a wide range of important industries.

At the request of the Navy Department, a photographic exposure guide was developed which was carried by all photographically equipped vessels and airplanes of all of the armed forces.

At the request of the War Production Board, an extensive set of specifications for radio and radar components was developed. For the first time, the Army, Navy, Air Force, and manufacturers all cooperated in the development and use of unified standards.

The work of the association is guided by three simple principles:

First, every group substantially concerned with a standard is given the opportunity to participate in its development. For example, the committee in charge of the safety code for power presses contains representatives of 15 national organizations, including trade associations representing manufacturers of the equipment, employers, insurance groups, State and Federal Government agencies, and labor unions.

Second, each subject selected for standardization is sufficiently restricted in its scope so that it can be handled by a committee made up of representatives of the groups concerned—like a legislature organized along industrial lines.

Third, decisions are not made by simple majority vote, but instead every effort is made to thresh matters out so thoroughly that a decision is reached which is unanimous or nearly so.

Most ASA committees operate under the technical direction of one or more bodies having an outstanding position in the field.

Fifty agencies of the Federal Government are cooperating in ASA technical projects through 426 representatives.

A ROAD BLOCK AFTER 30 YEARS' COOPERATION

For 30 years, Government departments participated fully and at all levels in the work of the association. As the work of the ASA progressed, one Government activity after another sought or accepted member-body status until in 1947 there were 10 such Government member bodies—Navy, War, Commerce, Labor, Agriculture, Interior, Treasury, Federal Works Agency, Housing and Home Finance Agency, and the Government Printing Office.

In 1948 the member bodies decided to incorporate the ASA under the laws of the State of New York, but because of the nature of the organization to seek Federal incorporation through an act of Congress. Immediately before State incorporation, based on legal rulings by various departmental solicitors and counsel, each of the Federal Government activities withdrew from their member-body status on the ground that it had no authority to hold membership in a State-incorporated association. There was thus pulled from the structure of the ASA a solid group of 10 foundation stones. Further, certain of the Government departments have instructed their representatives on technical committees who have continued to participate in these important deliberations to act only in a liaison status and to cast no votes.

The ASA is thus faced with a road block preventing the full effective cooperation of the Government departments that had existed for 30 years. In the light of the legal rulings which have guided the action of the department and agency heads there seems no way of restoring Government activities to member-body status in the American Standards Association short of congressional action.

PURPOSES OF THE BILL

The bill which Senator O'MAHONEY and I are introducing has two major purposes: First, as I have already said, to make it clear that it is the policy of the Congress to encourage intimate and effective cooperation between the Federal Government and industry in the establishment of common standards acceptable and useful to both—in our peacetime economy and in preparation for defense; second, to provide a congressional charter for the ASA, and to authorize the Federal departments and agencies to make full use of the facilities of the association in cooperating with industry, labor, and consumer groups in matters having to do with standards.

Our bill complies with the provisions of Senate bill S. 1290, which was passed by the Senate on August 9, 1949.

For 30 years industry and Government have worked together, through the national clearinghouse—the American Standards Association—in developing national standards which have greatly benefited the national economy and aided immeasurably in national defense. To grant this association a Federal charter will strengthen this valuable work and will place the Congress on record as favoring the development of standards within the free-enterprise system through the cooperative efforts of all parties at interest—including Government.

The measure will cost the taxpayers nothing. It will save them money.

AMENDMENT OF RULE RELATING TO QUORUM OF COMMITTEES AND SUBCOMMITTEES

Mr. BRIDGES submitted the following resolution (S. Res. 180), which was referred to the Committee on Rules and Administration:

Resolved, That subsection (3) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(3) (a) Except as provided in paragraph (b) of this subsection, each standing committee, and each subcommittee of any such committee, is authorized to fix the number of its members (but not less than one-third of its entire membership) who shall constitute a quorum thereof for the transaction of such business as may be considered by said committee, subject to the provisions of section 133 (d) of the Legislative Reorganization Act of 1946.

"(b) Each standing committee, and each subcommittee of any such committee, is authorized to fix a lesser number than one-third of its entire membership who shall constitute a quorum thereof for the purpose of taking sworn testimony."

EMMA SHEWELL

Mr. HENDRICKSON submitted the following resolution (S. Res. 181), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Emma Shewell, widow of Robert M. Shewell, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HOUSE BILL REFERRED

The bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, was read twice by its title, and referred to the Committee on Finance.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES—AMENDMENTS

Mr. ANDERSON submitted an amendment intended to be proposed by him to the bill (S. 2522) to stabilize prices of agricultural commodities, which was ordered to lie on the table and to be printed.

Mr. MAGNUSON. Mr. President, day before yesterday I offered an amendment which caused a great deal of discussion and controversy in the Senate in connection with the bill (S. 2522) to stabilize prices of agricultural commodities, and inasmuch as we shall probably have the bill before the Senate again very shortly I submit an amendment intended to be proposed by me to the bill along the same line, and ask that it be printed for the information of the Senate and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

ELEMENTARY AND SECONDARY SCHOOL CONSTRUCTION—AMENDMENT

Mr. MAGNUSON. Mr. President, I submit an amendment intended to be proposed by me to the bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for school construction, for advance planning of school facilities, and for other purposes, which will be before the Senate shortly.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

DETENTION OF AMERICAN VESSELS BY CHINESE NATIONALIST GOVERNMENT

Mr. IVES. Mr. President, as is generally known, I dare say, by Members of the Senate, two American-flag ships are now being held by the Chinese Nationalist Government off the coast of Shanghai, apparently for no legitimate reason whatever. This situation would seem to be utterly inexcusable. I call upon the State Department at this time to take such action as may seem appropriate in the circumstances, and not to delay in taking such action.

In this connection I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the text of a statement by the Isbrandtsen Steamship Co., which appears in this morning's issue of the Journal of Commerce of New York.

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

THE FOURTH AND FIFTH AMERICAN SHIP

On September 29 our *Flying Independent*, an American ship in the far-eastern trade, radioed us that she and the *Flying Clipper*, both American-flag cargo liners in the far-eastern trade, had been halted by two Chinese gunboats, in international waters, on the China coasts, outside the Yangtze River.

The vessels now, 7 days later, and after having been ordered to shift about by the Chinese, are forcibly held under penalty of being sunk, should they proceed on their regular and lawful voyages. Much brandishing of arms has accompanied these orders.

Our Government has publicly declared that it does not recognize a purported blockade or interference with our trade with Chinese ports. Our calls there are in accordance with that policy and follow our company's regular round the world schedules in our determination to give service in our foreign commerce. The steamers had no difficulty entering Shanghai—they were stopped and after a courteous exchange of signals were advised it was in order for them to proceed to Shanghai. We looked for no further trouble.

But because of the uncertain situation in China, we had theretofore asked, as a prudent precaution, for naval escort from our forces continually in those waters, but our State Department would not allow it. Two days before we were ready to leave Shanghai we repeated our original request and received a similar answer.

There was a conference in the State Department last Friday, September 30, at which we were advised that the Department either had, or would, make inquiry as to the facts from Canton—the seat of the Nationalist Government.

We pointed out that the facts were on the table—the indignities heaped upon the personnel aboard the vessels, as reported by the many radio dispatches, should be enough for the Department to go on. But up until today—7 days after the occurrence—we have still not a thing from the Department other than that.

So crew members, totaling over 100 Americans, and passengers are now on the vessels, subject to the humiliation of being prisoners, and there is nothing of intelligence and no word of comfort that we can give them.

The 132 refugees put aboard at the instance of the Korean Government and the United States consul at Shanghai, in contemplation of a few days' journey to Korea, are likewise being subjected to the discomforts of the situation. These people include both women and children, also the Korean Ambassador.

But the State Department has plenty of time. Social functions and long week ends

must not be interfered with. There can be no excuse for such a length of time.

We have telegraphed to President Truman and said to him that it must be that the vessels are held there with the State Department's consent, for it is certainly within the power of the State Department to demand their immediate release, and if there should be difficulty therewith, to direct the dispatch of a destroyer to the spot. Our Government has ample forces in the vicinity.

As it is, the only comfort the vessels have received to date is from the occasional presence of British war craft. Whenever those are in sight, our captors are less belligerent.

We have restrained ourselves so far, not wishing to lend comfort to the other side by our apparent helplessness, but we now let our hair down. The situation on board both vessels is precarious and has been for several days.

It is not the first time within a comparatively brief space where the Department has shown its disinterest in what happens to American ships. The *Martin Behrmann* in Indonesia was seized and stripped of her cargo; the *Sir John Franklin* abused in Batavia—the *Flying Trader* boarded and stripped of her cargo in the Suez Canal—an international waterway.

The Department tell us, in effect, that they cannot bother with rascality. So, if this state of affairs continues, we shall have to arm ourselves somehow, to prevent piracy and banditry, or be in constant fear. For 7 days guns have been trained on our vessels, and from a destroyer they received from this country for nothing.

Mr. Acheson, we are waiting for your answer. Your Department treats these Americans and ships as if it was something abstract and as if the Department was a lawyer for the other side.

If the Government does not want us to call at China, we will not call at China, but you must say so, and you have not told us so.

By allowing conditions such as these to go on, Mr. Acheson, you are devaluing the United States.

ISBRANDTSEN.

THE AMERICAN FREE ENTERPRISE SYSTEM—ADDRESS BY SENATOR HENDRICKSON

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by Senator HENDRICKSON before the Colonial Life Insurance Co. annual convention at the Statler Hotel, Washington, D. C., September 23, 1949, which appears in the Appendix.]

THE DANGERS FACING THE UNITED STATES—ADDRESS BY SENATOR JENNER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by Senator JENNER, before the Federation of Women's Republican Clubs of Ohio, at Columbus, Ohio, September 30, 1949, which appears in the Appendix.]

USE OF ANTITRUST DIVISION OF THE DEPARTMENT OF JUSTICE TO TERRORIZE PHYSICIANS—STATEMENT BY SENATOR FULBRIGHT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a statement prepared by the American Medical Association protesting the use of the Antitrust Division of the Department of Justice in a campaign to "terrorize physicians into abandoning their opposition to compulsory health insurance," which appears in the Appendix.]

A RAINBOW OVER THE ALPS—ARTICLE BY REV. FREDERICK BROWN HARRIS

[Mr. THYE asked and obtained leave to have printed in the RECORD an article entitled "A Rainbow Over the Alps," by Rev. Frederick Brown Harris, Chaplain of the Senate, from the Washington Sunday Star of September 25, 1949, which appears in the Appendix.]

SUMMARY OF RURAL LIFE CONFERENCE BY THE WISCONSIN AGRICULTURIST AND FARMER

[Mr. WILEY asked and obtained leave to have printed in the RECORD a summary, published in the Wisconsin Agriculturist and Farmer of October 1, 1949, of the various topics discussed at the recent rural life conference, which appears in the Appendix.]

EDUCATION'S PLACE IN REORGANIZATION PLANS—ARTICLE BY EDGAR FULLER

[Mr. MORSE asked and obtained leave to have printed in the RECORD on article entitled "Education's Place in Reorganization Plans," written by Edgar Fuller, executive secretary, National Council of Chief State School Officers, and published in the Washington Post of August 27, 1949, which appears in the Appendix.]

THE FARM PROGRAM

[Mr. ANDERSON asked and obtained leave to have printed in the RECORD a newspaper article entitled "Bills Get Graham's Support," which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF ERNEST W. GIBSON TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF VERMONT

Mr. KEFAUVER. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Thursday, October 13, 1949, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Ernest W. Gibson, of Vermont, to be United States district judge for the district of Vermont, vice Hon. James P. Leamy, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Tennessee [Mr. KEFAUVER], chairman, the Senator from North Carolina [Mr. GRAHAM], and the Senator from North Dakota [Mr. LANGER].

LEON MOORE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 627) for the relief of Leon Moore, which was to strike out all after the enacting clause and insert:

That, in the administration of the immigration and naturalization laws, the Attorney General shall not consider as applicable to Leon Moore (a) the provisions of (1) the act relating to certain excludable classes of aliens approved October 16, 1918, as amended (U. S. C., 1940 ed., title 8, sec. 137), and (2) sections 3 and 19 (a) of the Immigration Act of February 5, 1917, as amended (U. S. C., 1940 ed., title 8, secs. 136 and 155 (a); Supp. V, title 8, sec. 155); and (b) the provisions of section 305 of the Nationality Act of 1940 (U. S. C., 1940 ed., title 8, sec. 705).

Mr. BRIDGES. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

DEATH OF ROBERT E. HANNEGAN

Mr. KEFAUVER. Mr. President, I know that all Members of the Senate have been shocked to learn of the death of Hon. Robert E. Hannegan, former chairman of the Democratic National Committee and former Postmaster General. I could not let this moment pass without saying a word of tribute to the life and character of this distinguished American. Mr. Hannegan served his Nation and his party well. He was a strong partisan, but always fair, a hard worker, a good father, and a man of fine character. I know that we all regret his untimely passing.

Mr. LUCAS. Mr. President, one of the most vigorous figures in American life has passed away, and many Members of the Senate have lost a fine friend. I know that many of my colleagues on both sides of the aisle will share my feeling of shock at the sudden death of Robert Hannegan, former Postmaster General, and former chairman of the Democratic National Committee.

Mr. President, it was my good fortune to meet Bob Hannegan in 1940. I journeyed to St. Louis, Mo., and drove from St. Louis to Moberly, where I opened the campaign for the present President of the United States, who was then running for the United States Senate. From that time until last Saturday night Bob Hannegan and I have been close and intimate friends. Only last week I had the privilege of spending a convivial evening with Bob Hannegan at a dinner given in honor of the new Attorney General, J. Howard McGrath, and Tom Clark, Associate Justice of the Supreme Court. It was a pleasure to see him, to talk with him, to enjoy the warmth of his genial personality. It was always valuable and memorable to be in the company of Bob Hannegan.

He was a fighter. He had strong beliefs, and he entered with great zest and great gusto into many battles. He loved the demanding, rough-and-tumble game of American politics. Like all of us, he lost some of his battles. But he had the gift of being a good loser as well as a good winner. He was a gentleman and a sportsman.

During his term of service as head of the Democratic National Committee, he did much to inspire the staff of the committee to pour their energies into the cause of the Democratic Party. He traveled from one end of the country to the other, tackling party problems, settling the disputes that always arise in any vital organization, and challenging political leaders to meet the issues of our times squarely and forthrightly.

He had a great many friends, and I am proud that I had the opportunity to be one of them. He impaired his health by his strenuous labors, and now he has gone to his final rest. He served his country and the American people, and he won the admiration and affection he deserved.

We shall miss him, Mr. President, in the years to come. We shall miss his strength in the battles of the future. We shall never forget him.

I send to his beloved wife and his lovely children my deepest sympathy in their hour of trouble.

Mr. ANDERSON. Mr. President, I wish to express my own great admiration of the fine character and lovely friendship of Bob Hannegan. His

friendship was extended to many, many people, but certainly to no one who appreciated it more than did I at a time when I really needed it. There never was a time when I could not call Bob Hannegan and have him immediately respond, and I appreciated that, indeed.

The word of his passing arouses a very deep feeling of sorrow on my part, as I am sure it does to people all over America who loved him and valued his friendship as I did.

Mr. DONNELL. Mr. President, Robert E. Hannegan, who was born and lived in St. Louis, and whose death occurred today, attained distinction both politically and officially. He has left many friends who mourn his departure. My sympathy is respectfully extended to his sorrowing family.

Mr. KERR. Mr. President, I have just learned of the passing of Robert Hannegan, former Postmaster General, former chairman of the Democratic National Committee, former Commissioner of Internal Revenue.

It is indeed tragic that one so young and yet so useful could not have remained longer in a national environment to which he had made such notable contributions.

Few men have loomed as large in brilliance of mind, integrity of purpose, and influential leadership as did Robert Hannegan.

He was the trusted and valued associate of the immortal Franklin Roosevelt. He, more than any other American, was responsible for preventing the nomination of Henry Wallace and for the selection of Harry S. Truman as Vice Presidential nominee of the Democratic National Convention in 1944. Thus he, more than any other American, made it possible for this Nation and the world to have the courageous and enlightened leadership of our beloved President in the closing and victorious months of World War II, and in the constructive postwar period following victory in that struggle.

Robert Hannegan loved his party and gave it unexcelled service and leadership. Likewise he loved his country with a deep and boundless devotion, and enriched that country with the excellence and abundance of his talents which he devoted so unselfishly.

Robert Hannegan was a great father, a devoted husband, and a patriot of the highest order.

I share the grief of the countless friends who knew and loved him. I, too, feel the loss of which so many are so keenly conscious.

I pay tribute to one whose services to friends and country will never be forgotten—whose memory will remain forever fresh in the minds of those who knew and loved him.

AMENDMENT OF UNITED NATIONS PARTICIPATION ACT OF 1945

The Senate resumed the consideration of the bill (H. R. 4708) to amend the United Nations Participation Act of 1945.

Mr. CONNALLY. Mr. President, the pending bill is the House bill H. R. 4708, providing for certain amendments to the United Nations Participation Act of 1945. The Senate passed a similar bill last year, and the House has passed a bill. In the interest of expediting action we thought it advisable to take up the House bill. There is very little, if any, difference between the two measures. There are some textual differences, but none of any great consequence. I invite the attention of the Senate to a very brief statement regarding the bill and its implications.

Mr. President, we have before us today an important bill which is designed to strengthen our working relations with the United Nations. I refer to the bill to amend the United Nations Participation Act. There is, I think, nothing controversial about the measure. It was passed by the Senate last year, with one major exception, in substantially its present form. Due to the pressure of legislative business at the end of the session, however, it failed to pass the House of Representatives. This year the Foreign Relations Committee considered the bill again and reported it unanimously on June 16. On July 20 a similar bill was approved by the House, and it is the House bill to which I invite attention.

In general, the amendments have two main objectives. First, to add greater flexibility to the United States representation on the Security Council and to strengthen our representation to meet the increased volume of work handled by our mission at Lake Success. Second, to clarify the authority of the President to authorize the detail to the United Nations of a limited number of personnel of the armed services for noncombatant purposes and the furnishing of certain equipment and assistance in connection with the activities of the United Nations. These personnel cannot take part in any combat operations. They are merely to aid the commissions of the United Nations in various countries which I shall enumerate a little later. Where we have military personnel in certain areas, some of them will be detailed to aid the commissions in the peaceful settlement of international disputes, without the employment of arms, and without operating in any way in a combatant capacity.

Let us consider each of these objectives briefly. At the present time our country is represented on the Security Council by our principal representative to the United Nations and a deputy representative to the Security Council. Our principal representative is former Senator Austin, who sits on the Security Council. Apart from the President and the Secretary of State, only these two officials have the authority to sit for the United States. In practice this arrangement has resulted in serious difficulties. The work load at Lake Success has been greatly increased and the Security Council has been meeting more frequently than was originally expected.

Last winter in Paris both the representative and the deputy representative for Security Council matters were ill at the same time. The United States was thus left for some time without any permanent representative authorized to deal with high-level matters in the Security Council.

I should also point out that our representative at Lake Success is responsible for developing over-all policies and programs with respect to the United Nations. Consequently, we must free him from the necessity of attending some of the meetings of the Security Council so that he can find the time and energy to perform his other functions.

For these reasons, the amendments would provide for the creation of a new post of deputy representative of the United States to the United Nations. This deputy would be authorized to act for our representative in all his various functions. He would rank as an ambassador and, together with our chief representative, would be paid in an amount commensurate with the salaries paid to our diplomatic representatives abroad. The deputy representative would also be entitled to represent the United States on any organ of the United Nations and to perform such other functions in this connection as the President may from time to time direct. The committee strongly believes this provision is a desirable one, in that it will permit both the representative and his deputy to assist, if necessary, in connection with various important meetings held at Lake Success. The deputy could sit on any of the subordinate commissions or committees under the United Nations.

As the bill stands now, our representative at Lake Success would be assisted by his deputy representative to the United Nations and by a second deputy who would have the authority to represent the United States on the Security Council in the event of the absence or disability of the other two. The President would also be empowered to designate an officer of the State Department, whose appointment is subject to senatorial confirmation, to sit on the Security Council in the absence of the representative or his deputies, or whenever it is of particular advantage to the United States.

These provisions, Mr. President, constitute a great improvement over the original bill, which was far too narrow in its scope.

The second major amendment is designed to facilitate participation by the United States in the activities of the United Nations relating to the peaceful settlement of disputes between nations. As Members of the Senate well know, there are at present some five field commissions of the United Nations performing important tasks in connection with particular disputes. They are the Special Committee on the Balkans; the Commission for India and Pakistan, dealing with the Kashmir situation; the Commission for Indonesia; the Palestine Commission; and the Commission on Korea. We believe these commissions are performing highly valuable functions and that we should encourage their work wherever possible. These commissions, in their local operations, in their investigations of local situations, require transportation and communication facilities in order to enable them to carry out their functions properly.

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

Mr. CONNALLY. I yield.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator from

Texas whether the respective nations, through their agencies in those foreign countries, assist the commissions by way of transportation, personnel, and so forth.

Mr. CONNALLY. I hold in my hand a copy of the committee report. It reveals that although the United States has furnished more of such equipment and assistance than other nations have, yet other nations have cooperated in a very satisfactory manner. Those contributions are as follows:

UNITED NATIONS PALESTINE CONCILIATION COMMISSION

France: 250 personnel, 1 corvette with crew.

Belgium: 100 personnel.

Great Britain: 4 aircraft without crew, 50 jeeps, 20 trailers, 2 staff cars, some communications equipment, some medical supplies.

Turkey: 1 aircraft with crew.

UNITED NATIONS COMMISSION FOR INDONESIA

Australia: 15 officers, 1 aircraft with crew.

Belgium: 5 officers.

China: 5 officers, 1 aircraft with crew.

France: 5 officers.

United Kingdom: 11 officers, 1 aircraft with crew.

Netherlands: 10 jeeps.

UNITED NATIONS SPECIAL COMMITTEE ON THE BALKANS

Brazil: 2 officers.

China: 3 officers.

France: 6 officers.

Mexico: 3 officers.

United Kingdom: 12 officers.

Netherlands: 2 officers.

UNITED NATIONS COMMISSION FOR INDIA AND PAKISTAN

Canada: 4 officers.

Belgium: 5 officers.

Mexico: 6 officers.

Norway: 4 officers.

So the Senator from Kansas will observe that other nations have made officers and personnel available to the various commissions.

Mr. SCHOEPPEL. I thank the Senator.

Mr. CONNALLY. These commissions also require the assistance of military observers to report on truce and boundary observance, but none of them are to take any part in combat. They are simply military personnel who are available to observe and advise the various commissions on the work they are undertaking to perform. The commissions also require certain personnel for communications and transport and for guard duty, to guard the property and guard the lines of communications, and so forth. Clearly it would not be advisable or desirable for the United Nations to keep on hand all the equipment which might be required or to hire permanently all the technical personnel which the United Nations might need in connection with the work of these commissions. Our own Government, which bears approximately 40 percent of the expenses of the United Nations, would be the first to oppose such a wasteful procedure.

Up to the present time personnel and equipment have been supplied by various governments for the work of the different commissions. The United Kingdom, France, the Netherlands, China, Australia, and Turkey have furnished considerable equipment; and personnel has been detailed by a number of United Nations members.

While the United States has been contributing to these operations, our legislative authority to do so needs clarification. That is one of the purposes of this bill namely, to give statutory recognition to these matters. Under existing law, the personnel and the equipment we make available cannot be assigned to the United Nations, but must be assigned to a United States military or diplomatic officer. Thus, technically, a vehicle so assigned could be used only by an American officer and driven by American personnel. That involves a good many difficulties, since it might be necessary for other members of the commission besides Americans to use the equipment which we make available. So this bill, if enacted, will permit the making of such details to the commission itself.

Moreover, it is desirable to make clear the right of United States personnel assigned to the United Nations to accept the per diem and other allowances which the United Nations is prepared to pay. Under the present conditions, that would not be allowable; but since the United Nations does make these allowances, we wish to authorize our representatives in proper cases to accept such allowances of per diem and extraordinary expenses.

In brief, therefore, section 7 of the bill is designed to clarify the authority under which services and supplies may be made available to the United Nations, so as to eliminate any question regarding control, the right of personnel to receive allowances, and the right of our Government to seek reimbursement. The question of reimbursement, as covered in the bill, is not mandatory, but is left to the discretion of the President; and in any case in which he thinks we should be reimbursed, he may make reimbursement a condition for making the services and supplies available to the United Nations, so that the United Nations will repay us for the expenses of the personnel and equipment which we supply.

It has been pointed out that that particular provision might save us $200,000 or $300,000 per year in reimbursements. Of course, I am not prepared to give the technical details as to every item; but the fact that we can secure reimbursement, which we are not securing now, would make this provision operate as a saving, rather than as an expenditure.

I emphasize again that the bill relates to noncombatant activities and limits to 1,000 the number of United States military personnel which may be detailed to the United Nations at any one time. In other words, the 1,000 includes personnel detailed to all the commissions. The total must not exceed 1,000—enlisted men, officers, and so on.

The bill also makes adequate provision for the loan to the United Nations of the fair share of the United States of any supplies and equipment needed in connection with the activities of the field commissions. In other words, if there is a territory or an area in which the United States has some of this equipment, such as communication equipment, automobiles, and trucks, we may supply our fair share, which is to be determined by the President of the United States. No combat equipment would be supplied under this section. The equipment contemplated includes transport and communications equipment used by the armed forces.

Mr. President, the committee approved to the Senate bill a few minor amendments which are designed to clarify the provisions relating to civil-service classification laws and related matters. They are detailed in nature and quite technical. I shall not go into them, but they are set forth clearly and at ample length in the report of the committee and of the House Committee on Foreign Affairs.

Mr. President, I hope it will be possible for the Senate to take speedy action. The Foreign Relations Committee and the Senate have strongly and consistently supported the work of the United Nations since its inception. But the road to world peace is rough and full of detours, and we wish to make certain that our working relations with the United Nations are as effective as possible. At the present time our mission at Lake Success is working under serious handicaps. The passage of the present bill will eliminate some of those handicaps and enable the mission to carry on its important work in a more effective manner.

Mr. President, the Senate last year passed this bill. The House, however, was unable to get it through before adjournment. In the meantime, the House has passed the bill now before the Senate. The Senate Foreign Relations Committee reported its own bill. There is very little difference between the two measures, in the nature of certain technical amendments only. We think it would be desirable to pass the House bill rather than the Senate measure. It was reported by the Foreign Relations Committee by a unanimous vote. I do not remember the exact vote, but it was passed without serious objection. I very earnestly trust we may pass the measure and let it become a law.

Mr. President, our representative on the United Nations, former Senator Austin, has performed with prodigious toil and labor a great duty and a great task, but he has been seriously embarrassed in not having deputies available when it was necessary for him to sit on the Security Council and to perform his other functions. As indicated in my remarks heretofore, at Paris last year when the Security Council was in session neither Senator Austin nor his deputy were available for a time because of illness. One of the chief purposes of the bill is to provide Senator Austin with a deputy who may sit on the Security Council when Senator Austin is not available, and who may in addition to that sit on the subsidiary commissions when necessary, in order to free Senator Austin from a great deal of the detail, and allow him to perform the high duties connected with policy matters and other matters of high moment.

Mr. LODGE. Mr. President——

Mr. CONNALLY. Does the Senator want me to yield, or does he want the floor?

Mr. LODGE. I merely wanted to express a word of agreement with what the Senator has said.

Mr. CONNALLY. I thank the Senator. I yield the floor to him.

Mr. LODGE. Mr. President, I should like to say a few words in agreement with what has been said by the Senator from Texas, chairman of the Foreign Relations Committee, regarding the pending measure. The committee considered the bill at some length, and I think I was present at all the hearings. It seemed to me that a very convincing case was made for the need of legislation which would define and regularize the use of military personnel, and which would provide the staff and the assistance which would enable our representatives at the United Nations to function effectively.

There is really no excuse for a great nation such as the United States not having sufficient personnel and not having its efforts organized in such an important world organization as the United Nations, so that the viewpoint of the United States and the interest of the United States can at all times be presented with the utmost effectiveness.

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

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

Mr. LODGE. I yield.

Mr. CONNALLY. The Senator says it is of the utmost importance that we have sufficient personnel. We not only ought to have sufficient personnel but we ought to have men of high caliber. It should be unnecessary to call in clerks or persons of second rank in the Government. Does not the Senator agree with that view?

Mr. LODGE. Yes; I think that is true. I do not believe we ought to regard the United Nations as something that is of transient or emergency character, and be in a situation where, if one of our leading representatives becomes ill, we shall have to rush in someone at the last minute. I think we ought to regard the United Nations as a permanent institution, and that our participation in it is a long-range affair, and that we ought to have representatives with the necessary qualifications who are ready to carry the full load of the work without anyone being overworked, and without being pushed and driven as hard as has been necessary in the past year or two.

I think the bill is well worked out, that the wording of it is accurate and definite. I hope the Senate will pass it.

The VICE PRESIDENT. The bill before the Senate is open to amendment. If there be no amendment, the question is on the third reading of the bill.

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

The VICE PRESIDENT. Without objection, Senate bill 2093 is indefinitely postponed.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

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

The PRESIDING OFFICER. (Mr. DOWNEY in the chair). A quorum is present.

FARM LEGISLATION

Mr. LUCAS. Mr. President, I wish to make an announcement. As a member of the Committee on Agriculture and Forestry I attended a meeting of the committee this morning, in line with the instructions laid down by the Senate on the recommittal of the so-called Anderson farm bill. The bill was considered by the committee, and we have reported another bill.

As I understand the parliamentary situation, we will be in a position to take up the bill tomorrow if it is reported today. I gave the information to some Senators that we would not take up the farm bill until Monday, but the Committee on Agriculture and Forestry was unanimous in its request that the majority leader have the bill taken up tomorrow, starting at 11 o'clock, believing that within 3 or 4 hours we can pass it, because there are only two controversial amendments, one dealing with tobacco, offered by the distinguished Senator from Kentucky [Mr. CHAPMAN], and the other the very highly controversial amendment which was offered by the Senator from Georgia [Mr. RUSSELL] and the Senator from North Dakota [Mr. YOUNG].

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. As I understand, if the bill shall be reported today, it can be brought up tomorrow only by unanimous consent. Is not that correct?

Mr. LUCAS. I was under the impression that if it were reported today it would be necessary for it to lie over for just 1 day.

The PRESIDING OFFICER. The Chair is advised that if the Senate adjourned today the bill could be taken up tomorrow. If it recessed, the bill would have to go over a legislative day upon objection to its consideration. Does the majority leader submit a request for unanimous consent?

Mr. LUCAS. I should like to do that. We can do one of two things, we can take the bill up by unanimous consent, but if we cannot get consent, of course we can adjourn over, and after the morning hour tomorrow I understand we can take the bill up.

I ask unanimous consent now that tomorrow——

Mr. SALTONSTALL. Mr. President, sitting in the place of the minority leader at the moment, I hope that the Senator from Illinois will not make the request at this moment, in order that I may be able to consult with some of those on this side who are more interested in the bill than I am.

Mr. LUCAS. I shall withhold the request, under the statement made by the Senator from Massachusetts.

Mr. SALTONSTALL. Is it the Senator's idea to take the bill up tomorrow at the opening of the session, regardless of whether or not the debate has been concluded and the results have been reached on the matters then pending? In other words, does he propose to ask that the unfinished business be supplanted?

Mr. LUCAS. The Senator is exactly correct. We are going to take up the farm bill tomorrow, the primary reason being that we hope to finish it tomorrow night and get it into conference, with a view of having a conference report submitted as soon as possible, so that the Senate may adjourn without any question.

Mr. SALTONSTALL. Would the Senator be willing to set a time at which he would make the unanimous-consent request so that I could make certain of the presence of Senators on this side who are interested in the farm bill?

Mr. LUCAS. I do not know how it would be possible to have any more present, other than through a quorum call, which we just had. That was why I was making the unanimous-consent request. But I shall be glad to delay it until the Senator can talk to Senators on his side who are on the Committee on Agriculture and Forestry; but later I shall make the request.

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

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

Mr. RUSSELL. I merely wish to ask the majority leader whether the Senator from North Dakota [Mr. YOUNG], who is a member of the Committee on Agriculture and Forestry, was informed of the fact that the Senator was about to make this request.

Mr. LUCAS. I do not say that he had knowledge I was going to make the request, but he did agree that we should take the bill up tomorrow, which means practically the same thing.

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

Mr. LUCAS. I yield.

Mr. MAYBANK. Did I correctly understand the Senator to say that if the unanimous consent was not granted, the Senate would adjourn and not take a recess, and that he would move to have the bill considered because of the necessity of getting it into conference?

Mr. LUCAS. The Senator is correct. That is the real, basic reason for not putting it over until Monday.

Mr. MAYBANK. I thank the Senator.

STRATEGIC ORES, METALS, AND MINERALS

Mr. LUCAS. Mr. President I move that the Senate proceed to the consideration of Senate bill 2105, Calendar No. 967.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 1, after line 4, to strike out down to and including line 8 on page 7, and insert:

SEC. 2. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the development and maintenance of sources of these metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials. To this end it is the further policy of the Congress that every effort be made to maintain a sound and active mining industry within the United States; to expand exploration for those ores and other mineral substances which are essential to the common defense or the industrial needs of the United States; and to prevent the discontinuance of mine operations under such circumstances as to make it probable that production would not or could not be resumed when needed for the national economy or security.

(b) In carrying out these policies small mining enterprises shall be encouraged to apply for aid under this act, and for this purpose the Secretary of the Interior shall provide small mining enterprises with full information concerning this act, and shall make special provision for expeditious handling of applications from small mining enterprises.

SEC. 3. A minerals Conservation Board, consisting of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, and the Secretary of the Treasury, is hereby established. The Secretary of the Interior shall be the executive chairman of the Board. The members of the Board may delegate their powers, functions, and duties, including those relating to appeals, to suitable officers of their respective agencies.

SEC. 4. To carry out the policy of this act, the Board shall by regulation determine—

(a) the amount of appropriated money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand;

(b) the amount of appropriated money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board;

(c) the amount of appropriated money to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals, as specified by the Board;

(d) the maximum price or the minimum price, or both, which may be paid for the purchase of any metal or mineral for conservation: *Provided*, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance;

(e) the maximum amount or the minimum amount, or both, which may be paid on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

(f) the maximum amount or the minimum amount, or both, which may be paid to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

(h) the particular metals or minerals that shall be eligible for aid for exploration; and

(i) the time limits or dates within which contracts for aid for conservation shall terminate.

SEC. 5. (a) The Board shall promulgate such rules and regulations as may be necessary to carry out its functions and duties under this act, and to provide fair and equitable treatment for all applicants for aid.

(b) The Secretary, subject to the rules and regulations of the Board, may prescribe rules and regulations for carrying out the provisions of this act and which must be complied with by applicants for contracts under the provisions of this act.

(c) The Secretary may delegate any of his functions under this act.

(d) All rules and regulations issued under the authority contained in this section shall be published in the Federal Register.

SEC. 6. (a) Any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration or financial aid to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed by the application must conform to the express policy and provisions of this act and with the rules and regulations of the Board and of the Secretary: *Provided, however*, That simple contracts covering exploration projects shall be awarded upon application to small base metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine if the application discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals.

(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to specified modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering unknown or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from each deposit, the examining experts, considering economic and practical factors, shall certify whether the project offers reasonable promise of maintaining in stand-by condition or in production, as the case may be, a property the production from which would in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

(c) The Secretary shall either accept and approve the application, subject to any modification therein which he may require, or he shall reject it: *Provided*, That if the Secretary's action on the application conflicts with the recommendation and certification of examining experts, he shall refer the application to the Board; and the Board shall either confirm and approve the action of the Secretary, or shall reverse it, or shall direct the Secretary to reconsider it. Confirmation or reversal of the Secretary's action by the Board shall be final, and direction to reconsider shall place the application in the same status it was in before action upon it by the Secretary. If the Secretary accepts the application, either in its original or modified form, the terms of the application and acceptance shall be merged in a formal, written contract. Any applicant who is dissatisfied with the decision of the Secretary upon his application, may at any time within 30 days after receipt of notice of the decision, unless further time is granted by the Board, appeal to the Board, and the Board as expeditiously as possible, shall review the entire matter, make its findings thereon, and notify the applicant of its decision, which shall be final.

(d) All metals or minerals purchased under the provisions of this section, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received by the Administrator of General Services at such places and times as may be provided in the contract. The Administrator shall from time to time, and in any event before selling them in the open market, notify the Munitions Board of the inventory of metals or minerals held by him under the provisions of this act and shall continue to hold all metals or minerals received by him under this act until at least 60 days after he has given the Munitions Board notice that they are so held. The Munitions Board may, as long as any such metals or minerals are held by the Administrator, (1) direct the Administrator to transfer any of them to the national security stock pile in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within 60 days after such notice from the Administrator direct him to hold any such metals or minerals listed in the notice until 60 days after the next succeeding appropriation for purchases for the stock pile has become available. Unless notified by the Munitions Board to either transfer any of such metals or minerals or to continue to hold them as provided in this subsection, the Administrator shall sell them in the open market if and when open-market prices will return to the Government at least the price paid by the Government for the metals or minerals, and only in such quantities as will not depress the market. No metal or mineral shall be transferred into the national security stock pile under the provisions of this act unless the material has been found to be strategic and critical as provided in the Strategic and Critical Materials Stock Piling Act, and meets established specifications as to quality and degree of refinement or processing, and unless such transfer is consistent with the current stock-piling procurement program of the Munitions Board. All moneys received by the Administrator of General Services from such sales in the open market shall be for deposit in miscellaneous receipts of the Treasury, and any transfer of metals or minerals to the national security stock pile shall be covered by a transfer of funds from appropriations available for purchases for the stock pile to miscellaneous receipts of the Treasury in amounts approximating what the costs of the metals or minerals would have been if purchased in the open market at the time of transfer.

(e) All contracts entered into under the provisions of this section—(1) shall contain an express provision that they are subject to the availability of appropriated money; and (2) may be entered into without regard to sections 3648 and 3709 of the Revised Statutes, as amended, or other provisions of law prescribing the manner of making contracts on behalf of the United States.

(f) No contracts shall be entered into under the provisions of this section for a

period exceeding 2 years or after the expiration of 3 years from the effective date of this act.

SEC. 7. As used in this act—

(a) "Secretary," standing by itself, means the Secretary of the Interior.

(b) "Administrator" means the Administrator of General Services.

(c) "Board" means the Minerals Conservation Board.

(d) "Exploration" means exploration in the United States for unknown or undeveloped sources of metals or minerals, including extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, including recognized and sound procedures for obtaining pertinent geological information, and including metallurgical research on processes for the production of such metals or minerals.

(e) "Production" means the production of ores or minerals from mines in the United States, or from tailings, dumps, slags, or residues of such mines, which the Secretary determines would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances with respect to each particular mine as to make it probable that for economic or technical reasons such production would not or could not be resumed promptly when needed for the national economy or security.

(f) "Small base metal mines" means mines or deposits of ores producing or which in the course of conducting an exploration project produce lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined.

(g) "Producer" means any person or persons or legal entity by whom or for whose account and interest exploration, maintenance, or production is to be or is being performed.

(h) "United States," when used in a geographical sense, means the United States and its Territories and possessions.

SEC. 8. This act shall not be construed as superseding or amending the Atomic Energy Act of 1946 (60 Stat. 755), as amended.

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary for carrying out the provisions of this act, including payments to producers for exploration, maintenance, and production, and the costs of administration, such funds to remain available until expended.

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

Mr. O'MAHONEY. Mr. President, before the committee amendment is acted on, it will be my purpose to offer certain perfecting amendments by the authority of the Committee on Interior and Insular Affairs.

Prior to doing that, I wish to make a brief explanation of what the committee conceives to be the essential need of the enactment of the proposed legislation.

It is not too much to say, Mr. President, that the industrial and military potential of any nation is in direct relation to its strength in minerals. The experience of the world in World War I and in World War II amply proves that war power and industrial power are one and the same thing. It was the ability of the people of the United States, through their industrial organizations and their political organizations, to mobilize the national resources of this Nation that made it possible for us in both of those two great conflicts to stem the tide of tyrannical aggression.

The sad fact, however, Mr. President, is that our mineral resources are now scattered broadcast throughout the world as a result of their utilization in carrying on the two wars. Minerals which were dug out of the mines of the United States have been transported across the seas and they are scattered all over the geography of the World in the explosions incident to war. They have been sunk in the sea. There is not a sea nor a continent in which our mineral resources have not been expended in warfare. Prior to these two great wars we were expending them in building up our industrial potential.

It now appears, Mr. President, however, that experts in the mineral field throughout the world recognize the fact, and agree upon it, that the mineral resources of the whole world have been used to an extraordinary degree, and that the time has come when we must pay vigorous attention to the development of new sources of these great minerals. If the United States does not do that, if we should allow our resources of minerals to remain unexplored and undeveloped while those of other nations of the world were being explored, developed, and utilized, we might easily lose our place of leadership.

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

Mr. O'MAHONEY. I yield.

Mr. LODGE. I should like to ask the Senator two questions. My first question is: Was this bill reported from the committee unanimously?

Mr. O'MAHONEY. It was reported by the committee unanimously.

Mr. LODGE. My second question is: Can the Senator give us some idea of the possible cost of this proposed legislation?

Mr. O'MAHONEY. It was the estimate of the committee that this project probably would not cost more than $90,000,000 in a year, but the bill is limited to 3 years, and it is provided that no contracts with any mine shall be made for more than 2 years.

I will say to the Senator from Massachusetts that the measure was worked out after many conferences between members of the committee, the officers of the Bureau of the Budget, the officers of the Bureau of Mines, and the officers of the General Services Agency, the procurement agency of the Government. It represents what the committee and the executive branch together feel is a very practical plan to produce tangible results without waste of the moneys of the United States.

Mr. LODGE. I thank the Senator.

Mr. O'MAHONEY. The Senator is quite welcome.

I was impressed, Mr. President, by the fact that during the recent United Nations conferences at Lake Success early in July, Dr. D. N. Wadia, director of the bureau of mines of the Government of India, recognized the same situation which I have been briefly describing, and pointed out that in war the world has been using up its mineral resources. He said, according to the release which was handed to the press at Lake Success:

> Since 1914 more basic metals have been used up, a large part either destroyed or irreclaimably locked up, than during the whole of human history * * *. The lesson of metal depletion from the accessible parts of the earth's crust should be taken as nature's grim warning that man is spending away a prime treasure which is nonreplenishable.

He went on to say:

> The critical shortage in metals is most seriously felt up to now only with respect to tin, lead, and zinc, but signs are apparent that assessible deposits of copper, nickel, manganese, wolfram, and antimony are diminishing and new discovery is not keeping pace with demand. The situation, though general for the whole world, is becoming acute in the Western Hemisphere, chiefly the countries around the North Atlantic border.

It seems to me, Mr. President, that those words of an eminent expert from India should be taken into consideration by everybody in the United States. The Western Hemisphere, he said, is losing its natural resources.

To me it has been clear for many years that if the United States is to maintain its leadership in peace and in war, if it is to maintain its policy of leading the world to peace, it cannot afford to risk becoming dependent upon other nations for its supply of natural resources. That was the reason several years ago that I worked in the committee which I now represent as chairman for the enactment of the synthetic fuel law; it was the reason I worked for the expansion of the General Leasing Act—both intended to make it more possible to develop here in the United States the natural mineral resources upon which our progress in industry and in peace absolutely depend.

There are some rather shocking facts which should be brought to the attention of the Senate concerning what is happening to our position with respect to minerals.

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

Mr. O'MAHONEY. I yield.

Mr. WILLIAMS. Did I correctly understand the Senator from Wyoming to tell the Senator from Massachusetts that there was an estimate of the cost of the bill?

Mr. O'MAHONEY. The estimate that was used in the committee was approximately $90,000,000.

Mr. WILLIAMS. Approximately $90,000,000.

Mr. O'MAHONEY. Not to exceed that. The point I intended to make in response to the Senator from Massachusetts was that the Bureau of the Budget has been most diligent in impressing upon the committee the policy of the executive department to restrain expenditures, to avoid subsidies. It will be remembered that the President vetoed a premium-payment law in the Seventy-ninth Congress.

It will be remembered that a similar bill was reported by the committee in the last Congress, but failed of passage during the closing days of the session a

year ago in July. This bill is an effort—and I think a successful effort—to meet all the criticisms which were raised by the President in his veto message, and by those who criticized the other bill as an unwise subsidy to mining. The object of this bill is to promote exploration, and to prevent the loss of existing deposits of vital minerals.

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

Mr. O'MAHONEY. I yield.

Mr. WILLIAMS. Is the $90,000,000 limitation to cover expenditures and contract authorizations intended to be for 1 year, or does that limitation apply for the 3-year period?

Mr. O'MAHONEY. The figure of $90,000,000 was used by members of the committee, but in our report we have made an estimate of between $77,000,000 and $80,000,000 a year to attain the objectives.

Mr. WILLIAMS. If that is the estimate, would not the Senator from Wyoming agree with me that it would be wise to amend section 9 of the bill, in which we are authorizing the money, so as to provide a limitation of not to exceed $80,000,000 a year in contract authorizations or expenditures? The bill now places no limit upon the expenditures.

Mr. O'MAHONEY. The committee felt that it was not desirable to place any specific limitation in the bill, in the first place, because it knew the attitude of the Bureau of the Budget, and in the second place, because the program is experimental, and we felt that before any specific limitation should be placed in the law we ought at least to have the benefit of the results of a year's experience under the law.

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

Mr. O'MAHONEY. I yield.

Mr. WILLIAMS. In view of the fact that we have had no experience under this program, does not the Senator think there is all the more reason why we should establish a limitation of not to exceed $80,000,000 a year for the next 3 years? If at the end of the first year we find that is not adequate, we can change it, or we can discontinue the program.

Mr. O'MAHONEY. There are several members of the Committee on Interior and Insular Affairs present. If they should be agreeable to such a limitation, speaking for myself as chairman, I would not seriously object to it.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. Would the distinguished Senator from Delaware find the bill acceptable if there were such an amendment?

Mr. WILLIAMS. No; but I would find it more acceptable. Frankly, I question the policy of starting such a program anyway; but, in any event, I do not believe that Congress should inaugurate such a program with no limit on the amount of money which can be authorized.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I should like to suggest that we accept the suggestion of the Senator from Delaware, and establish a ceiling of $90,000,000.

Mr. WILLIAMS. Since we are considering the idea, I think we should use the committee's suggestion, which was a figure between $77,000,000 and $80,000,000. I think we should use the figure of $80,000,000. Let us not hike the limit to the highest estimate we have.

Mr. MILLIKIN. Let us compromise and make it $85,000,000.

Mr. WILLIAMS. There is no basis for the $85,000,000 figure. I cannot find that anyone has ever made an estimate as to what it would cost, with the exception of the committee estimate of between $77,000,000 and $80,000,000.

Mr. MILLIKIN. The difficulty is that no one can tell what mines will make application for assistance. We have assembled what figures we could out of our old premium-price experience during the war, which is not entirely applicable to this particular program. I respectfully suggest that we establish a ceiling of $85,000,000, and see what our experience is during the first year. We are groping into a new field. If that limitation is not the correct one, we can change it.

Mr. WILLIAMS. Mr. President, will the Senator from Wyoming further yield?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Wyoming yield to the Senator from Delaware?

Mr. O'MAHONEY. Let me say to the Senator from Delaware that under this bill the Government will purchase some of the product of the mines. That purchase will be of essential minerals, which may then be sold upon the market, so that a substantial portion of the money which will be authorized will be returned to the United States.

I recognize completely the strength of the Senator's suggestion; and after we have an expression from the Senator from Utah [Mr. WATKINS], or any other member of the committee, or any other Senator who desires to express himself on this point, I shall be very happy to offer such an amendment.

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

Mr. O'MAHONEY. I yield.

Mr. WATKINS. I have followed the questions and answers, and I am satisfied that probably it might be a more satisfactory bill if a limitation of $85,000,000 were established, at least for the first year. It seems to me that the experience of the past may not be a reliable guide as of today, because we were under war conditions at that time, and there might be quite a difference in the number of applications which might be made. In my own State I doubt whether the larger mines would be applicants for assistance under this program, or for contracts. However, there are a large number of smaller mines, and lessors who are leasing parts of old mines, who probably would be applicants. So there may be quite a large number of applications, but the amounts may not be so large.

As a member of the committee, I should be glad to accept an amendment which would place the ceiling at not more than $85,000,000.

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

Mr. O'MAHONEY. I yield.

Mr. MARTIN. I have read the report of the committee with very great interest. I note that it states that the minimum objectives of the bill could be attained by an appropriation of from $77,000,000 to $80,000,000. Did the committee give any consideration to what the maximum possibilities might be? This is to be the basic law, and I think we should give some consideration to future expenditures under this program, if the bill is to be enacted.

Mr. O'MAHONEY. The program is limited to 3 years. So it is an experimental program. The committee felt that probably $90,000,000 would be the maximum annual expenditure during that period. In the report we made an estimate of from $77,000,000 to $80,000,000, after various conversations. For my part, I shall be very happy to accept an amendment establishing a ceiling, say, of $85,000,000. I hope that will be satisfactory to all concerned, and I shall offer that amendment as a committee amendment.

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

Mr. O'MAHONEY. I yield.

Mr. MARTIN. We all realize the very great importance of having strategic metals and other materials of war within our own boundaries. However, I am wondering whether the distinguished Senator has given consideration to the fact that this may be the opening of the gates for subsidies in marginal coal fields, marginal gas fields, and marginal oil fields.

I can understand the program as it relates to ores. In my own State some old ore mines were opened up during the war period. In fact, the mine where Andrew Carnegie took out his first ore in Pennsylvania was opened up during the war, and an enormous amount of ore was recovered, at a very heavy expense, but we could afford to do it. Does the Senator feel that this program might be the opening wedge for subsidies to other marginal operations, such as coal, oil, gas, and other minerals and fuels?

Mr. O'MAHONEY. I do not think so. As a matter of fact, I think this bill represents an intelligent approach to the problem and eliminates that very danger. The bill is based upon the principle that because of the great need in industry and in war for these minerals the public interest requires expenditures to explore the possibilities of new resources and to prevent the loss of existing resources.

I do not believe there is any possibility that the Congress would approve or that the executive branch of the Government would at any time in the future suggest rash programs intended to stimulate production from marginal mines, with no thought of what the result might be. The Senator from Pennsylvania well knows the beneficial results which have been obtained in Pennsylvania and elsewhere with respect to oil and gas, by

secondary recovery methods. Science has made it possible to do that.

A few years ago a suggestion for Government expenditures to promote the study of secondary methods would have been denounced as a probable waste of Federal money. But now, in the State of Pennsylvania and elsewhere throughout the United States there have been established Government laboratories which are designed to place at the disposal of private industry the benefits of the most recent scientific study. That is the principle upon which this bill is based, just as our bill on synthetic fuel authorized the Bureau of Mines, not to go into competition with private industry, but to construct demonstration plants to show how synthetic fuel could be made out of oil shale and out of coal.

I do not think the fear the Senator expresses has any validity with respect to this measure.

Mr. MARTIN. Mr. President, will the Senator yield for an observation, and then a question, since the whole purpose is to seek information so that we may have a full understanding of the proposed legislation?

Mr. O'MAHONEY. Certainly; I am happy to yield.

Mr. MARTIN. What the distinguished Senator has said is absolutely true relative to what science and particularly some individuals interested in such work have done in regard to the recovery of oil by means of secondary methods. In fact, in the oil fields of Pennsylvania, where oil has been produced for 90 years, there is more oil in the underlying sands today than has been taken out in all that period of years. I wish also to observe that private enterprise probably has done much more to obtain synthetic oil and alcohol and gasoline from coal than has been done by all Government operations combined; and Pennsylvania has been making appropriations for that work for many years.

This is the question I wish to ask.

Mr. O'MAHONEY. Before the Senator asks it, I must call his attention to the fact that about 2 weeks ago at the Bureau of Mines plant at Rifle, Colo., there was an assembly of representatives of industry and of the general public, as well as of officials of the Department of the Interior; and I think without any doubt the consensus of opinion of all present, including the representatives of industry, was that the Bureau of Mines, by means of the exceptional research which has been conducted at the Rifle, Colo., plant, has done something which has not been done up to date by private industry. I am also happy to say to the Senator that the leading oil companies of the United States have been cooperating with the Bureau of Mines in carrying on the research.

Mr. MARTIN. The oil companies have been cooperating with the Commonwealth of Pennsylvania for 25 years in securing synthetic oil from coal. Of course, as the distinguished Senator from Wyoming well knows, so far we have not obtained synthetic oil at a price which enables the synthetic oil to compete with oil which is obtained directly from the ground.

This is the question I wish to ask: It is my understanding—and I should like to know whether it is the understanding of the distinguished Senator from Wyoming—that this is more of an experiment than anything else. It is proposed to try it for 3 years, and ascertain the result, but we are not making any commitments which possibly might cause private industry to invest considerable money in some of the marginal ore mines.

Mr. O'MAHONEY. I am very happy to say to the Senator that I think the answer to his question is quite explicitly set forth in section 2 of the bill. Let me read a part of the first sentence on page 7:

> SEC. 2. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States—

And so forth. I would say that marginal coal and oil deposits are not to be classified as essential minerals.

Mr. MARTIN. I thank the Senator.

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

Mr. O'MAHONEY. I yield to the distinguished Senator from Colorado.

Mr. MILLIKIN. I invite the distinguished Senator's attention to the text of the bill at the bottom of page 7, where there is found a limitation bounded by keeping in operation certain mines which, if assistance were not provided for them, could not resume operations when needed for the national economy or security. On the other side we have the exploratory phase of the bill. Under the bill no money is to be expended for exploratory purposes unless, as provided in the bill, the engineers certify that there is a reasonable chance of finding minerals. Moreover, in such case the owner must put up at least half the money.

Mr. HUMPHREY. Mr. President, I should like to ask the Senator whether the purposes of the bill would cover Federal assistance to the development of low-grade iron ore and the further development of the ore which is called taconite. I mention this because in the State of Minnesota considerable basic research has already been done in one of the pilot plants at Aurora, Minn. The State of Minnesota has invested approximately $1,000,000 in that plant. At the last session of the Minnesota Legislature, an appropriation for that purpose was made, but the appropriation was not sufficient to permit the carrying on of full operations.

Would this bill make possible cooperation by the Bureau of Mines with the State of Minnesota and with the work being done—on a contract basis, I think—for the State?

Mr. O'MAHONEY. The purpose of this bill is to promote exploration and to conserve existing resources. It is not a bill for research. However, I think the basic law relating to the Bureau of Mines enables it to extend a great deal of assistance for all work of this kind. Of course, we have written in the bill, on page 15, a definition of the meaning of exploration; and it includes metallurgical research in regard to the production and processing of such metals or minerals. Of course, iron is a very essential metal or mineral. Section 4 (g) of the bill gives the Minerals Conservation Board authority to determine "the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;" and under subparagraph (h) the Board may determine "the particular metals or minerals which shall be eligible for aid for exploration." So an application of that kind with respect to taconite ores could be made to the Board. Whether the Board would feel that conditions were such as to justify at this time, within the experimental period, the particular action requested, I would not pretend to say.

Mr. HUMPHREY. However, it is the view of the Senator, is it not, that the authority is sufficiently broad to cover this type of research?

Mr. O'MAHONEY. I think so.

Mr. HUMPHREY. Is the Senator familiar with the depletion of the high-grade ores?

Mr. O'MAHONEY. Oh, yes.

Mr. HUMPHREY. We have had a very difficult time in getting the Bureau of Mines excited about what is an obvious fact to the ordinary citizen of Minnesota and to the University of Minnesota geologists and metallurgists, who have examined the open pits, and who say that there can be only about 10 years more of such iron ore mining. No one has been able to find very much more iron ore of such richness.

What I should like to have done is for the Government of the United States to make available $200,000 with which to continue the operation of a plant which will take a low-grade iron ore and permit what we call powdered iron-ore processing, so as to make use of the lower grade iron ore which the steel companies at the present time throw on the heap. We want to make available more of the low-grade iron ore which has been skimmed off and which the steel companies have called unsuitable. They procure for some mills taconite, which they say is difficult to process. What we have done is, like the boy eating watermelon, to take out the cream of the ore and leave this debris all over the countryside. In view of the necessity for conservation, we should conserve our iron ore, which I consider most vital to our economy. What would be the situation of the mills in Pittsburgh or Birmingham, and of the industry in Chicago, if it were not for the Mesabi iron range?

Mr. O'MAHONEY. I may say to the Senator from Minnesota, the discarded stone may become the key to the arch in this respect, as in the case of atomic energy. I point out to the Senator the piles of debris at some of the mines in Colorado and elsewhere have become one of the most important sources for the development of fissionable ores.

Mr. HUMPHREY. So, if the bill is passed, we can feel that at least the gateway is open, the welcome mat is out, for the kind of exploration, research, and conservation which should be had in this

particular area in Minnesota. Is that correct?

Mr. O'MAHONEY. I think so.

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

Mr. O'MAHONEY. I yield.

Mr. CORDON. Does the bill provide any procedure for recoupment by the Government of costs or moneys which it may expend for exploration purposes? I note it provides that simple contracts may be awarded to small base-metal mines, running up to one-half the cost of additional exploration. I have not noticed whether there is any provision for recoupment, even though the result of the exploration might well be to uncover a very important mineral deposit worth a great deal of money to the owner.

Mr. O'MAHONEY. Not with respect to exploration. I may say to the Senator the committee considered that matter, but, in view of the fact that it is an experimental bill, that its term is only for 3 years, and that the future policy of the Government will depend wholly upon the discoveries which are made, it was deemed that it would be better to wait for future revision of the law to provide recoupment from new ores which might be uncovered.

Mr. CORDON. A serious problem might arise, if it were provided in the bill that recoupment should start with the first money expended by the Government. I should like to see the purposes of the bill forwarded, but I cannot quite understand the reason why the Federal Government should pay one-half the cost of the discovery of valuable property for an individual, and then not have an opportunity to recoup its expenditure from the thing which its money has caused to be discovered.

Mr. O'MAHONEY. I may say to the Senator, only in repetition of what I have already said, that the feeling of the committee was that it is so essential to promote exploration work that it was better since the results of the exploration work cannot be known for some time to await a decision regarding the matter to which he has referred until we have some tangible results from what is done.

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

Mr. O'MAHONEY. I yield to the Senator from Arizona.

Mr. McFARLAND. The development of minerals needed in national defense and the adding of new wealth which gives us more taxes justifies this expenditure of money.

Mr. O'MAHONEY. Yes.

Mr. McFARLAND. Was it not the feeling that the same benefit should be extended to the mining industry as is extended to the farmer under soil conservation? We have soil conservation, which is very beneficial to the United States, because it brings about the production of more crops, from which, in the end, the Government benefits. Is not this bill merely an extension of that principle to the mining industry?

Mr. O'MAHONEY. I might add that the basic conviction which guided the chairman and, I think, all the committee, arises from the change which has taken place in the United States with respect to some of the most vital minerals in the industrial field. We are becoming an importing nation instead of an exporting nation.

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

Mr. O'MAHONEY. Pardon me for a moment. In the case of lead, the average net imports annually in the period 1935 to 1939 were 15,000 tons; in 1948 they were 317,600 tons. Consumption of lead in the United States has increased from an average 433,000 short tons in 1935 to 1939, to 680,000 short tons last year.

With respect to copper, the imports in 1935 to 1939 were negligible. In 1948 they were 364,000 short tons.

With respect to the three basic, essential metals, copper, lead, and zinc, we are now depending upon foreign sources for 30 percent of our copper, 30 percent of our zinc, and 45 percent of our lead.

I now yield to the Senator from Oregon.

Mr. CORDON. I can understand the need for exploration. I can understand the need for holding mines which are not now producing, or are not opened and operating, in stand-by condition for emergency use. But I cannot understand the Government not recouping itself out of profits for the money it expends to assist the owner in determining that he has the asset. Does the Senator feel that the holder of a prospect, who believes that it has valuable showings, or, as the bill says, there is reasonable ground to believe there is promise of developing unknown or undeveloped sources of minerals, would not be willing to contract with the Government to assume one-half the risk of determining the fact, and then to pay back to the Government its money, if the fact is determined favorably, repayment to be made from profits out of the operation? That seems to be sound in equity, good judgment, and good law.

Mr. O'MAHONEY. I think we might very well consider that point. But it was the view of the committee that that was a matter which could and should properly be brought up after we have had a little experience under the law.

Mr. CORDON. I may say to the Senator, if all the Members of the Senate were present, I doubt whether the Senate would be willing to pass a bill without some such provision.

Mr. WILLIAMS. Mr. President, I agree with the Senator from Oregon. I do not see why we could not incorporate such a provision in the bill, particularly if, as I understand is the case, under this proposed legislation, we are in effect guaranteeing the mines, during the 3-year period, against any operating loss. The Government underwrites practically all their costs. Is not that correct; and, if so, why should the companies not be required to repay these grants when production starts?

Mr. O'MAHONEY. No; I would not say that.

Mr. MALONE. Mr. President, in answer to the Senator from Delaware, I personally appreciate, as I am sure do the other members of the committee, a discussion which will clarify in the mind of the Senate the objectives of the bill. In the first place, after putting up 50 percent of the money in connection with development, the other 50 percent expended by the owner may be entirely lost if no ore body is discovered.

Further, in connection with the point made by the Senator from Oregon [Mr. CORDON], it would ordinarily appear to be feasible, but, as has been explained by the Senator from Wyoming, the chairman of the committee, it did not appeal to the committee as a feasible thing at this time, for the very reason that experience shows that in exploration of the kind under discussion there are probably a hundred failures to find a very rich ore body to one which might be exceptionally feasible. The only instance I can remember during the war was one in which an exploration was being made for a certain ore in Idaho and a very rich deposit of tungsten ore was discovered. That might be a case in point. But that is only one instance of that kind out of many hundreds of explorations. Therefore, the returns probably would be very small on a basis of repayment only from the few rich discoveries.

In addition to that, the purpose of the bill, in any case, is to keep alive the incentive for the development of strategic and critical minerals and ores while we are, apparently, in danger of war, according to the administration, in danger of an emergency at almost any time. There is also a possibility of discovery of additional uranium ores while prospecting for and developing other metals. It is my opinion that if the incentive is present we shall eventually discover in the United States a large part of the ore reserves, including uranium ores, we need. It is simply a matter of incentive.

Certain policies adopted by the Government have brought about the necessity for this particular bill. This is not the time or the place to discuss these policies. There is always a difference of opinion, but if we follow through, we find that the conservation feature of the bill provides for assistance by the Government in the conservation of the mines, keeping them in workable condition. Otherwise some of them would fill with water or otherwise deteriorate so the metal would be lost.

Under the exploration feature of the bill it is necessary, if we are to keep this Nation in the proper position in case of an emergency, to be prepared to speed up production, as was done in World War I and World War II.

So that it is really a security measure, Mr. President, with the additional incentive, of course, that if the mining industry is kept alive, it would contribute materially to employment and the creation of taxable property. The measure itself is in the main a security measure. The experience of the War Production Board—and I happened to be special consultant to the Military Affairs Committee during the war—was that it was almost impossible to transport minerals from Africa, or South America, or other distant areas due to the submarine menace. I think the records of that Board will disclose that 70 to 90 percent of the

tonnage was sunk on the way to this country. We even reached the point at which we were transmitting a large amount of the minerals by airplane, which, of course, cost a tremendous amount of money, compared to any possible cost of keeping our domestic industry alive.

So I would say, Mr. President, that the chief objective is the national security, and there would be comparatively little return if an amendment such as that suggested should be added to the bill at this time.

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

Mr. O'MAHONEY. I yield to the Senator from Massachusetts.

Mr. LODGE. I notice on page 8, section 3 of the bill provides for the establishment of a minerals-conservation board. In section 4 the Conservation Board is given the duty by regulation to determine—

(a) the amount of appropriated money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation on the other hand.

I should like to say to the Senator from Wyoming that to me that is one of the most fundamental questions which we confront in this country. I have been working for quite a while on a resolution to have a study made of what the balance should be between that which we conserve in this country, and supplement from sources abroad, and that which we stimulate and try to have produced in this country. Obviously, in the case of oil it would be a bad thing to get all our oil from abroad and let our domestic oil sources dry up. On the other hand, it would be a bad thing to depend entirely on our own oil resources.

Is it not a very large question, indeed, to have settled by regulation? Is not the whole question of balance between exploration and conservation one which should be preceded by a study by a group of the type of the Temporary Economic Committee or of the Hoover Commission, leading eventually to action by the Congress? It seems to me this bill deals, in this particular section, with a very fundamental matter which should not be left to regulation by some administrative body to determine. Will the Senator comment on that suggestion?

Mr. O'MAHONEY. I shall be very happy to do so. I wonder if the Senator understands that the language which he has just read has reference to the money which Congress may appropriate before the function of the Board is called into play. The Bureau of the Budget must send an estimate to the Congress, and the Congress must pass upon the estimate. Congress has the authority, if it so desires, in passing an appropriation bill, to place its own limitation or to make its own provisions. But barring such limitation, the allocation of the total amount of the appropriation between exploration and conservation would be made by the Board under regulation. That is the only power that is granted there.

The Senator is quite correct in pointing out the great world problem which exists. We must develop resources abroad as well as in the United States. We must cooperate to have more of these natural resources made available for all the people. But there is no question in my mind, from the studies which our committee has already made, that the consuming power of the masses of the people outside the United States is so incomparably low as compared with the consuming power of the people of the United States, that when discoveries are made abroad markets abroad will be developed. That makes it all the more important for us to follow an intelligent policy to bring about the exploration and development of our own resources.

Mr. McFARLAND. Mr. President, I should like to ask the Senator if he does not agree that as to conservation payments for mines, they are pretty well limited by the physical conditions of the mines, and that the language of the bill is so restrictive that the bill is not broad at all. There are mines in the United States which will become watered and the timbers of which will so decay that the minerals in the mines will be lost, at least they will be lost for years. It is that kind of a condition the conservation part of the bill is intended to meet. The bill is not broad at all.

As a matter of fact, if those who feel it is too broad had listened to the evidence they would have found that the chief criticism of the bill was that it was too narrow. While the limitations may not be spelled out in dollars and cents, the restrictive language of the bill narrows it down to almost the narrowest possible kind of a measure which could be adopted. Anyone who believes in the development of the natural resources of the United States, anyone who believes in the conservation and the importance of the conservation of natural resources, and particularly of the strategic minerals and metals which are needed for national defense, will agree that this bill is the least we could adopt.

Mr. O'MAHONEY. Mr. President, I thank the Senator. I suggest now that the perfecting amendments of the committee may be submitted and acted upon.

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

Mr. O'MAHONEY. I yield to the Senator from Delaware.

Mr. WILLIAMS. Do I understand correctly that the heavy imports of these metals is one of the reasons which suggested the necessity for the bill?

Mr. O'MAHONEY. That is one of the factors. One of the other factors has been the falling prices of metals.

Mr. WILLIAMS. Was the suspension of the import duty on copper in its entirety a contributing factor to the necessity of the bill?

Mr. O'MAHONEY. I would not say that had any bearing on it at all. The basic fact is that our demand and our use of copper have exceeded our supply, and that results in bringing in copper from abroad. The Senator from Colorado [Mr. MILLIKIN] is a member of the Committee on Finance, the ranking minority member of the committee, he was chairman of it last year, and is thoroughly familiar with the tax phase of the copper situation. I should be very glad to have his comment.

Mr. WILLIAMS. The point I was bringing out was that I was wondering whether, if we reimposed the 2-cent duty on copper, we would not remove the necessity for the bill.

Mr. O'MAHONEY. There are some who would make that contention. For my own part I am fearful that the need for copper in the United States has grown to such a degree that it might have the effect of holding down the supply we need. I want a supply sufficient for the industries of the United States, whether the supply comes from domestic mines or from foreign mines, and I want to maintain the domestic supply in a thriving, sound condition.

Mr. WILLIAMS. I agree with the Senator that we want to maintain our domestic industry, but it seems to me that what we are doing is suspending our tariffs so that the foreign countries are enabled to ship copper and other minerals in free, and at the same time it is proposed that we subsidize our own companies in this country in order that they may maintain the wage scale here. It is a contradictory program.

Mr. O'MAHONEY. Perhaps it is not so contradictory as it may seem on the surface. The comments of the Senator from Massachusetts a few moments ago I think revealed what the situation was. Technological advance, particularly in transportation, as well as in communication, has made the world very much smaller than it ever was before. It seems to me the future of the world and the progress of its people depend upon the wise building up of world trade.

I would not want to sacrifice our capacity to produce any commodity to the production and importation of foreign commodities, but I do see the opportunity for a balance, and I think the pending bill affords that very thing. It places emphasis upon domestic production first.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. In response to the comment of the distinguished Senator from Delaware, I do not view the bill as a complete panacea for all the ills of the mining industry. I agree entirely that our tariff policy is wrong so far as these minerals are concerned. I think our tax policy is wrong so far as the encouragement of the mining industry and of other industries is concerned. But we are confronted here, not with the vindication of the views of the junior Senator from Colorado or the views of anyone else in the whole scope of the problem. We have a stricken mining industry. Exploration has ceased. Mines are going to water. We must have the production for war purposes and for our peacetime economy. So here we have a single shot at this subject, which I would not for a moment recommend as all that is needed. We have to get at the tax incidence of these things; we have to get at the tariff incidence of them. We cannot get at them today. We have just one opportunity before us, to do something to get exploration started again, to get the water out of the mines, to restore our mining industry to some semblance of life.

Mr. O'MAHONEY. The Senator from Colorado is quite right. The committee shares his view, and in fact, in our report we pointed out the desirability of tax reform.

I should like to see a tax policy which would provide incentive for the investment of private capital in a venture of the kind affected by the bill, the exploration of minerals, which has a great public interest, which is very much needed in the public interest. But as the Senator from Colorado says, we cannot do all these things in one bill.

Mr. LODGE. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. LODGE. I note that the Senator from Colorado makes his principal argument for the bill on the ground of national defense. I should like to know whether the Secretary of Defense, and the Military Establishment in general, have expressed a desire for such legislation.

Mr. O'MAHONEY. We did not submit it to the Secretary of Defense.

Mr. MARTIN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Pennsylvania.

Mr. MARTIN. If the Senator will permit me to make a brief comment before I ask my question, I have been very much impressed with what the distinguished Senator from Colorado [Mr. MILLIKIN] has stated and what the distinguished Senator from Delaware [Mr. WILLIAMS], as well as the distinguished Senator from Massachusetts [Mr. LODGE], have said, and the very able discussion by the Senator from Wyoming [Mr. O'MAHONEY] of the whole problem.

Mr. O'MAHONEY. I am happy to be included in that distinguished array.

Mr. MARTIN. It is a very distinguished array. What has worried me is that this is probably an opening of the door to an economic policy which eventually will mean subsidies to all minerals, ores, fuels, and the like. If that should happen, I am fearful that living costs in the United States would be so high that it would be impossible for those in the lower brackets to maintain the standard of living they now enjoy. Does the Senator feel there is any danger of that condition coming about?

Mr. O'MAHONEY. I do not, and I say that explicitly.

Mr. MARTIN. Mr. President, if the Senator will permit another comment——

Mr. O'MAHONEY. I yield.

Mr. MARTIN. In connection with what the distinguished Senator from Massachusetts said about oil, I wish to say that the best statistics from governmental and private sources indicate that there are now known reserves of oil in the United States sufficient to take care of our needs for only 12 years, in view of the increased use of oil. That does not take into consideration the recovery of synthetic oil from coal and the great oil shale beds of the Rocky Mountain system. But what the oil industry confronts now—and it may destroy many of the marginal fields, which exist in 28 States of the Union, is the oil which is coming in from foreign countries so much cheaper than it can be produced in the United States. Many of these valuable marginal fields which exist, as I have said, in 28 States of the Union, may be entirely lost for that reason.

A debate occurred in the Senate not a great while ago over that matter. Senators will remember that the distinguished Senator from Oklahoma [Mr. THOMAS] wanted to have an allocation made of the amount of oil which could be imported into the United States. I supported the Senator's proposal, but we failed to secure its adoption.

I have received many inquiries concerning the pending legislation. It is encouraging to know that the people are following our proceedings. Many persons, however, have asked whether eventually such legislation will lead to Government control of practically all types of minerals, of all types of ores, and all types of fuels, in which event we will have practically a socialistic economy rather than a free-enterprise economy. Does the Senator feel there is any danger of such a situation resulting?

Mr. O'MAHONEY. Mr. President, I am happy to say to the Senator from Pennsylvania that I do not share those fears. I once knew a very wise man who said that the worst things in life seldom happen. I think that statement is particularly true and relevant with respect to the objections which are raised from time to time to new legislation. Critics see the possibility of error or mistake or abuse, and they close their eyes to the constructive possibilities altogether.

The committee in considering the bill did its best to close the door to abuse, first, by placing a specific limitation upon the period during which the policy could be carried out, namely, 3 years; then, by providing that no contract should be issued in any case for more than 2 years. So that both the contract and the authority of the bill itself will terminate and Congress will have a clear opportunity to judge the program upon its results. If it should have the tendency which the Senator fears or which any other person fears, Congress will have the opportunity and, I am sure, the intelligence not to renew it.

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

Mr. O'MAHONEY. I yield.

Mr. MALONE. The distinguished Senator from Pennsylvania has reviewed a very important field. We all realize its importance. In that field we have first the matter of tariffs and import fees, and, second, tax legislation. As the distinguished Senator from Colorado has said, the subject is a large one, and will have to be taken up through the Finance Committee.

We hope that will be done in the near future. Then it will be debated on the floor of the Senate. It is a large and important subject by itself, and can be settled on the Senate floor and in the House just as all other questions of policy are settled at the proper time.

Mr. President, it is well known, I am sure, that the junior Senator from Nevada does not agree with the policy the Government is now following respecting the tariff question. That, however, is not the subject of discussion today. That policy has been established on the Senate floor by the majority of the Senate, and on the House floor by the majority of the House, and through the signature of the President, and is no longer a subject for debate on the Senate floor this year.

The question now before us is whether or not to keep alive and healthy an industry without which, as we know by past experience, it is impossible to fight a war. We cannot fight a war without a healthy minerals industry, or at least a going-concern industry in addition to adequate ore stock piles.

When war comes, and the cost is no longer the controlling factor, the price can be raised and the mines expanded, provided they are in workable condition, and development has been continued.

It is well known that the security of our Nation was threatened in World War II, and very seriously threatened, by reason of the lack of tungsten, manganese, mercury, and various other metals, a sufficient supply of which it was impossible to produce on the spur of the moment, and which we were obliged to import.

It is well known, as I stated previously this afternoon, that perhaps 70 to 90 percent of the shipping carrying strategic metals and minerals to the United States was destroyed by submarines. That is all a matter of record, and we should avert that experience in the future.

Mr. President, we will settle permanently or at leat semipermanently the tariff question and the tax question over the next 2 or 3 years. We have to deal with such matters somewhat as we deal with agricultural legislation, which we discussed several days ago. There are differences of opinion about all of these subjects, but they will finally be settled. Certain subsidies must be provided until a permanent policy is adopted making them unnecessary. But whatever policy is finally adopted will influence future legislation. The business of the country will level off, influenced by the policies finally adopted here, and the opportunity to debate the questions influencing such policies will be offered later.

Today, however, we are not discussing the tariff policy or the tax policy. We are discussing what to do in an emergency. An emergency exists so long as war threatens. I believe the distinguished Senator from Pennsylvania [Mr. MARTIN] has had perhaps more experience in wars than has any other Senator on the Senate floor, and he understands that an emergency exists in the field of strategic minerals so long as war threatens. The reports from our own national defense organization and from the President of the United States indicate we are still in danger of war.

The matter we are now considering is in the main, I repeat, a national security piece of legislation. Regardless then of the views of some of us who may differ with others respecting how to maintain the industry, even if there were no threat of war, the question now is what to do to keep the industry alive and breathing until such time as a permanent policy is fixed.

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

Mr. O'MAHONEY. I yield.

Mr. LODGE. I just heard the Senator from Nevada say that this is primarily a national security measure. I heard the Senator from Colorado base his argument primarily on the grounds of national defense. I notice that it is proposed in the bill to set up a Commission, which includes the Secretary of Defense. For those reasons I cannot understand why the committee, in considering the bill, never called upon the Secretary of Defense, and never called upon the Army, the Navy, or the Air Force for their opinions. Apparently in no way has the committee sought to relate the proposed outlay with the sums contained in the military appropriation bill for critical and strategical materials which, as I understand, are more than $200,000,000. I cannot understand how the proposed legislation could have been considered without seeking and obtaining a complete and authoritative and definite opinion on the whole subject from the responsible agencies of the national defense, in view of the fact that all its distinguished advocates here plead for it on the ground that it is a national security measure.

Mr. O'MAHONEY. Mr. President, I said to the Senator from Massachusetts that we had not taken the question up with the Secretary of Defense. Probably I left a false impression. The Munitions Board was consulted, and I am happy to say to the Senator from Massachusetts that the Munitions Board was quite agreeable to this measure.

However, this is not primarily a war measure. The references which I have made with respect to the war aspect of the bill are general, in this respect, in that I have pointed out that in our time the war potential and the industrial potential are practically identical.

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

Mr. O'MAHONEY. I yield.

Mr. MAYBANK. I should like to ask the distinguished Senator from Wyoming if it is not a fact that, as chairman of the Independent Offices Subcommittee of the Committee on Appropriations, and as a member of the Appropriations Committee, in considering the question of stock-piling, on many occasions he asked at the hearings regarding the necessity of stock-piling, and the necessity of protecting the mining interests of the country.

Mr. O'MAHONEY. The problem has been discussed at several committee meetings.

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

Mr. O'MAHONEY. I yield.

Mr. WATKINS. Referring to the question asked by the distinguished Senator from Massachusetts [Mr. LODGE], is it not a matter of general knowledge, and is it not obvious, without having a statement from the Department of Defense, that the minerals mentioned in this bill, to which some degree of protection is sought to be given, are absolutely necessary in the defense of the country? It is of such general knowledge that we would not need to ask anyone.

Mr. O'MAHONEY. The existence of the stock-piling legislation itself, the fact that Congress enacted it and appropriates large sums of money for that program—$835,000,000, as I recall, was the amount which was carried in the Treasury bill this year to finance the purchase of stock piles—and the fact that it is a Government policy to acquire strategic and critical materials wherever they may be found throughout the world, in order that we may be supplied with them, are in themselves evidence of how important it is that we take whatever practicable steps can be taken to maintain a domestic source of supply so that in the event of a great disaster the United States will have the largest possible degree of independence of foreign sources of supply.

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

Mr. O'MAHONEY. I yield to the Senator from Nebraska.

Mr. WHERRY. May I ask the distinguished Senator from Wyoming if there is any provision in the military bill for contract authority to acquire strategic and critical materials, which parallels or duplicates the program in this bill?

Mr. O'MAHONEY. No.

Mr. WHERRY. May I ask the distinguished Senator if the Secretary of Defense is limited in the military bill to the purchase of critical materials outside the United States?

Mr. O'MAHONEY. Oh, no. That authority is not in the military bill. It is carried in the Treasury bill.

Mr. WHERRY. I am talking about the military bill, the bill which is now in conference.

Mr. O'MAHONEY. With respect to that bill, I will say to the Senator that the only reason there is any reference to strategic purchases in that bill is that the Senate wrote in a rescission of the appropriation which was carried in the Treasury Department appropriation bill. It is an immaterial matter.

Mr. WHERRY. It is not immaterial.

Mr. O'MAHONEY. I mean it is immaterial to the point the Senator is trying to make.

Mr. WHERRY. Whether there was a rescission or whether there was not, the point I wish to make is this: Is there any duplication?

Mr. O'MAHONEY. There is no duplication.

Mr. WHERRY. It seems to me that the same arguments which have been advanced on the floor in behalf of this bill—and I accept the statement of the distinguished Senator that he made only a few general observations about the national security in connection with the program to explore and conserve our mineral resources—were made, up until about 11 o'clock last night, in connection with the military bill. They are the same arguments which are being advanced on the floor of the Senate with reference to this particular bill.

Mr. O'MAHONEY. That is correct.

Mr. WHERRY. Not knowing the complete provisions of the military bill, it was my desire to find out if it was the idea of the Secretary of Defense that he could use the money provided by the other bill to acquire strategic and critical materials within the borders of the United States, instead of initiating this program.

Mr. O'MAHONEY. Let me say to the Senator that the original stock-piling act authorizes the procurement authorities of the United States, under the direction of the Munitions Board, to purchase certain critical and strategic materials, as defined by the Munitions Board, wherever they can purchase them, in the United States or abroad. This bill is not a stock-piling bill. This is a bill to encourage exploration and conservation of our domestic supplies.

Mr. WHERRY. The argument advanced last night——

Mr. O'MAHONEY. The arguments are the same.

Mr. WHERRY. The point that was brought out last night was that it was desired to have authority extending over a period of 5 years, because it was necessary to invest money in the capital stock of the mines so as to keep the mines open and get the very materials we are talking about. That is the reason I asked the question.

Mr. O'MAHONEY. The Senator is quite right.

Mr. WHERRY. In the discussions we had last night in connection with the military bill, it seemed to me that an attempt was being made, by the expenditure of that money, to do the very thing we are attempting to do under this new program. I have not examined the original statute to see how broad it is, but it seems to me that in setting up this new program we are duplicating what the Secretary of Defense already has authority to do under the stock-piling program for strategic and critical materials. I am not sure whether or not the law provides for it, but certainly the discussions last night were to the effect that the reason they wanted 5-year contracts was to provide money to purchase the capital stock of mines so as to develop them in order to furnish the very metals mentioned on the floor this afternoon. If that is true, certainly there is duplication. Perhaps the original Act does not provide for all that; but the debate last night hinged on that point.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I should like to say first that I believe I can speak for every mining State of the Union when I say that it would be completely unacceptable to have the military involved in the development of our mines. Secondly, I suggest that the Armed Services Committee was probably concerning itself with stock piling, whereas this bill concerns itself with operations which will produce the material which might be put into a stock pile.

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

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I appreciate the observations of the Senator from Colorado. I know what the intention of this bill is. I can read it. But I say to the distinguished Senator from Wyoming that the expenditure of millions of dollars under the terms of the bill now before us is being justified upon the very grounds upon which appropriations are being asked in connection with the other bill. It is not a question of stock piling, purchasing the raw materials and shipping them into this country. It is a question of developing the mines.

As the Senator knows, there was an appropriation in the Interior Department appropriation bill to take the water out of some of the lead mines in Leadville, Colo. I supported it. Every time we turn around we find another bill to do the same thing. Why not have one big program? Why cannot the entire program be integrated? If this is a good thing, why not take the $90,000,000 out of the military appropriation, which is now in conference, and use it for this purpose?

It seems to me that there is duplication. Suppose we agree to the suggested authorization? We are doing the same thing in the military bill. We are going all over the world buying metals. I suppose some of the money in the other bill will be invested in foreign mines, so as to provide strategic and critical materials. Perhaps that is a good thing. But certainly if that is to be done under the other bill, we ought to do the same thing within the confines of the United States. Let us do it with one purpose in mind. Let us have an integrated program.

I suggest to the distinguished Senator from Wyoming that it is my judgment that if we had ample tariff protection we would not have the trouble we are having about developing our mines in the United States and continuing them in operation. When I stood on the floor of the Senate and debated the extension of the Reciprocal Trade Agreements Act, that was the big point I brought out. If we want to afford immediate relief to the mining industry, why do we not provide it along the lines of protecting that industry in the United States so that it can operate the mines on a profitable basis, instead of distributing money throughout the world and then subsidizing domestic mines and industries? I ask the question.

Mr. MALONE. Mr. President——

Mr. O'MAHONEY. Mr. President, the Senator from Nebraska has addressed his inquiry to me. Let me say to him that I am completely convinced that there is no duplication as between the two bills. I was a member of the committee which reported the stock-piling bill, which is now the law. It does not authorize expenditures for exploration. It does not authorize expenditures for conservation anywhere, either in the United States or abroad. It authorizes the purchase of commodities.

I am aware that in our conference committee last night the statement was made by one of the conferees that in some instances contracts had been made because, it was asserted, unless long-term contracts were made, private investments would not be made. The Senator is quite correct about that. But I assure him that the purpose of this bill is to do what he is urging, namely, to explore in the United States and to conserve in the United States. If that is done and if it is successful—as the Senators from the mining States hope it will be—then I say to the Senator that the expenditures which are being made abroad, out of the Public Treasury, could be curtailed.

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

Mr. O'MAHONEY. I yield.

Mr. MALONE. Question has been raised about discussing this matter with the Secretary of Defense, and question has been raised about what the situation would be if we had a proper tariff.

As I tried to point out before, all these things can be settled in their proper place and at the proper time. I recall that in 1937 and 1938, when the present Secretary of Defense was then Assistant Secretary of War, I discussed with him at length the matter of stockpiling arrangements.

He agreed with me thoroughly. Since that time he has referred on many occasions to the discussions I had with him at that time, and has said that I was the first one to suggest stockpiling for national defense.

Now we come to the point of the present emergency. It is an emergency, because the necessary development can no longer be carried on, in the opinion of many of us, under existing conditions. The industry must be kept alive until a permanent policy is adopted.

At this moment I am not discussing whether the situation would improve were a change made in the tariff policy. Most Members of the Senate are familiar with my position in that regard. However, my views did not prevail.

Now we realize the necessity for conservation; we realize that in many cases—either through the flooding of mines or in other ways—the minerals in many mines will be lost to the country unless some conservation assistance is secured. Provision is made for such assistance by the pending bill. The fact that anyone who wishes to engage in such development work must himself provide 50 percent of the cost, precludes the spending of money on projects which have little chance of success. Also, of course, in the bill we define a small mine.

Mr. President, at this point I ask unanimous consent to have a table in that connection inserted in the RECORD. The tables and clipping shows the number of mines closed and the effect of imports.

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

CLOSURE OF WESTERN STATES' METAL MINES, 1940–48

Since 1940, 73 percent of the Western States' metal mines (gold, silver, copper, lead, zinc) have closed down.

Total metal mines producing in the Western States in 1940	8,246
Total metal mines producing in the Western States in 1948	2,244

Percentage by States of metal mines[1] closed down since 1940

	Percent	Mines closed down
California	0.77	1,431
Colorado	.83	933
Arizona	.69	901
Montana	.71	688
Idaho	.71	653
Nevada	.62	624
Oregon	.92	281
New Mexico	.73	250
Washington	.82	140
Utah	.43	92
Wyoming	.75	9

[1] Gold, silver, copper, lead, zinc.

United States monthly averages in thousands of short tons

	2½ years ended June 1949	Percent total	July 1949	Percent total
COPPER				
Imports	40	-------	35	-------
Exports	12	-------	9	-------
Net imports	28	28	26	31
Domestic mine production	72	72	57	69
Total net primary supply	100	100	83	100
LEAD				
Imports	27	-------	[1] 12	-------
Exports	0	-------	0	-------
Net imports	27	45	12	29
Domestic mine production	33	55	30	71
Total net primary supply	60	100	42	100
ZINC				
Imports	30	-------	25	-------
Exports	8	-------	9	-------
Net imports	22	29	16	28
Domestic mine production	53	71	41	72
Total net primary supply	75	100	57	100

[1] Low lead imports during July 1949 were due primarily to shipping difficulties and are not representative of usual imports.

In general, the above figures show that of our total net primary supply, imports form about:

	Percent
Copper	30
Lead	45
Zinc	30

[From the Joplin Globe of October 4, 1949]

SLAB ZINC AND PIG LEAD PRICES DROP—REDUCTION IN EAST ST. LOUIS MARKET AUGURS LOWER SCHEDULES FOR CONCENTRATES IN DISTRICT

Prices of slab zinc and pig lead both declined yesterday in the East St. Louis market, which governs Tri-State prices for concentrates, auguring lower prices for ore in the Missouri-Kansas-Oklahoma district.

The slab zinc price was reduced ¾ cents a pound to 9¼ cents, while the price of lead was cut half a cent a pound to 14.05.

Lead ore prices, effective at midnight last night, were reduced in the Tri-State district by $7.20 a ton. The new price is $180.07.

ESTABLISHED FRIDAY

What the new zinc ore price will be is uncertain, but will be established Friday. A reduction—unless the steel strike is settled—is a foregone conclusion, however.

The steel strike was directly blamed for the lower zinc slab price as the demand from galvanizers fell off.

Devaluation of the British pound was directly blamed for the lower pig lead concentrate prices.

One ore buyer close to the market situation in lead said that since the devaluation of the pound, lead offerings from foreign countries have increased to depress the United States market.

Strange as it may seem, countries receiving Marshall plan aid are the ones offering lead below domestic prices. They include Italy, France and the British zone of Germany. Even Yugoslavia and Japan are offering lead for sale in this country at below prevailing prices.

Mr. MALONE. Mr. President, the question today is similar to the question which has been before the Senate in connection with agricultural legislation. It is not a question of whether the action proposed would not be necessary if we had pursued another course; but the question is whether in the existing circumstances, under the conditions which now exist as a result of the course we have pursued, the enactment of this bill is necessary.

I repeat that legislation of the sort now proposed is necessary if we are to have assurance that in time of emergency we shall be able to obtain the needed minerals. That is obvious, because, according to reports, an emergency could develop at any time; and if another war were to come the submarine menace no doubt would be twice or three times as great as it was in the last world war. Of course, if an emergency developed, thereby sharply increasing the demand for such metals or minerals, their price would rise sharply; and if a proper amount of preliminary work had been done, as is provided under this bill, it would be possible to have the production of those metals and minerals increased immediately.

Mr. WHERRY. Mr. President, if the Senator will yield, I should like to say that under the huge appropriation which has been made for stock piling, work will be done in respect to strategic materials. But regardless of what is provided in the law—and I am perfectly willing to take the statement of the distinguished Senator from Wyoming regarding its provisions—I wish to say to the distinguished Senator from Nevada it is my opinion that the Secretary of Defense will use that money for the purchase of materials, under long-term contracts, from any sources possible. Under such long-term contracts, the necessary capital would be provided and the necessary equipment and machinery would be paid for, in order to do, either directly or indirectly, what it is contemplated will be done under the provisions of this bill, so far as concerns making such minerals available. In other words, the long-term contracts providing for the purchase of the products of such mines will have to be made on the basis of what can be done under existing circumstances, or else the products of those mines will not be obtained, it is said; I am sure that is the argument that is being advanced. In that respect, it seems to me that the acquisition abroad by the Secretary of Defense of metals and minerals for stock-piling purposes will, at least to a great extent, duplicate the domestic operations which will result from the enactment of the pending bill.

After all, why cannot the work be done in the United States? Why cannot we build up our own mines? Why cannot we do it with the money which is being allocated in almost unlimited amounts, so far as the House of Representatives is concerned, for the stock piling of these materials? After all, the same materials are involved, and the purpose is apparently the same, namely, for national defense. Why cannot the long-term contracts and the authority to make them be applied to such developments and such work in the United States, whereas apparently at the present time they are to be used outside of the United States?

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Nebraska, let me say that it is simply a question of what can be done by the Department of National Defense. The Department of the Interior has always been the agency of our Government through which mineral development has been conducted; and in large measure it has control of mineral development in the United States. The Department of Defense operates in another field entirely—namely, the stock-piling field as far as minerals are concerned. That Department does not operate in the field of mineral development. In the course of two world wars, it has shown great reluctance to enter that field. As a matter of fact, it would not have the necessary personnel or knowledge to participate in work in that field, unless it set up an entirely new agency for the purpose.

The committee has carefully investigated the matter. The junior Senator from Nevada is in thorough agreement as to the amount of money necessary for stock piling. But I am sure the Senator from Nebraska is familiar with the understandings and agreements for the purchase of such materials in the Far East and in other foreign lands, under long-term contracts, and the lack of emphasis—perhaps due to the reasons I have outlined—on domestic production.

Therefore, I think the two subjects are entirely different.

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

Mr. O'MAHONEY. I yield.

Mr. LODGE. The Senator from Nevada, the Senator from Wyoming, and the Senator from Colorado have convinced me that there is a need to take some sort of action which will help in this situation. The question we confront is, not on the merits of the proposed legislation and its purpose, but whether the course now proposed is the proper one for the purposes we have in mind.

I have been advised that Mr. Miller, the Acting Director of the Bureau of Mines, has gone on record to the effect that he thinks assistance should not be extended by means of subsidies, as provided by the pending measure, but by means of tax incentives. I should like to ask my good friend from Nevada whether he does not think a tax incentive would be enough to remedy the situation?

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Massachusetts, I say it would be a great help, but from the experience of a good many years, I may say there has been no trend toward assisting either the mining industry or practically any other industry in that regard. The trend has been the other way, as I think the distinguished Senator will agree. Therefor, while we are waiting for next year or the year after for public overhauling of the tax structure, if it in fact comes by that time, it may be too late to do what we intend to do in the pending bill. The bill provides for conservation and development assistance. During the 3 years for which this bill would be effective, the junior Senator from Nevada is very hopeful there will be a reorganization of the tax structure for incentive purposes for new capital investment.

Mr. LODGE. Is the Senator aware that Mr. Miller, the Acting Director of the Bureau of Mines, is on record that a tax incentive is a preferable method to the subsidy method?

Mr. MALONE. I may say in answer to the distinguished Senator from Massachusetts, I am aware that Secretary Ickes, Secretary Krug, and everyone else for the last 10 years has said many things, mostly against mining development, but I am also aware of the fact that nothing has been worked out to increase the reserves. The result has been the closing of practically all the mines in the United States.

Mr. LODGE. The Senator from Nevada is a member of the committee, is he not?

Mr. MALONE. That is correct.

Mr. LODGE. Did the committee hear any testimony in opposition to this legislation?

Mr. MALONE. We heard everyone who indicated that he desired to be heard.

Mr. LODGE. I am advised there was certain testimony given in opposition to it. I have sent for the galley proofs of the hearings. I have just been running through them hastily here on the floor. I can find no testimony in opposition to the legislation, although I understand there was testimony offered against it.

Mr. MALONE. I may say in answer to the distinguished Senator from Massachusetts this is not the legislation that was heretofore presented. This legislation has been prepared to meet certain objections made from time to time. I may say the junior Senator from Nevada might have presented an entirely different bill, as he did last year; but he is perfectly willing to conform to the compromise legislation so that the mines can be kept in the going-concern class. The provisions of the bill will keep the mining industry alive until such time as there can be a review of the tax structure, as I hope there will be. We hope that at the end of the 3-year period this will no longer be necessary.

Mr. President, I ask unanimous consent to have included in the RECORD at this point the letter of the Budget Director approving the bill, and also the statement by the Committee on Interior and

Insular Affairs on tax relief necessary for the mining industry.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 15, 1949.

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge your letter of this date requesting the views of this Office on your proposed report to the chairman of the Senate Committee on Interior and Insular Affairs concerning S. 2105, a bill to stimulate exploration for conservation of strategic and critical ores, metals, and minerals and for other purposes. We understand from members of your staff that this replaces and rescinds your letter on this subject of July 28.

Your proposed report enclosed a redraft of the legislation which incorporates a number of points on which agreement has been reached with representatives of the Executive Office in discussions over the past several days. Pursuant to these discussions, you are advised that there would be no objection from the standpoint of the President's program to submission of your proposed report and redraft to the committee.

With respect to the provisions in your redraft concerning Federal aid for minerals production and for maintenance of mines in stand-by conditions, it should be emphasized that this clearance is given with the understanding that such Federal assistance is designed solely for the purpose of conserving sources of essential supply which, as a practical matter, would otherwise be rendered unavailable in times of national emergency. From the standpoint of the President's program this assistance would not be acceptable on any other basis. Approval of the elements of production subsidy in your redraft should not be construed in any way as constituting an approval of subsidy for other than strictly conservation purposes. If it should become necessary for the Federal Government to take special action to relieve unemployment in the affected mining areas, other means would have to be found than the use of production subsidies.

In this connection we should like to draw your attention to the provisions of section 4 (d) requiring the Minerals Conservation Board to determine the maximum and minimum prices which may be paid for purchases of metals or minerals. In assuring that such purchases are made solely for purposes of conservation, we believe it might be most advantageous to require that these price determinations allow only for coverage of the costs of operation and maintenance, without provision for net profit to the producer. The ultimate return to the producer rests in the long-run availability of his property, conserved with the assistance of the Government, for production and sale on the open market under more favorable circumstances. We have held preliminary discussions with your representatives on this proposal to bar profit allowances and while no conclusion has been reached and no such amendment is included in your redraft, we feel strongly that the committee should give this matter serious consideration.

We note that the provisions in the redraft for these conservation aids are entirely disassociated from the Government's stock-piling program. The only relationship between the two programs is that materials acquired by the Government, pursuant to conservation aids, are made available to the stock pile, if suitable to its purposes, on precisely the same conditions as are any materials privately produced for sale on the open market. We consider it most important, to assure accomplishment of the legitimate purposes of both programs, that the conservation of domestic mineral resources should remain entirely distinct from stock piling for national security purposes. Under no circumstances should their separate objectives become confused in the process of developing conservation legislation.

As you know, it had been our view in the Executive Office of the President, that materials acquired by the Government in the course of the conservation program and not transferred to the national security stock pile should be sold on the open market as fast as they accrue, in order to avoid building up large Government inventories of a miscellaneous character. In place of a provision for automatic sale, your redraft provides that sales must be made only at prices which will return to the Government the average of prices paid for the material sold. The redraft further provides that sales may be made at lower prices, when considered to be in the best interests of the Government, taking into account costs of continued storage, so long as it is determined that such action will not substantially depress the market. In our view, these arrangements constitute the maximum departure from provision for automatic sale which could be accepted as a matter of sound policy.

We have discussed with your representatives the organizational status of the Minerals Conservation Board established under S. 2105. The language of the original bill and that of your redraft would appear to establish the Board as an independent agency of the executive branch. We believe that this is not intended and that it might create problems respecting the handling of appropriations as well as running counter to efforts, supported by the Commission on the Organization of the Executive Branch of the Government, aimed at reducing the number of separate agencies by grouping them under appropriate existing departments and agencies. Therefore, we suggest that serious consideration be given to amending the bill so that the Board would be an agency of the Department of the Interior and the Department be authorized to perform such housekeeping services as the Board may require. Appropriations for the expenses of the Board would then be made to the Department. Such an amendment should, of course, be so drawn as to safeguard the independent exercise by the Board of its substantive powers under the act.

In accordance with our understanding, a copy of this letter should accompany your report and redraft when submitted to the committee.

Sincerely yours,
F. J. LAWTON, *Acting Director.*

TAX RELIEF

Cogent evidence has been presented to the committee that tax allowances for exploration and development costs are an effective means of attracting much-needed venture capital into mining. The committee recommends, therefore, that the appropriate congressional committee undertake a study of the possibility of providing tax incentives for the domestic mining industry. However, it realizes the impossibility that any such action can be taken, or that its effects would be felt, in time to deal with the present emergency situation in respect to domestic sources of essential minerals and metals.

S. 2105 provides a new approach to the extremely complex and difficult problem of developing our reserves and revitalizing our mining industry, which has been and is a cornerstone of our national economy in peace or war. Time is very much of the essence in the situation, and the committee respectfully urges prompt action on the bill.

The favorable report of the Department of the Interior, signed by Secretary Krug, under date of August 15, 1949, together with the report of the Bureau of the Budget, are hereinbelow set forth in full and made a part of this report.

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

Mr. MALONE. I yield.

Mr. LODGE. I am aware that all the arguments in favor of the bill and all the testimony in favor of the bill are available to the Senate; I am not worried about that. We have the testimony of Secretary Krug and of other officials, but I think in the interest of orderly procedure the views of those who are opposed to the bill and the arguments of those who are opposed to it should be made available, too. I have been through the galley proofs here, and all I can find is testimony in favor of the legislation; yet I understand there was testimony offered against it.

Mr. O'MAHONEY. Mr. President, if I may interrupt, the Senator is quite in error. The record of the committee is complete. It has not been doctored.

Mr. LODGE. No; I did not say it had been doctored.

Mr. O'MAHONEY. No; but that would be the implication.

Mr. LODGE. Oh, no. I did not say that.

Mr. O'MAHONEY. The report which has been filed by the committee contains the report of the Secretary of the Interior. The Bureau of Mines and the Bureau of the Budget participated in all the discussions, in all the executive sessions, which resulted in the drafting of the bill. The Senator no doubt is referring to an earlier report with respect to the measure which has been stricken out by the committee. If the Senator will look at the bill before him, he will see that the entire bill, as it was originally introduced, has been stricken out. A substitute has been prepared. The report on the substitute is in support of it. So that what was said by any official or any other person with respect to the former bill has no bearing upon the bill which is now before the Senate.

Mr. LODGE. Does the Senator mean that the hearings have no bearing on the pending bill, either for or against it?

Mr. O'MAHONEY. Oh, not at all; the hearings have every bearing upon it. But the Senator will see that the adverse report of the Bureau of the Budget, on the first bill, has no bearing upon the bill which is presented here by amendments.

Mr. LODGE. Let me say to the Senator, I do not think for a moment that anyone has doctored anything.

Mr. O'MAHONEY. I thank the Senator.

Mr. LODGE. I never said such a thing. I never thought it. I do not want to imply it.

Mr. O'MAHONEY. I merely wanted the record to be clear, so that no erroneous impression might be received by anyone reading it.

Mr. LODGE. No; I do not want anything like that. But I understood there was testimony on the part of reputable witnesses who appeared and testified against the legislation. Because the hearings are not generally available to the public, I asked the Secretary of the Senate to get me the galley proofs, which he did. I have gone over them. I can find no testimony in opposition to the

bill. That is why I say the record is incomplete.

Mr. O'MAHONEY. I may say to the Senator from Massachusetts the committee issued blanket invitations to the public to appear and testify. No person appeared before the committee to testify against it. There was on the list of witnesses the name of one gentleman who asked to be heard, and to whom the chairman of the committee extended the invitation to be heard, whose name the chairman called, at the hearing, if I remember correctly, when he was not present, and to whom the chairman sent a telegram asking that he appear. The gentleman did not appear. Afterward, however, I understand he appeared in the lobbies of the Senate and perhaps in the offices of some Senators and talked against the bill. But he had his opportunity to be heard, and did not exercise it.

Mr. MALONE. Does the Senator state that this is a complete record on the hearings on the bill?

Mr. O'MAHONEY. Of course, it is.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I may have been responsible for the statement of the distinguished Senator from Massachusetts. He asked me whether there was any opposition to the bill. I thought I said there had been a letter which came from Mr. Searls, of the Newmont Mining Co. I may have said "testimony." There was a letter, I think, addressed to the chairman, and also addressed to the members of the committee.

Mr. O'MAHONEY. It was mimeographed, and a copy of it was sent to every member of the committee.

Mr. MILLIKIN. It came from Mr. Searls. I did not know it had been circulated, but at least I received a copy of it. That communication, as I recall, with the possible exception of certain criticisms which came from a prominent mining man as to certain of the details, and which also came in the form of a letter or a mimeographed copy which was circulated, was the only opposition I know of.

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

Mr. O'MAHONEY. I yield.

Mr. WILLIAMS. With further reference to what the Senator from Massachusetts has said, I happen to have excerpts from a letter dated March 15, 1945, written to the stockholders of the St. Joseph Lead Co., quoting from the eighty-fifth annual report to the stockholders, as follows:

The management of your company is still opposed to any peacetime Government subsidy for lead or zinc. We are sympathetic with stimulating exploration, production, and the conservation of strategic and critical ores, metals, and minerals, both for the national defense and a sound domestic economy, but we believe that subsidization of production of nonferrous metals is at variance with the system that has given the United States the greatest mining industry in the world—the system known as "American free enterprise," in which competition under free market conditions, regulated by the law of supply and demand, has also resulted in the United States having the highest standard of living in the world. Peacetime subsidization is a step toward nationalization of the industry, will probably reduce and not increase production, and will therefore be a waste of the taxpayers' money.

Mr. O'MAHONEY. Mr. President, I am very happy the Senator from Delaware has read that statement, which I understand he says was taken from the annual report of the St. Joseph Lead Co. to the stockholders. I may say to the Senator from Delaware and to the author of that report, made to the stockholders of the St. Joseph Lead Co., the pending bill offers no more subsidy to any mine in America than is offered and is presently being taken by the St. Joseph Lead Co., as a partner with the Newmont Mining Co. and a French company, in the development of lead and zinc mines in Morocco. I marvel at the fact that a spokesman for the St. Joseph Lead Co., which is a beneficiary of ECA appropriations in north Africa, should be willing to characterize this measure as a subsidy leading to socialization. This measure is not a subsidy, and it does not lead to socialization. It has been drawn with extreme care to prevent just such a development. I fear that there is much more danger to the American system of free enterprise in the type of organization which controls from 80 to 90 percent of the productive capacity of American industry in various fields.

Mr. WILLIAMS. Mr. President, I want to point out to the Senator from Wyoming that I am not speaking as a representative of the St. Joseph Lead Co.

Mr. O'MAHONEY. My words were not directed to the Senator from Delaware; not at all.

Mr. WILLIAMS. I was merely quoting from a letter which was addressed to each stockholder of that company and which was made public. As the Senator says, under the ECA program we are subsidizing several of these companies——

Mr. O'MAHONEY. I do not know that it could properly be called a subsidy. I do not want my remarks to be interpreted as saying that it is a subsidy. The bill is designed for the purchase of the products if they can be obtained. But my point is that great care has been taken in drafting the bill to prevent the occurrence of the things which the St. Joseph Lead officers draw across the sky to terrify their stockholders.

Mr. WILLIAMS. Mr. President, if the Senator will further yield, I merely wish to say that I am quoting the same language he himself used when he said we were subsidizing companies through the ECA program. We are also subsidizing the development of mines in foreign countries through the reduction of our tariffs. We are allowing copper to come in, duty free, and now we are subsidizing the American mining industry so that it can compete with these mines all subsidized by the American taxpayers' money. I agree with what the president of the company said, that if we continue down this road we shall end up with nationalization of our mining industry.

Mr. O'MAHONEY. I will say to the Senator and to anyone who shares the views expressed by the officers of the St. Joseph Lead Co., that, in my opinion, there is far greater danger of socialization and totalitarian developments from the operations of monopolistic enterprises than there is in a measure of this kind which will be primarily beneficial to small competitive enterprises. I fear that the opposition to this measure may be directed against the development of competition rather than against the danger of socialization.

Mr. WILLIAMS. I notice in the same letter that it is pointed out that the writer drew the same conclusion which the Senator from Colorado drew in previous remarks in which he said that the most effective step we can take in correcting the situation would be through our tax structure.

Mr. O'MAHONEY. I say that. I am at the moment chairman of the Joint Committee on the Economic Report, and chairman of the subcommittee which is presently conducting a study of investment, and I say to the Senator from Delaware that anything I can do to promote the investment of private capital in free competitive enterprise I shall do. Years ago I appeared before the Finance Committee and urged upon that committee the adoption of a tax-reform program designed to provide incentives for the investment of private capital. I shall join the Senator from Delaware in doing anything of that kind.

Mr. WILLIAMS. I join with the Senator from Wyoming in thinking that that is the only answer we can give to this question. I do not think we should do it by passing this subsidy bill.

Mr. O'MAHONEY. It is an effective answer. But we are confronted, as a great President once said, with a condition and not with a theory.

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

Mr. O'MAHONEY. I yield.

Mr. DONNELL. Mr. President, I trust the Senator from Delaware will correct me if I am wrong; but is it not a fact that the annual report of the St. Joseph Lead Co. which has been referred to was the fifth annual report mailed on March 15, 1949?

Mr. WILLIAMS. That is correct.

Mr. DONNELL. Mr. President, I ask the Senator from Wyoming whether a letter to the distinguished chairman of the Committee on Interior and Insular Affairs from Mr. Andrew Fletcher, president of the St. Joseph Lead Co., has been placed in the record?

Mr. O'MAHONEY. The record has not been printed. It is in proof form. I received such a letter, I responded to the letter and, as a result of that letter, I submitted to the committee an amendment to the bill which the committee has endorsed. That amendment was designed to meet one of the criticisms of the bill which was made by Mr. Fletcher.

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

Mr. O'MAHONEY. I yield.

Mr. DONNELL. The date on which the report on this bill as amended was made by the distinguished Senator from Wyoming was August 25, 1949, and in this letter which I now have in my hand, dated September 12, 1949, from Mr. F. E. Wormser, vice president of the St. Joseph Lead Company, he refers to the letter "to Senator O'MAHONEY setting

forth our objections to S. 2105 which seeks to subsidize unnecessarily and inadvisedly, we believe, the nonferrous metal-mining industry of the United States."

I ask the Senator from Wyoming if he would object at this time to having introduced in the RECORD at this point, or to follow the Senator's completed remarks, a letter dated September 8, 1949, to the Hon. JOSEPH O'MAHONEY, chairman of the Committee on Interior and Insular Affairs, from Mr. Fletcher.

Mr. O'MAHONEY. I shall be very happy to have the letter introduced into the RECORD at this point. I ask only that my reply may also be introduced into the RECORD. I should like to point out that the committee amendments to which I have referred were presented by me on the floor on September 19. The letter from Mr. Fletcher was received after the hearings had been closed and before those amendments were adopted by the committee. One of the amendments which will presently be submitted was based upon the suggestion of Mr. Fletcher in that letter. His suggestion, as I recall it, was that the definition in the bill of "small basic mines" was such that it might permit a mine which was producing, let us say, large quantities of gold and producing lead, copper, or zinc only incidentally, and in less than the quantities named in the bill, to obtain exploration aid or conservation aid, whereas it was a very profitable enterprise. So, recognizing the virtue of that suggestion, I asked the committee to agree to an amendment which would make it clear that the small mine ought to be considered only such a mine as was primarily concerned in the production of copper, lead, and zinc.

Mr. DONNELL. Mr. President, I thank the Senator for his permission that this letter may go into the RECORD at this point, and I ask that it be incorporated at this time.

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

ST. JOSEPH LEAD CO.,
New York, N. Y., September 8, 1949.

Hon. JOSEPH O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: Although in my letter to you of August 4, 1949, I endeavored to outline why the various pending bills to subsidize nonferrous-metal mining would actually harm instead of aid the mining industry and the general economy of this country, I am again writing to you, as the St. Joseph Lead Co. sincerely believes that the provisions of S. 2105, as revised on August 24, 1949, are detrimental to the best interests of the United States—and in fact, may have just the opposite results from those declared in the preamble of the revised bill.

Before making any detailed comments on S. 2105, it may be helpful to you and your associates in Congress if our company's position on metal subsidies is fully understood. Although our company has investments in foreign mining properties, our principal activities are domestic, for we are the largest producers of lead in the United States, and one of the major zinc miners—admittedly, therefore, we have a selfish interest in seeing that the mining industry of the United States is helped and not damaged by legislation.

Our position on mine subsidies was stated in the Eighty-fifth Annual Report to our stockholders, mailed on March 15, 1949, which read as follows:

"The management of your company is still opposed to any peacetime Government subsidy for lead or zinc. We are sympathetic with stimulating exploration, production, and the conservation of strategic and critical ores, metals, and minerals, both for the national defense and a sound domestic economy, but we believe that subsidization of production of nonferrous metals is at variance with the system that has given the United States the greatest mining industry in the world—the system known as American free enterprise, in which competition under free-market conditions, regulated by the law of supply and demand, has also resulted in the United States having the highest standard of living in the world. Peacetime subsidization is a step toward nationalization of the industry, will probably reduce and not increase production, and will, therefore, be a waste of the taxpayers' money. The most basic and effective step the Government could take toward encouraging mining in the United States is to revise the tax laws so that investment of venture capital will receive a return commensurate with the risk."

The principal objections to S. 2105 may be summarized as follows:

1. For the past 4 or 5 years, the mining industry has endeavored to develop a workable plan for aiding the mining industry by subsidy payments—but without success. During the same period, Congress has endeavored to prepare a suitable bill—any disinterested individual will only have to read S. 2105 to realize that Congress is also unable to write a workable bill, and therefore, has been forced to draw up legislation on the basis of the broadest possible terms, as evidenced by:

(a) The impossibility of making any estimate as to the amount of subsidies payable. Is it not unwise to pass legislation—the cost of which is unknown by Congress and the taxpayers of the United States? I refer to Secretary Krug's letter to you of August 15, 1949, in which he stated:

"It is obviously impossible to make any estimate in advance of what production might be eligible for financial aid or what applications might be made for Government participation in exploration projects. Under these circumstances, no estimate is attempted of the probable costs of carrying out the provisions of the bill."

Just as it is unfair to the taxpayers of the United States not to have some rough approximation as to the cost of S. 2105, it is equally unfair to the mining industry not to know the amount of subsidy that is to be made available, because subsidy payments will not be made unless there are available funds—paragraph (e), section 6, reads as follows:

"All contracts entered into under the provisions of this section—(1) shall contain an express provision that they are subject to the availability of appropriated money."

(b) the necessity of passing the responsibility to a new board for drawing up regulations to cover subsidy payment provisions that Congress and the mining industry itself have been unable to prepare. Unfortunately, there is little justification to assume that the proposed Minerals Conservation Board will be any more successful in preparing equitable provisions.

2. Although in section 5, paragraph (a), there appear the words "and to provide fair and equitable treatment for all applicants for aid"—in section 6, there is included a provision which is definitely discriminatory. Discrimination, as you probably realize, was one of the underlying reasons for objections to the wartime premium-price plan, and has also been one of the underlying difficulties in the preparation of various subsidy bills which have been offered during the past few years. Section 6 reads as follows:

"*Provided, however,* That simple contracts covering exploration projects shall be awarded upon application to small base metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine if the application discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals."

Assuming for the moment that the best interests of the United States are furthered by the agreement to bear one-half of the reasonable cost, and that it is advisable for the Minerals Conservation Board not to make any check as to whether the project holds reasonable promise of development, and further, assuming that the Board will be able to determine what "reasonable" means (which Congress to date has been unable to do) you can well realize the hundreds of accountants that will be required by the Board to check the cost of all tunnels, shafts, winzes, and raises, the hundreds of engineers to determine, for example, when a tunnel or raise ends and a mining stope commences, and probably the hundreds of lawyers to interpret the multitudinous rules and regulations that the Board must unfortunately issue to cover the various contingencies.

3. Section 6, commented upon above, is, of course, also influenced by the definition of paragraph (f) in section 7, reading as follows:

" 'Section base metal mines' means mines or deposits of ores producing or which in the course of conducting an exploration project produce lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined."

Under this provision, is the mining industry and the Minerals Conservation Board to assume that any mine whose output is less than 100 tons of lead, zinc, and copper per month, is entitled to the benefits offered by section 6; for example, will a profitable gold, silver or an antimony property, which has a small byproduct production of lead, zinc, and copper, be considered as a small base metal mine? It is also conceivable that a mining company might feel fully justified in continuing an exploration program to a greater extent than normal, in order to have 50 percent of the exploration cost borne by the United States, and then place the property in production on a basis considerably in excess of the 100-ton-per-month limitation. It has been said that the wartime premium price plan developed numerous pencil and Washington miners—S. 2105 will certainly not improve that situation.

4. There is no paragraph in S. 2105 which requires the Minerals Conservation Board to make a full disclosure to Congress and the taxpayers as to the details of all projects and payments. You will recall that until Congress insisted upon full disclosures of the payments made under the wartime premium price plan, there were considerable misunderstanding and arguments. As the bill grants to the Board, composed of four Cabinet members (for obvious reasons, the work of the Board will necessarily be done by representatives of the Cabinet members) the power to determine how much of the public funds shall be devoted to any particular metal or mineral, how much to exploration, and how much to conservation, the prices that may be paid and which individual producers shall receive contracts—it is imperative that the protection of full publicity should be extended to the Board, as otherwise the Board may be accused of rank discrimination, intentional or otherwise, and the ineffectual expenditures of huge amounts of taxpayers' money for the

benefit of favored individuals or companies. I strongly urge full publicity based on the unfortunate and unjust comments that were made relative to the actions of the Quota Committee of the wartime premium price plan.

5. In a release which you made to the press on August 24, 1949, you stated:

"I am satisfied that the revised bill will meet with the approval of the President, if passed by Congress. With the revised bill, I am submitting to the committee copies of the favorable report of Secretary of the Interior J. A. Krug and a letter of clearance from F. J. Lawton, Acting Director of the Bureau of the Budget. Both were prepared, I am informed, with the cooperation of the office of Presidential Assistant Steelman."

It must, of course, be appreciated that S. 2105, even as now drawn, does not contain Mr. Lawton's suggestion of August 15, 1949, to Secretary Krug:

"In assuring that such purchases are made solely for purposes of conservation, we believe it might be most advantageous to require that these price determinations allow only for coverage of the costs of operation and maintenance, without provision for net profit to the producer. The ultimate return to the producer rests in the long run availability of his property, conserved with the assistance of the Government, for production and sale on the open market under more favorable circumstances."

We agree with the Bureau of the Budget that conservation of low-grade ores should not be done with public funds for private profit. It must be obvious that, if the Government is to grant a profit to a producer, it must of necessity dictate salaries and wages to protect itself.

6. It is next to impossible for even the most competent mining engineer to determine whether a mine, if shut down, would mean a permanent loss of its remaining reserves. Mining history is full of examples of mines reopened after many years of inactivity. The problem of conserving any metal or mineral will not be solved by tackling only one relatively unimportant link in the chain of a metal's life from birth to ultimate use and dissipation.

7. Section 6 (d) is intended to prevent violent disturbance to our free metal markets from the sale of Government-acquired metal through conservation payments, but be it noted that no provision is made for the disposition of metal in private hands produced through benefit of Government exploration payments. This is an important distinction. Indeed, the bill makes mandatory the payment of exploration subsidies amounting to 50 percent of the reasonable cost of all tunnels, shafts, winzes, and raises in small base metal mines. Exploration expense is an important element of the cost of operation of all metal mines. According to the statement of the Committee on Interior and Insular Affairs, there are over 2,200 small mines eligible to receive these mandatory 50–50 exploration subsidies, and the bill also authorizes section 6 (a) "any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration."

The bill, however, is silent on what is to be done with the metal production of these exploration subsidized mines. It is manifestly unfair for unsubsidized metal to compete with this subsidized production through exploration payment, and yet, that would be the result of the passage of S. 2105 unless the Minerals Conservation Board subsidized the exploration of every nonferrous metal mine in the United States. Our free markets would no longer be free.

8. With full deference to you and your associates in Congress, I cannot believe that the administration, and specifically the Department of the Interior and the Bureau of the Budget, as well as the President himself, who have always stood for sound economic principles in the mining industry—will be willing to endorse S. 2105, which is described in Barron's issue of August 29, 1949, "is a piece of legislation that will propel the Government feet-first into the nonferrous metals business."

A careful reading of S. 2105 will disclose other interpretation and administrative difficulties, but it is felt that the items mentioned above are sufficient to warn Congress against the passage of such legislation, which is administratively appalling. The Board will have to make decisions that will have the force of law, for which there is no guidance in the bill. If public funds are to be protected in their disbursement, the bill should clearly set forth the many legal restrictions necessary to guide the Board.

As outlined in my letter to you of August 4, 1949, we prefer to make constructive suggestions for Government aid to the mining industry, and, therefore, I again offer the following:

ADEQUATE TARIFF ASSISTANCE

At the present time tariff protection is only 50 percent of the former modest tariff protection of 2⅛ cents per pound on lead, and 1½ cents per pound on concentrates, due to the reduction of 50 percent during the last few years caused by the terms of the Reciprocal Trade Agreements Act. Congress should at least guarantee the mining industry that there will be no further cuts.

TAX INCENTIVES

The depletion allowance of the nonferrous metals of 15 percent might well be increased to the 27.5 percent granted the petroleum industry. Complete exemption from taxation for a period of years on a new property would be helpful and would compare with the assistance that is now given in Canada, South Africa, and certain other countries. Exploration and development costs should be allowed as operating expenses before as well as after production begins. As the present high surtaxes on personal incomes, coupled with the loss limitation of $1,000 per year, make speculative investment in a mining venture unattractive, consideration might well be given to developing some proper investment allowance—for example, earnings from a mining venture would carry the same tax rate as a capital gain.

Increased appropriation to Geological Survey and Bureau of Mines.

We heartily endorse a continuation of the help given to all citizens of the country alike by the work done in the past by the Geological Survey and the Bureau of Mines. In open competition, United States miners have made good use of the information furnished by these Bureaus, have found and developed rich producing properties. We believe that a more liberal budget for these two agencies of the Government should be approved.

Metals of all kinds have been the largest single factor in the development of the United States and in insuring victory in times of war. In conclusion we urge you and the other Members of Congress not to adopt S. 2105 or similar legislation.

Sincerely yours,

ANDREW W. FLETCHER,
President, St. Joseph Lead Co.

Mr. O'MAHONEY. Mr. President, I ask that the reply which I sent to Mr. Fletcher may also be incorporated in the RECORD at this point.

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

SEPTEMBER 23, 1949.

Mr. ANDREW FLETCHER,
President, St. Joseph Lead Co.,
New York, N. Y.

DEAR MR. FLETCHER: Senator O'MAHONEY, who is in the West at the opening of a reclamation project, has asked me to express his thanks to you for your letter of September 8 concerning S. 2105, the proposed National Minerals Act of 1949.

The Senator sent each member of the committee a copy of your letter, and your views were considered in detail by the full committee at its executive session on Monday. Your opposition to the measure, both in principle and in detail, was much regretted, the more so since the committee was of the opinion that your position is not well founded in the light of the critical condition of the Nation's domestic reserves of minerals and of the threat to our independent, nonintegrated mining enterprises.

The committee regrets also that you did not appear before it or attend any of the hearings which were held over a 5-week period on S. 2105, and related bills. All interested persons were given full opportunity to be heard and to participate in the discussions.

Your recommendations regarding tax relief were very favorably received. As you know, in its unanimous report on S. 2105, the committee went on record in urging action by the appropriate congressional unit for revision of tax laws affecting mining to offer greater incentives for venture capital. A study of such revision is under way jointly by representatives of the Bureau of Mines and the Treasury Department, and is being followed with keen interest.

However, all the evidence available to the committee indicates that such legislation, even if it could be passed at the next session of Congress, could not meet the present emergency. S. 2105 is based on the immediate factual situation set forth in the national resources task force report of the Hoover Commission, the President's message, and on the uncontradicted evidence presented to the committee by numerous industry and Government experts who came before it.

Since you appear so unequivocally opposed to the spirit and principle of any of the presently pending measures for development and conservation of our reserves of minerals within the United States, there does not seem to be much point in discussing the objections raised in your letter as to details of the provisions of S. 2105. However, as to the assertion that such legislation is nationalization, permit me, as one who attended all of the hearings and who has read all of the correspondence, respectfully to point out that there are no compulsory provisions in the bill which would make it mandatory for the St. Joseph Lead Co. or any company, great or small, to receive benefits under it.

The very great capital assistance given to banks and to a wide variety of industries in time of need through RFC has not resulted in nationalization, nor has the continuing Government aid to American shipbuilding and ship operation, nor to domestic air lines. Neither, to cite an example or two from the mining industry, has the very material help in the way of construction of the Treasury Tunnel for the Idarado mine without risk to the private owners, nor participation by American mining firms in ECA-financed mineral projects overseas, threatened the freedom of enterprise of the groups benefiting.

It should be noted that all of this aid has been and is being accomplished on a selective, individual contract basis, such as that provided by S. 2105.

In support of the urgent need for some assistance to our domestic mining industry such as that accorded, without nationalization, to other enterprise and some few large mining units, is the strong evidence that discoveries of new sources of minerals within the United States, so vital to our security, have not kept pace with our needs, and that as the result of foreign competition, much of it subsidized in one way or another by the American Government, many of our present sources of minerals are in danger of being lost through forced abandonment.

Such a development would greatly increase our present perilous dependence upon ocean-borne foreign sources. Also, the closing of a substantial number of nonintegrated units would add still further to the monopoly control which may well constitute more of a threat to American free enterprise than could the legislation now proposed.

Undoubtedly you know already of the amendments which the committee authorized Senator O'MAHONEY, as chairman, to present to the Senate, but the Senator has asked me to send you a copy for convenient reference.

The amendment to the definition of "small base metal mines" is based directly upon your observations. While the committee did not feel that the definition was open to the criticisms you made, in view of the authority of the Board and the expression of the intent of the legislation in the report, the suggested clarification was made, however.

Senator O'MAHONEY asked me to assure you that your views always will be given most careful consideration.

Sincerely yours,

STEWART FRENCH,
Staff Consultant.

Mr. DONNELL. Mr. President, the opening sentence of the letter of the president of the St. Joseph Lead Co. to the Senator from Wyoming [Mr. O'MAHONEY] reads as follows:

Although in my letter to you of August 4, 1949, I endeavored to outline why the various pending bills to subsidize nonferrous metal mining would actually harm instead of aid the mining industry and the general economy of this country, I am again writing to you, as the St. Joseph Lead Co. sincerely believes that the provisions of S. 2105, as revised on August 24, 1949, are detrimental to the best interests of the United States—and in fact, you may have just the opposite results from those declared in the preamble of the revised bill.

I do not by reading that sentence mean in any sense, even inferentially, to contradict the statement of fact of the distinguished Senator from Wyoming as to preparation of the amendment.

Mr. O'MAHONEY. I quite understand that, and I am very glad that the RECORD shall contain this expression of the views of Mr. Fletcher.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. Is not the memory of the junior Senator from Colorado correct that we devoted an entire session one day to considering the suggestions made in this particular letter?

Mr. O'MAHONEY. The Senator is correct. A copy of that letter was given to every member of the committee.

Mr. President, may we not have the perfecting amendments now considered?

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. In the committee amendment on page 11, lines 11 and 12, it is proposed to strike out "if the application discloses," and insert "if it is determined on examination."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 12, line 2, it is proposed to strike out "each" and insert "such."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 14, line 9, before the word "price" it is proposed to insert "approximate average."

Mr. DONNELL. Mr. President, was the clerk reading from line 9, on page 14?

Mr. O'MAHONEY. Yes.

Mr. DONNELL. Will the Senator yield for an inquiry at that point?

Mr. O'MAHONEY. Certainly.

Mr. DONNELL. As I understand, the amendment proposes to introduce, before the word "price," the words "approximate average," in line 9, and thereafter in line 10, following the word "not," to insert the word "materially." Am I correct in my understanding?

Mr. O'MAHONEY. The Senator is quite correct.

Mr. DONNELL. The complete sentence as it now is set forth on page 14 is as follows:

Unless notified by the Munitions Board to either transfer any of such metals or minerals or to continue to hold them as provided in this subsection, the Administrator shall sell them in the open market if and when open-market prices will return to the Government at least the price paid by the Government for the metals or minerals, and only in such quantities as will not depress the market.

Instead of requiring the sale of the minerals for "at least the price paid by the Government" for them, and "only in such quantities as will not depress the market," would not the effect of the amendment be to permit the sale at the approximate average price, which might be less than the price paid by the Government, and instead of requiring that they should be sold only in such quantities as would not depress the market, the effect of the amendment would be that they must be sold only in such quantities as would not materially depress the market. So that the effect of the amendments would be to permit the sale at less than the price paid, whereas the committee amendment requires the minerals to be sold for at least the price paid. The further effect of the amendment would be that instead of requiring them to be sold only in such quantities as would not depress the market, there could be a sale, under the amendment offered by the Senator from Wyoming, in quantities which might depress the market to some extent, provided the depression were not a material depression in price. Am I not correct?

Mr. O'MAHONEY. The Senator is technically correct. I may say, however, that the purpose of the amendment is distinctly not to invite the sale of these minerals at a loss. The committee was presented with a question raised by Mr. Larson, the head of the General Services Administration, who pointed out that unless the first amendment, adding the words "approximate average" before the word "price," was adopted, it would become necessary for the General Services Administration to maintain a book account of great detail as to the exact purchase price of every particular quantity, and then, when selling, to sell the particular purchased quantities at the particular prices at which they were purchased.

It seemed to the committee that was a very reasonable criticism, and therefore, in order to save the executive department from an administrative impossibility, as it seemed to us, and at the same time to preserve the intent of the committee that the metals should not be sold at a loss, we wrote in the words "approximate average."

The same principle applies with respect to the amendment inserting the word "materially" in line 10, just before the word "depressed." The theory there was that unless that word or some similar word were inserted, any sale might be interpreted as having a depressing effect. So that it was to avoid administrative difficulties, and not to change the policy of the committee that these minerals should not be sold in a manner to depress the market.

Mr. DONNELL. I may say that a message came to my office yesterday, over the telephone, I think it was, to which I should like to call attention. I did not personally receive it, and I might inadvertently err in the precise contents of the message, but as I understood, it was from a gentleman by the name of Dickinson, who is connected with the American Mining Congress, in which he opposed both these amendments. I have not had the benefit of talking with Mr. Dickinson at all; the point the Senator makes about "approximate average" I conceive might be strongly fortified by reason; but it appears to me the reasoning of the Senator is not applicable with the same force to the insertion of the word "materially" before the word "depressed."

Mr. O'MAHONEY. Since the Senator says "with the same force," he impliedly recognizes that there is some force in the statement, and I hope he will accept it. I had the same message from Mr. Dickinson, and while I sympathize completely with the point of view he expresses, I believe that he is raising a fear which will not be realized. I believe it is very much more important to the mining industry, which Mr. Dickinson so ably represents, that we have this bill enacted into law, than it is that we weigh feathers with respect to certain words.

Mr. DONNELL. Mr. President, would the Senator deem it wise to pursue his amendment, namely, the addition of the words "approximate average," in line 9, but to abandon that portion of the amendment which would insert the word "materially" in line 10? I can see the Senator's point in regard to the insertion of the words "approximate average," but I confess it appears to me that the word "materially" would, if it be introduced, permit the Administrator to sell the minerals in such quantities as would depress the market, and I do not know who would determine what would be a material depression. I think it of some force and importance that the quantity should not be such as to depress the market in the slightest. Therefore I ask the Senator whether he would be willing, while advocating and securing, if possible, the adoption of the amendment in line 9, to waive his advocacy of the amendment in line 10 introducing the word "materially."

Mr. O'MAHONEY. Before I answer the Senator permit me to yield to the Senator from Colorado [Mr. MILLIKIN], who participated in the discussion in the committee respecting all these amendments.

Mr. MILLIKIN. Mr. President, I should like most respectfully to say to the Senator from Missouri that if the word "materially" is left out, the ores and minerals which the Government may have accumulated can never be sold, because their sale would have a depressing effect on the market. So the committee placed the word "materially" in the amendment in order that the Government may protect itself and get rid of its stocks at a time it believes to be appropriate, so long as such sale does not materially depress the market. We gave considerable thought to the words "materially" and "substantially"; we considered the use of about six words to overcome what is in the Senator's mind, but the end conclusion was that if the word "depress" remained by itself, any sale would have a price-depressing effect. Of course, we did not mean that, because if we did, the Government could not ever get rid of the surpluses that might be accumulated. We experimented with all possible words.

Mr. O'MAHONEY. Mr. President, I agree with everything the Senator from Colorado has said. We were fearful that this language might be so interpreted as to constitute a mandate to freeze purchases. It was not the intention of the committee to require the Government to provide storage for quantities which might be purchased which in turn would require expenditure of funds for that purpose. That was one of the points raised by Mr. Larson of the General Services Administration.

I feel, as the Senator from Colorado has so well expressed it, that the abandonment of this amendment now would not be in the interest of preventing what we have heard called here a subsidy program. These materials are valuable. There is no need of fearing that there is a depression around every corner. I believe confidently that we can operate the economy of the United States on a stable basis, and therefore I feel that the production from these mines should be such as to go into commerce when it can go into commerce without loss to the Government, and that we should not erect, by language in the bill, possible obstacles to its free flow.

Mr. DONNELL. Mr. President, will the Senator yield for one further inquiry?

The PRESIDING OFFICER (Mr. LEAHY in the chair). Does the Senator from Wyoming yield to the Senator from Missouri?

Mr. O'MAHONEY. I yield.

Mr. DONNELL. The insertion of the word "materially" comes in the amendment presented by the Senator on the 19th of September; does it not?

Mr. O'MAHONEY. It does.

Mr. DONNELL. The committee itself had, during the period from June 17 to August 25, considered the bill and reported it without the word "materially" in it. That is correct; is it not?

Mr. O'MAHONEY. Yes.

Mr. DONNELL. May I inquire of the Senator what caused the subject to be brought to the attention of the committee and caused the committee to think it was important to add the word "materially" in line 10.

Mr. O'MAHONEY. The letter from the General Services Administration, from Mr. Jess Larson, the Administrator of that agency, and our conversations with the Bureau of the Budget.

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

Mr. O'MAHONEY. Certainly.

Mr. DONNELL. Although the amendment is submitted by the Senator from Wyoming as being from the Committee on Interior and Insular Affairs, I assume that the amendment does have the support of the entire committee. Is that correct?

Mr. O'MAHONEY. It does.

Mr. DONNELL. Only the name of the Senator is mentioned, though, as I indicated, it does come from the committee.

Mr. O'MAHONEY. If the Senator had before him the RECORD of September 19 he would see that the chairman of the committee offered these amendments as committee amendments, and they are being so presented from the desk.

Mr. DONNELL. I thank the Senator.

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

Mr. O'MAHONEY. I yield.

Mr. LODGE. Can the Senator direct me to the expressions of opinion on this legislation by the Bureau of the Budget? I have been looking through these galley proofs and I do not seem to be able to find them.

Mr. O'MAHONEY. I will hand the Senator a copy of the report, which is available to all Members of the Senate.

Mr. LODGE. Is that all there is on the subject from the Bureau of the Budget?

Mr. O'MAHONEY. I would not say that that is all there is, but I will say to the Senator expressly that the bill as it is now being presented by the chairman of the committee has the full support of the Bureau of the Budget.

Mr. LODGE. I may say to the Senator from Wyoming that I have been reading the committee report, but I had understood there was another communication from the Bureau of the Budget which was not included in the report.

Mr. O'MAHONEY. There is in the record, I have no doubt, the original report on the original bill to which I alluded in response to the Senator some time ago.

The history of the legislation is this: A mine subsidy bill was passed by the Seventy-ninth Congress but was vetoed. In the Eightieth Congress a similar bill was recommended by the Committee on Interior and Insular Affairs, but it failed of passage on the closing night of the session a year ago in June or July.

At the beginning of the present Congress several bills on this subject were introduced. One was introduced by the distinguished senior Senator from Montana [Mr. MURRAY]. On the House side a bill was introduced by the able Representative from California [Mr. ENGLE]. There were other bills. I do not remember them all.

The Committee on Public Lands of the House endorsed the Engle bill, but it did not have the support of the Bureau of the Budget and did not have the support of the Executive. It was a bill which was headed for another veto.

The Senator from Wyoming then, after consultation with the Bureau of Mines, introduced a measure which was intended to eliminate the pitfalls which had wrecked the previous legislation. When that bill was subjected to scrutiny by the Bureau of the Budget, by the Department of the Interior, by the General Services Administration, and by the committee, after the hearing, and after we had had general conferences again, we struck out the entire original bill, and reported this new bill which, as amended, has the complete support of the Bureau of the Budget.

The objection to the original bill was, in brief, that it was a subsidy bill—I do not say that it was, understand, but that was the criticism—which might require the Government to support marginal mines which were not capable of producing ore that would be of benefit to our economy or to our war potential.

The pending bill avoids that pitfall altogether, because it provides for administration under the direction of the Munitions Board and the Secretary of the Interior, and its purposes are directed toward the exploration for new deposits and the conservation of existing known deposits, so that they may not be lost to the country through preventable disaster.

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

Mr. O'MAHONEY. I am very happy to yield.

Mr. DONNELL. I have already introduced into the RECORD a letter from the president of the St. Joseph Lead Co. I think in fairness, if the Senator will permit, I should like to introduce at this time into the RECORD two letters which are favorable to the bill. I assume the Senator would have no objection to that.

Mr. O'MAHONEY. No objection at all.

Mr. DONNELL. One is from John Clark, president of the International Union of Mine, Mill, and Smelter Workers, addressed to myself, dated September 15, 1949, attached to which is a resolution adopted by the forty-fifth convention of that organization on September 12, in support of Senate bill 2105.

I invite attention to the fact that Mr. Clark has this to say in his letter with reference to the resolution I have mentioned in support of Senate bill 2105:

INTERNATIONAL UNION OF MINE,
MILL, AND SMELTER WORKERS,
Chicago, Ill., September 15, 1949.

Senator FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR DONNELL: The forty-fifth national convention of the International Union of Mine, Mill, and Smelter Workers on September 12 adopted the enclosed resolution in support of S. 2105.

Passage of this bill before the present session of Congress ends is of the utmost urgency if the jobs of thousands of workers in the nonferrous metal mining, smelting, and fabricating industry are to be protected.

In the Upper Peninsula of Michigan, 4,000 copper miners face immediate loss of their jobs if the provisions of S. 2105 are not put into effect. Five thousand jobs in the tri-State area of Oklahoma, Kansas, and Missouri, and thousands in Utah, Arizona, Nevada, Wyoming, New Mexico, Montana, Idaho, and other States, are also at stake. The total comes to over 20,000.

On behalf of the membership of the International Union of Mine, Mill, and Smelter Workers, I urge that you exert your influence to secure a place for this bill on the Senate program before adjournment.

Sincerely yours,

JOHN CLARK, *President.*

I ask unanimous consent to have printed in the RECORD at this point the resolution to which I referred.

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

RESOLUTION ON S. 2105

S. 2105, jointly introduced by Senators O'MAHONEY, HAYDEN, MCFARLAND, and MALONE, now before the Senate, would, among other things, provide a means for preventing the shut-down of mines under circumstances which would make it impossible for those mines to be opened again; and

Such action would enable us to conserve valuable and limited mineral resources which would otherwise be irretrievably lost; and

Would further immediately enable marginal mines in such areas as upper Michigan, tri-State, Utah, Arizona, Idaho, and Montana, either to resume or continue operations, therefore preventing loss of jobs for some 15,000 to 20,000 workers in our industry. Therefore, be it

Resolved, That this forty-fifth convention of the International Union of Mine, Mill, and Smelter Workers endorse S. 2105 and urge that all locals immediately wire their Senators urging that they support this bill and press for its passage at this session of Congress.

Mr. DONNELL. Mr. President, the second letter to which I refer is dated September 16, 1949, and is from Mr. Howard I. Young, who writes upon the stationery of the American Zinc, Lead & Smelting Co., 1600 Paul Brown Building, St. Louis, Mo., of which company Mr. Young is president, although he signs it simply "H. I. Young." The letter is as follows:

AMERICAN ZINC, LEAD & SMELTING CO.,
St. Louis, Mo., September 16, 1949.

The Honorable FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I understand S. 2105 is reported out of the committee but has not yet been placed on the Senate calendar for consideration.

I have carefully studied this bill. It is not an ideal one by any stretch of the imagination. However, it is my judgment that it is a constructive measure and one that is needed by the mining industry to further the development of our natural resources (mineral).

As you know, I have always been and still am opposed to subsidies. I have, however, been in favor of Government assistance in the development of our natural resources and in the proper conservation of those critical minerals that are in scarce supply.

I think S. 2105, properly administered, will be a constructive one for the industry and for our national defense. I urge that you support it if it comes before the Senate for consideration.

Warmest personal regards.

Sincerely yours,

H. I. YOUNG.

I may add that Mr. Young has been, and I assume still is—certainly I think he was until a few days ago—president of the American Mining Congress, although he does not sign the letter in that capacity. However, I cite that fact as indicating his standing in the mining industry.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2514) to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 86) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. THORNBERRY, and Mr. REES were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on 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; that the House receded from its disagreement to the amendments of the Senate numbered 6, 17, 20, 38, 46, 47, 50, 63, 66, 83, 108, 109, 125, 128, 130, 131, 132, 133, 134, 144, 148, 156, 162, 164, 166, 172, 174, and 189 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 11, 64, 67, 80, 115, 119, 135, and 167 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on 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; that the House receded from its disagreement to the amendments of the Senate numbered 7, 11, 12, 15, 16, 18, 22, 24, and 37 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 9 and 19 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 377) for the relief of Ernest J. Jenkins, and it was signed by the Vice President.

Mr. O'MAHONEY. Mr. President, the Senator from Tennessee [Mr. MCKELLAR], chairman of the Appropriations Committee, tells me that he has ready for submission a conference report on an appropriation bill which is of great importance to all of us. I am happy to yield to him.

THIRD DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. MCKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 25, 31, and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 10, 17, 20, 21, 23, 26, 27, 28, 29, 30, 33, 38, 40, and 41, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8 and agree to the same with an amendment, as follows: In line 7 of said amendment strike out "S. 2072" and insert the following: "SEC. 2072"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$340,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$190,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the matter stricken out by said amendment insert: ", of which $15,000 shall be available for payment of accrued annual leave only"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 9, 11, 12, 15, 16, 18, 19, 22, 24, and 27.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
Managers on the Part of the Senate.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,
JOHN TABER,
CHARLES A. PLUMLEY,
Managers on the Part of the House.

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

Mr. SALTONSTALL. Mr. President, reserving the right to object, I should like to ask the chairman of the Appropriations Committee if this is a unanimous report by the conferees on both sides?

Mr. MCKELLAR. It is.

Mr. GURNEY. Mr. President, reserving the right to object, may I ask what was the action on amendments 23 and 24? Was there any change made by the House in those two amendments?

Mr. MCKELLAR. The House receded on both.

Mr. GURNEY. And that is the way the report is presented to the Senate?

Mr. MCKELLAR. That is the way it is presented to the Senate.

Mr. GURNEY. I thank the Senator.

Mr. MAGNUSON subsequently said: Mr. President, I understand that the conference report on House bill 5300, the third deficiency bill, has been agreed to. At the time I was preparing an explanation of one of the provisions in the bill relating to the Maritime Commission and the handling of consumable stores. I ask unanimous consent to have printed in the RECORD immediately before the adoption of the conference report an explanation of the consumable stores item.

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

RE: H. R. 5300

The conferees report on the Third Deficiency Appropriation Act, 1949, reinstates the House provision with respect to the handling of consumable stores, bunkers, and slop-chest items on vessels chartered from the Maritime Commission and redelivered to that agency upon termination of the charter.

The House language provides that such items shall not be accepted nor paid for by the Commission. The effect of this provision will be that the charterer will be required to remove such items from the vessel before redelivery and use his best judgment as to the proper disposition thereof. Obviously, the removal and disposition of the items will entail some expense and possibly losses to the charterer. It is my understanding that such expense or loss should probably be treated as a redelivery expense of the charterer which must be taken into account in the adjustments for charter hire or additional charter hire under the terms of the charter. Obviously, it would be inequitable for the Government to require that these expenses or losses should be excluded in making the voyage accounting adjustments. I assume that the provision has been retained in the bill because the conferees understood that such adjustments would be permissible, thus avoiding, at least in substantial part, the various objections to the provision which have been raised by ship operators, particularly the smaller operators, who are not in a position to reuse surplus stores, bunkers, and slop-chest items on the other vessels operated by them.

I understand that a number of the operators have committed themselves to keep their vessels under charter for 6 months in the case of berth operators and 4 months in the case of tramp operators, in reliance upon the assurances in the reports of the committees of the House and Senate in extending the Ship Sales Act until July 1, 1950. The change in the law casting upon the charterers a substantial additional burden for consumable stores, bunkers, and slop-chest items obviously constitutes a fundamental and basic change in the charter arrangement, and it may be that, under these circumstances, the Maritime Commission, upon request of the charterers, may be in a position to legally relieve the charterers of their 4- and 6-month commitments and permit prompt redelivery on the basis of the contractual obligations existing on June 30, 1949. This may be particularly true in the case of vessels that will have been redelivered to the Commission between June 30, 1949, and the date of enactment of this legislation, or within a relatively short time thereafter.

In any event, it is my belief, based on the legislative history of the above-mentioned acts, that it is the intent of Congress to provide that the law relating to consumable store, bunkers, and slop-chest items is to be applied prospectively only.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5300, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
October 6, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 11, 12, 15, 16, 18, 22, 24, and 37 to the bill (H. R. 5300) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 9 to said bill and concur therein with an amendment as follows: In line 3 of the matter inserted by said amendment strike out "September" and insert in lieu thereof "October."

That the House recede from its disagreement to the amendment of the Senate numbered 19 to said bill and concur therein with an amendment as follows: In line 22 of the matter inserted by said amendment strike out "$22,500,000" and insert in lieu thereof "$12,500,000"; and in line 37 of the matter inserted by said amendment strike out "$4,000,000" and insert in lieu thereof "$2,000,000."

Mr. MCKELLAR. Mr. President, one amendment was simply a change in date. The other related to an appropriation of $22,500,000 in the Senate version. The conferees agreed on $12,500,000. Also, the Senate had voted to appropriate from the disposal of surplus property $4,000,000. In conference it was agreed that it should be $2,000,000.

Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 9 and 19.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. MCCLELLAN subsequently said: Mr. President, I ask unanimous consent to place in the RECORD a statement by me regarding the conference report on 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.

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

STATEMENT BY SENATOR M'CLELLAN IN CONNECTION WITH APPROPRIATION ITEM FOR GENERAL SERVICES ADMINISTRATION CONTAINED IN H. R. 5300, THIRD DEFICIENCY APPROPRIATION BILL

I desire to call the attention of the Senate to House amendment No. 19 to H. R. 5300, which reduces the appropriation estimate of the General Services Administration from $22,500,000 to $12,500,000 for administrative expenses, and a further reduction in an authorization of four million to two million which would permit the use of disposal proceeds of surplus property for renovating or repairing industrial facilities subject to the national security clause. I am particularly concerned with respect to the reduction of the administrativce expense item from $22,500,000 to $12,500,000.

At the time Mr. Jess Larson, Administrator of General Services Administration, testified before the Senate Appropriations Committee, he indicated that no funds had been appropriated to GSA to cover the new functions imposed upon the GSA by Public Law 152, the Federal Property and Administrative Services Act of 1949. He further indicated that no funds had been included in this estimate for these purposes, specifying then that he was confident that with the integration of War Assets into the General Services Administration a certain savings could be made and that he was confident they would utilize the savings on the new functions imposed upon the General Services Administration imposed by the Federal Property and Administrative Services Act. These functions include such important items as proper utilization and disposal by the executive agencies, records management, freight and traffic management, the establishment of a Federal stock catalog and improving cataloging generally, improving space control, improving inventory control and property-management practices in other executive agencies, obtaining more efficient rates for public-utility services in the Government, and most of all streamlined procurement methods and the resulting elimination of 5-percent practices by decentralizing the procurement program out of Washington to area offices where all manufacturers and small businesses could obtain quickly pertinent information relative to current procurement needs and programs of the Government.

An examination of the justification for this estimate will reveal that conservative amounts have been submitted for the orderly liquidation of the surplus-property-disposal program remaining in War Assets, irrespective of any amounts needed to handle the

functions of GSA which I have just enumerated. I am submitting a chart specifying the individual items included in the estimate of $22,500,000.

Personal services	Total	Property management	Disposal	Inventory control and reconciliation	Executive direction
Regular salaries	$6,552,000	$2,477,000	$1,875,000	$1,692,000	$508,000
Regular salaries, protection and maintenance at site	726,000	726,000			
Terminal leave	1,095,000	343,000	412,000	281,000	59,000
Subtotal	8,373,000	3,546,000	2,287,000	1,973,000	567,000
Aircraft and aircraft parts and components	5,954,000	2,404,000	3,550,000		
Protection and maintenance of real property	3,296,000	3,296,000			
Taxes	1,587,000	1,587,000			
Administrative costs	1,530,000	623,000	405,000	391,000	111,000
Plant clearance	540,000	540,000			
Miscellaneous contractural disposal costs	530,000		530,000		
Other agencies	690,000	78,000	612,000		
Total	22,500,000	12,074,000	7,384,000	2,364,000	678,000

A further examination of the justification submitted by the Administrator in support of this estimate discloses some very enlightening information which leads me to wonder as to the wisdom which dictated the reduction of this appropriation item. I refer to the fact that in the liquidation of the surplus property now remaining under the jurisdiction of War Assets of General Services Administration, it is a conservative estimate that this agency will realize a revenue of $36,000,000 in 1950 from leases of surplus plants and after deducting the estimate of approximately $12,000,000 for the protection and maintenance of such plants, there will be approximately $24,000,000 net return to the Government on this property management activity. Furthermore, the disposal program for 1950 anticipates a disposal of property totaling $1,058,000,000 at acquisition cost at a gross realization of $119,000,000 from such disposals. With operating costs totaling only $22,500,000, or only 19 percent of the gross return, the net return to the United States Treasury will be approximately $96,500,000 for all operations in the fiscal year 1950.

Obviously with the appropriation estimate reduced there must of necessity be a corresponding reduction in staff and and a corresponding reduction in disposal accomplishments.

Mr. President, Members of this body will recall at the time Public Law 152 was enacted there was little or no disagreement between the House and the Senate as to the provisions of this bill. It was viewed by the House and Senate as one of the most useful pieces of legislation that had been enacted in order to complete the administrative machinery of the Federal Government. It is, therefore, extremely unfortunate that we are at this time in effect tying the hands of the Administrator of the General Services Administration, delaying the inauguration of the program of the GSA with respect to these many activities. In view of the action taken on H. R. 5300, I feel it my duty to call it to the attention of this body that we are in effect directing the Administrator of the General Services Administration to appear before the respective Appropriations Committees at the beginning of the next session of Congress in order to request a supplemental appropriation.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT RELATING TO OFFICERS AND EMPLOYEES OF COLUMBIA INSTITUTION FOR DEAF

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 86) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JOHNSTON of South Carolina, Mr. HUMPHREY, and Mr. LANGER conferees on the part of the Senate.

STRATEGIC ORES, METALS, AND MINERALS

The Senate resumed the consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

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

Mr. O'MAHONEY. Certainly.

Mr. SALTONSTALL. I was very much interested in the questions asked by the Senator from Nebraska [Mr. WHERRY] with relation to possible duplication as between this bill and the Stockpiling Act. I obtained a copy of the Stockpiling Act, which is Public Law 520, Seventy-ninth Congress, chapter 590, second session, S. 752. In the policy stated in that act these words are used: "to encourage the conservation and development of sources of these materials within the United States," these materials being certain strategic and critical materials, "to supply the industrial, military, and naval needs."

I cannot see why those words do not duplicate to a large extent the purposes of this bill. In other words, why is not the Senator from Nebraska correct in saying that there is duplication of what may now be done by the Munitions Board if it sees fit?

Mr. O'MAHONEY. The reason is this: If the Senator will read further in section 3 of Public Law 520 of the Seventy-ninth Congress, he will see that the instruction and authority there are to make purchases of strategic and critical materials. In the pending bill the activity is not confined to purchases. It includes also aid in bearing a part of the cost of the exploration.

Mr. SALTONSTALL. Could not the Munitions Board, under this act, encourage conservation and development, and stimulate exploration?

Mr. O'MAHONEY. Any purchases would do so. However, let me say to the Senator, as was so ably said by the distinguished Senator from Colorado [Mr. MILLIKIN], that in my judgment it would be unfortunate to have the direction of the domestic mineral policy, or, in fact, any domestic policy, under the control of the Military Establishment. The purpose here is wholly independent and has relation to peaceful objectives. It is incidental that the metals to be developed, the ores to be uncovered, and the minerals to be mined and purchased have a war potential. They are strategic and critical materials in some instances, but they are primarily a part of the industrial potential.

Mr. SALTONSTALL. Then the bill must stand on its own feet as a peacetime measure, rather than an emergency measure.

Mr. O'MAHONEY. Certainly.

Mr. SALTONSTALL. When it is argued that the bill must be passed now because of the emergency and the need of stock piling, that is incidental to its purpose, which is peaceful.

Mr. O'MAHONEY. I have so stated. This is not primarily a stock-piling bill. This is primarily a measure designed to conserve the resources which we have and see if we cannot find some more.

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

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. The immediate emergency consists of the fact that our mining communities are stricken, and out of business. Our mines are closed, and we are trying to restore them to health.

Mr. KNOWLAND. Mr. President, I desire the floor in my own right.

Mr. O'MAHONEY. Will the Senator desist until the committee amendments can be disposed of?

Mr. KNOWLAND. I shall defer to the wish of the Senator from Wyoming.

Mr. DONNELL. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. DONNELL. The amendments in lines 9 and 10, on page 14, have not yet been acted upon, have they?

Mr. O'MAHONEY. No; they have not.

Mr. DONNELL. In view of the fact that so great an organization as the American Mining Congress, through its representative, Mr. Dickinson, is apprehensive, as I understand, over the insertion of the word "materially", in line 10, on page 14, I should like to ask the Senator this question: Considering the statements which have been made thus far on the floor of the Senate, does the Senator think the language as it now appears in that line of the bill is sufficient?

It provides, in effect, that the Administrator shall sell such materials in the open market, and "only in such quantities as will not depress the market."

I take it that any sale at least theoretically tends to decrease the price, and any purchase tends to increase the price. But in every transaction of sale and purchase, there is both an element of depression and element to the contrary.

Is not the fair meaning of the committee amendment as it now stands, on page 14, in lines 10 and 11, in connection with the words "depress the market," along the line that a depression of the market is a great, unreasonable, unusual diminution of prices, rather than a slight change which one sale might effect; and is it not also true that to insert the word "materially" before the word "depress", at that point, raises, first, the question of who will determine whether it is material; and, in the second place, the meaning of "materially"? Who can tell whether it is a material depression?

Would it not simplify the matter to leave the language as it now is? Would not that cover the point the Senator has in mind, because the word "depress" certainly does not mean simply the result which might flow from the sale of a normal quantity of a commodity.

Mr. O'MAHONEY. This amendment to the committee amendment was unanimously agreed to by the Committee on Interior and Insular Affairs. It has the support of all the executive agencies concerned. I do not think it is open to the interpretation which has been placed upon it by Mr. Dickinson. I feel that I am individually committed to the amendment as it stands, for the reasons which have already been fully stated by the Senator from Colorado and myself.

So I hope the Senator from Missouri will not press any opposition to this committee amendment.

Mr. DONNELL. Mr. President, I shall not ask for a yea-and-nay vote on the amendment, but I should like to have an opportunity provided for each Member of the Senate to be recorded; and in that connection, I should like to record myself, at this moment, in opposition to the amendment on page 14, in line 10, where it is proposed to insert the word "materially" before the word "depress."

Mr. O'MAHONEY. Mr. President, the pending amendment is on page 14, in line 9, of the committee amendment. There is no objection to it, and I hope it will be agreed to. It provides that in the committee amendment on page 14, in line 9, before the word "price," the words "approximate average" be inserted.

The PRESIDING OFFICER. The question is on agreeing to the amendment which has just been stated to the committee amendment on page 14, in line 9.

The amendment to the amendment was agreed to.

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

The LEGISLATIVE CLERK. In the committee amendment on page 14, in line 10, after the words "as will not," it is proposed to insert the word "materially."

Mr. DONNELL. Mr. President, I object to having the amendment agreed to by unanimous consent. I ask that the question of agreeing to the amendment be put.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment on page 14, in line 10, which has just been stated. [Putting the question.]

The amendment to the amendment was agreed to.

Mr. DONNELL. Mr. President, I should like to have the RECORD show that a vote "no" was cast by myself. There may have been other Senators who voted "no," but at least I voted "no." [Laughter.]

Mr. O'MAHONEY. Mr. President, the Senator from Missouri should not speak so loudly as to drown out the voices of his colleagues.

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

The LEGISLATIVE CLERK. In the committee amendment on page 15, in line 22, after the word "including," it is proposed to insert the word "undeveloped."

The amendment to the amendment was agreed to.

The next amendment to the committee amendment was, on page 16, in line 13, after the word "ores" to insert the word "primarily."

The amendment to the amendment was agreed to.

The next amendment to the committee amendment was, on page 16, in line 14, after the word "project" to insert the word "primarily."

The amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended. It is still open to amendment.

Mr. MILLIKIN. Mr. President, let me ask what has happened to the amendment on page 12, in line 2, where it was proposed to strike out the word "each" and to insert in lieu thereof the word "such"?

Mr. O'MAHONEY. That amendment has been adopted.

Mr. MILLIKIN. Let me also inquire what has happened to the first amendment on page 11, in lines 11 and 12?

Mr. O'MAHONEY. That amendment also was adopted.

Mr. MILLIKIN. I wonder whether the distinguished chairman of the committee would be willing to accept a further amendment to that one. I am quite sure it was not the intention that every application for relief for a small mine should require the physical examination of the prospect.

Mr. O'MAHONEY. No; the only purpose of the amendment, as the committee agreed, was to make it clear that the administrative authorities would not be bound by the application itself, but could go behind it.

Mr. MILLIKIN. Then would the Senator object to an amendment to this effect: On page 11, in line 12, after the word "application," to insert "or examination," so as to make that portion of the committee amendment read "if the application or examination discloses"?

Mr. O'MAHONEY. I would not object at all to that; I think that is the sense of the amendment.

Mr. MILLIKIN. Then is the Senator willing that I move the adoption of such an amendment to the committee amendment?

Mr. O'MAHONEY. Certainly. I accept that amendment of the committee amendment.

Therefore, Mr. President, I ask unanimous consent that the vote by which the amendment to the committee amendment on page 11, in lines 11 and 12, was agreed to be reconsidered, so that the amendment just proposed to it by the Senator from Colorado may be offered.

The PRESIDING OFFICER. Without objection, the vote by which the amendment to the committee amendment on page 11, in lines 11 and 12, was agreed to is reconsidered.

Mr. MILLIKIN. Mr. President, I now offer to the committee amendment on page 11, in line 12, the following amendment: After the word "application," insert the words "or examination"; so that the committee amendment at that point will read as follows:

> Tunnels, shafts, winzes, and raises in such a mine if the application or examination discloses that there is a reasonable promise of—

And so forth.

Mr. O'MAHONEY. That is acceptable, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado to the committee amendment on page 11, in line 12.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment to the committee amendment on page 11, in lines 11 and 12, to strike out certain words and insert other language.

The amendment to the committee amendment was rejected.

Mr. O'MAHONEY. Mr. President, there is another amendment which should be offered, as a result of colloquy which occurred earlier in the day. This amendment would be an addition to section 9, on page 17.

Section 9 now reads:

> SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary for carrying out the provisions of this act, including payments to producers for exploration, maintenance, and production, and the costs of administration, such funds to remain available until expended.

The Senator from Delaware suggested that a limitation of $80,000,000 should be inserted. I preferred to make the limitation $90,000,000; but inasmuch as in the report we said "$70,000,000 to $80,000,000," I see no objection to the suggestion of a limitation of $80,000,000.

Therefore, Mr. President, I offer the following amendment to the committee amendment: On page 17, in line 4, strike out the words "such sums," and insert "$80,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming to

the committee amendment on page 17, in line 4.

The amendment to the amendment was agreed to.

Mr. WATKINS obtained the floor.

ADVANCE PLANNING OF NONFEDERAL PUBLIC WORKS

Mr. HOLLAND. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield for the purpose of permitting the Senator to ask a question.

Mr. HOLLAND. I may say to the Senator that there has come to the Senate a message from the House of Representatives in regard to Senate bill 2116, relating to the advance planning of non-Federal public works. The House has adopted to that bill an amendment, which requires the concurrence of the Senate. The distinguished majority leader and the distinguished minority leader have agreed to have this matter brought up at this time.

Mr. WATKINS. I yield for that purpose, provided that it is understood that I may do so without losing the floor.

The PRESIDING OFFICER. Without objection, that will be understood.

Mr. HOLLAND. Mr. President, I now ask that the message from the House of Representatives on this subject be laid before the Senate.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2116) to provide for the advance planning of non-Federal public works, which was, to strike out all after the enacting clause and insert:

That in order (a) to encourage States and other non-Federal public agencies to maintain a continuing and adequate reserve of fully planned public works (exclusive of housing) readily available for use so as to permit the immediate commencement of construction of such public works when the economic situation may make such action desirable, (b) to enable the United States, through reference to such reserve of fully planned public works as reflected by records maintained and reports issued by the Administrator of General Services to adapt, insofar as practical and desirable, the planning and construction of needed Federal public works to the particular public works objectives of individual States and other non-Federal public agencies, and (c) thereby to attain maximum economy and efficiency in the planning and construction of local, State, and Federal public works, the Administrator of General Services is hereby authorized, during the period of 2 years immediately following the date upon which this act becomes effective, to make loans or advances, from funds appropriated for that purpose, to the States, their agencies, and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of public works (exclusive of housing): *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake the construction of any public works so planned.

SEC. 2. Funds appropriated for the making of loans or advances hereunder shall be allocated by the Administrator of General Services among the several States in the following proportion: 75 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available United States census, and 25 percent in accordance with the needs of the States as determined by the said Administrator: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder.

SEC. 3. No loan or advance shall be made hereunder with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by a competent State, local, or regional authority.

SEC. 4. Loans or advances under this act to any public agency shall be repaid without interest by such agency if and when the construction of the public works is undertaken or started. If the construction of the public works is not undertaken or started within 3 years after the full amount of the loan or advance therefor has been made and the Administrator of General Services shall determine (which determination shall be conclusive), after due notice and hearing, that the public agency has not acted in good faith either in obtaining the loan or advance or in failing to undertake or start the construction of such public works, the Administrator shall demand prompt payment of such loan or advance. In the event the loan or advance shall not have been repaid within said 3-year period, such public agency shall not be eligible to apply for loans or advances on any other public works. All sums so repaid shall be covered into the Treasury as miscellaneous receipts.

SEC. 5. The Administrator of General Services is authorized to prescribe rules and regulations to carry out the purposes of this act.

SEC. 6. The Administrator of General Services shall submit quarterly to the Congress a report of his administration of the act, including all expenditures and repayments made thereunder. Such reports shall, when submitted, be printed as public documents.

SEC. 7. There are hereby authorized to be appropriated such amounts, not to exceed a total of $100,000,000, as may be necessary to effectuate the purposes of this act. Amounts so appropriated shall remain available until expended.

SEC. 8. As used in this act, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

Mr. HOLLAND. Mr. President, on this matter, I move that the Senate concur in the House amendment.

Mr. SALTONSTALL. Mr. President, reserving the right to object, will the Senator be good enough to explain the amendment?

Mr. HOLLAND. I may say to the Senator that in the first place the amendment has been checked not only by the members of the committee on this side of the aisle, but also by members of the committee on the Senator's side of the aisle. The matter was also submitted to the majority leader, who likewise cleared it for consideration by the Senate.

Briefly, in the form of an amendment to strike out and insert the House has made several amendments to the bill as passed by the Senate, the first of which describes the advances as "loans and advances." We find no distinction between the two.

The second provides, in order to take care of States of small population, that the Administrator shall not allocate to any one State less than one-half of 1 percent of the total funds available for allotment under the bill.

The third amendment provides that if the particular public works are not started within 3 years after the full advancement has been made, and the Administrator of General Services determines after due notice and hearing that the public agency has not acted in good faith either in obtaining the loan or advance, or in failing to undertake to start construction, the Administrator shall demand prompt payment of the loan or advance. The failure to make prompt repayment means the exclusion of such public agency thereafter from eligibility for loans or advances on other public works under the terms of the bill.

The fourth amendment requires the Administrator to submit quarterly to the Congress a report of his administration under the act, including all expenditures and repayments made thereunder, such reports to be printed as public documents.

There was no objection by counsel for the committee, who went into it carefully, or by the members of the subcommittee, who likewise checked the matter. As I have already stated, the majority leader has already cleared the matter, and the distinguished introducer of the bill, the senior Senator from New Mexico, likewise checked the matter and cleared it.

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

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. The so-called penalty can be put into effect only if the United States Government can prove, or does prove, that whoever received the funds in a municipality did not act in good faith and failed to go ahead within 3 years and construct the building. Is that correct?

Mr. HOLLAND. That is correct.

Mr. SALTONSTALL. So he has to prove good faith. Is that correct?

Mr. HOLLAND. Due notice and hearing are required as a condition to such finding.

Mr. SALTONSTALL. That is really a pretty far-fetched provision, then, is it not?

Mr. CHAVEZ. It is precautionary.

Mr. SALTONSTALL. It is merely one of the precautionary provisions, is it?

Mr. HOLLAND. The purpose of the amendment, as we understand, was to impose a greater degree of caution on the local units of Government before they applied for a loan or an advance. We had no objection to it. In fact, we thought it was a salutary provision.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida [Mr. HOLLAND] that the Senate concur in the amendment of the House.

The motion was agreed to.

Mr. HOLLAND. I thank the Senator from Utah.

STRATEGIC ORES, METALS, AND MINERALS

The Senate resumed the consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

The PRESIDING OFFICER. The Senator from Utah has the floor.

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

Mr. WATKINS. For what purpose?

Mr. O'MAHONEY. I desire to correct the amendment I just offered from the floor, in compliance with the request of the Senator from Delaware.

Mr. WATKINS. I yield.

Mr. O'MAHONEY. Mr. President, the amendment was not handed to me, and it did not strike out all the language which should be stricken out, nor did I state the amendment in the proper language. I therefore ask unanimous consent to reconsider the amendment which has just been adopted, on page 17, line 4, in order that I may offer a change.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to is reconsidered.

Mr. O'MAHONEY. Mr. President, I move that the bill be amended on page 17, in line 3, by striking out "are" and inserting "is", and in line 4, by striking out the words "such sums as may be necessary" and inserting "not to exceed $80,000,000 annually."

Mr. DONNELL. Mr. President, will the Senator inform me to what page of the bill the amendment applies?

Mr. O'MAHONEY. To page 17, lines 3 and 4.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WATKINS. Mr. President, as a member of the committee which heard the evidence on this measure, respecting the need for it, and which largely rewrote it after it had been introduced, I desire to say I am supporting it as a temporary measure, not as a long-range cure for the ills of the mining industry. Many statements have been made with respect to the difficulties the mining industry is facing at the present moment. It has been suggested that the cure, of course, may be a protective tariff, or it may be tax incentives in the way of deductions or allowances for development and exploration. However, we face a condition, not a theory, as the distinguished chairman of the committee has said. There is no possibility of getting any tax relief now, and there is no possibility at this session of the Congress of getting any tariff protection, or otherwise remedy what has happened to the mining industry.

For the RECORD, I desire to present a statement by one of our great mining engineers, the vice president and general manager of the Park Utah Consolidated Mines Co., which clearly outlines, as of September 26, 1949, the condition we are facing in my State. Thousands of men are out of work. Some of our producing mines—most of the small ones—are closed. Those who had leases on mines which have not had exploration work done for years have closed down or are operating at a loss pending some action by the Congress. I ask unanimous consent to have the statement of Mr. Paul H. Hunt, vice president and general manager of the Park Utah Consolidated Mines Co., inserted in the RECORD at this point.

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

HEARING BEFORE HON. CHARLES SAWYER, SECRETARY OF COMMERCE, SALT LAKE CITY, UTAH, SEPTEMBER 26, 1949

TESTIMONY OF PAUL H. HUNT, VICE PRESIDENT AND GENERAL MANAGER, PARK UTAH CONSOLIDATED MINES CO.

We in nonferrous underground mining have long realized that, for a variety of causes, it was a sick industry. So obvious has this become that a short time ago it provoked an editorial in the Deseret News entitled "About an Industry That's Dying."

To substantiate such a sweeping statement, below are given a few straws in the wind:

1. Number of mines paying Utah State occupational tax, from the Utah State Tax Commission:

1938	38
1948	21

2. Operating nonferrous mines in Utah, from United States Bureau of Mines:

1935	203
1948	118

3. Number of new mining companies organized, from office of the secretary of state of Utah:

1925	58
1948	29

4. Number of mining claims surveyed for patent in Utah, from United States Department of Land Management, Department of the Interior:

	Lode claims
1925	109
1948	17

The reasons for this decline of a great industry are not, as many would like to have us believe, because we have exhausted our ore resources or the possibilities of developing new mines; we have merely been mining so far on the easily discovered deposits, most of which were found 70 years ago. The reasons for this decline are that we have destroyed, and largely through the action of the Government in Washington, the incentives to mine ore or to find new mines.

Reviewing briefly what has taken the heart out of mining in the last 20 years: During the 1930's metal prices fell to all time lows; the average price being about two-thirds of that of the previous decade. Domestic consumption of metals was likewise about two-thirds of that of the 1920 period. Faced with such a situation, a mining company could either shut down and let the workings go to ruin, or put into effect all possible economies, mine only the higher grade ore and drastically reduce exploration for new ore. The latter course is suicidal, if prolonged, but most of us followed it during the depression years.

At the start of World War II, the domestic mining industry was, in consequence, not in a healthy condition. Metal prices increased after September 1939, as likewise did costs. After our country's entry into the war, the premium-price plan was put into operation early in 1942 and continued until June 30, 1947.

The premium-price plan did not, as many believe, guarantee an adequate return on invested capital; it merely guaranteed a sliding margin above the actual costs of operations and in most instances these allowed margins were wholly inadequate to even replace the reserves of ore taken out during the war period. Moreover, costs of development more than doubled during the war, so had allowed margins been sufficient to cover depletion during the war, when because of shortage of manpower, development was greatly reduced, they would have been wholly insufficient to carry on this development after the war.

Take the case of our own mines in Park City producing silver, lead, and zinc. Under the premium-price plan from 1942 to 1947 we produced ores having a gross value of $7,618,000. To replace this depletion of ore reserves, we should have had an allowance of $1,143,000, had we been able to carry on adequate development at the time of extraction and this allows no profits for stockholders after depletion. Actually our allowed margins above costs during the premium-price plan amounted to only $783,000 and we postponed much of our exploration. So we sacrificed our ore reserves at no profit and came out of this period years behind in the development work which should have been done.

In recent months, the nonferrous metal mining industry has been hit by another disaster. After the expiration of the premium-price plan, metal prices have steadily increased and proportionately so have costs. About March 8 of this year, metal prices broke; lead, for example, dropped in 3 months from 21½ cents a pound to 12 cents, or a drop in price of 44 percent, and at the same time zinc from 17½ to 9 cents, or a drop of 49 percent.

Again the reasons are easy to discover. To date, from the most recent figures I have seen, the stock-piling Commission has purchased strategic metals and minerals and made commitments to purchase, in value 82 percent from foreign sources and 18 percent from domestic sources. But even more important in causing this break have been the flood of imports of metals and concentrates into this country, with lead, for example, coming in under no tariffs (there has been a moratorium on lead tariffs which expired on June 30, 1949, although efforts were made to renew the moratorium), from January 1, 1949, to June 30 there was imported 199,239 tons of lead in pigs and concentrates, or at a rate of 33,400 tons of lead a month, which was about equal to our domestic production. Since June 30 of this year, with a tariff of only 1⅛ cents a pound on pig lead, imports in July were 11,800 tons, or about one-third of the prior 6 months' average under no tariffs. In consequence, domestic lead prices in July and August have recovered from 12 cents to 15⅛ cents.

But permit me to bring this closer to home. During last spring one of the smelters in Utah received considerable shipments of silver-lead concentrates from the west coast of Mexico. These concentrates were worth about $120 a ton; at the Mexican port of shipment they paid an export tax to the Mexican Government of 22 percent ad valorem, or $26.40 a ton; they entered our country duty free. The Mexican labor who produced this ore were paid $1 to $1.25 a day. In Park City, where some 800 miners are out of work, we pay on the average $11.75 per shift, plus fringe benefits.

If it is the plan of the administration at Washington to offer up our domestic mining industry as a sacrificial goat to the gods of our foreign relations, we respectfully submit the following:

For many years in the past and no doubt for many years to come, this country can produce from 35 to 40 percent of the world's needs for copper, lead, and zinc, but once this domestic production is cut off, by the inevitable factors that determine prices alone, we may expect world prices to increase in greater proportion than the decrease of supply to meet the demand. But this is not the most important consideration; foreign producers have the custom of forming monopolies, they have been doing it for years in the case of diamonds. Japan put the bite on us with regard to camphor, the Netherlands squeezed us on our needs for

quinine. At the close of World War I, England, our best and truest ally, had a monopoly of crude rubber in Malaysia; a cartel was formed and the price of rubber was boosted from 25 cents to $2.75 a pound and England boasted that "Uncle Shylock" would pay for the war out of the price of crude rubber.

Can we be so naive as to believe that the loans, gifts, and trade advantages we have given away will deter any country on earth from making us pay for our metals all the traffic will bear, if we have destroyed our own mining industry?

Mr. WATKINS. Mr. President, I also ask to have printed in the RECORD at this point as a part of my remarks a review of labor and supply costs in the lead-zinc mining industry since 1939. This paper was prepared by Mr. W. C. Page, assistant general manager, western operations, United States Smelting, Refining & Mining Co. I am placing it in the RECORD for the information it will give to the Senate. It comes from a very, very able miner.

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

A REVIEW OF LABOR AND SUPPLY COSTS IN THE LEAD-ZINC MINING INDUSTRY SINCE 1939

(By W. C. Page, assistant general manager, western operations, United States Smelting, Refining & Mining Co.)

(Address presented at thirty-first annual meeting, American Zinc Institute, Inc., St. Louis, Mo., April 11, 1949)

In general discussions affecting the nonferrous mining industry and in attacks on present levels of metal prices, rising operating costs are sometimes overlooked.

The purpose of this paper is an endeavor to show, by means of a brief description and graphic presentation, how operating costs in the lead-zinc mining industry have increased since 1939. Operating costs in 1948 per ton mined have at least doubled and in some cases almost tripled since 1939. The major operating cost items are labor and supplies, which generally account for 80 to 90 percent of the total operating costs. It is hoped that this paper will serve effectively to point out the increases in these major cost items, and also serve to set forth a realistic concept of the total cost of day's pay labor.

A number of mining companies representing a cross-section of the Eastern, Central, and Western States were asked to contribute data on mining costs for this presentation. The data requested from all of the companies were:

1. The ratio of the 1948 total labor cost per ton mined to that of 1939 (1939=100).

2. The ratio of the 1948 cost of supplies (operating and maintenance) per ton mined to that of 1939 (1939=100).

In order for the data to be on a uniform basis, it was felt that the item "Total labor cost" should, if convenient, include all salary and wage payments charged to operating costs (including vacation pay and holiday pay in addition to payments for time worked). It was also asked under "Cost of supplies (operating and maintenance)," that no capitalized equipment charges be included.

Data also were requested to show the ratio of the 1948 total labor cost and cost of supplies (operating and maintenance) per foot of drifting to those costs in 1939 (1939=100).

It is felt that the presentation of the facts, aside from being of general interest, also can be used to advantage as an educational program for various local, State, and Federal Government officials in general discussions affecting the industry.

Grateful acknowledgment is made to all the companies contributing data for this presentation. Among those companies were: American Zinc, Lead & Smelting Co.; American Smelting & Refining Co.; Bilharz Mining Co.; Bunker Hill and Sullivan Mining & Concentrating Co.; Combined Metals Reduction Co.; Eagle-Picher Mining & Smelting Co.; Federal Mining & Smelting Co.; Hecla Mining Co.; New Jersey Zinc Co.; Park Utah Consolidated Mining Co.; Rico Argentine Mining Co.; St. Joseph Lead Co.; St. Louis Mining & Smelting Co.; U. S. Smelting, Refining & Mining Co.

Average (by average is meant the simple arithmetical average, i. e., not weighted as to respective production tonnages) labor costs per ton mined for the lead-zinc mining industry covered in this presentation showed an increase of 135 percent over average labor costs in 1939. The greatest increase percentagewise (190 percent) took place in the western district, while the smallest increase (85 percent) occurred in the central district, which reflects the intensive degree of underground mechanization of mining operations in the latter, made possible by the physical occurrence of the ore bodies which are at a relatively shallow depth and in many cases are of an extensive blanket-like nature requiring only pillar support and permitting the operation of large, heavy, mechanized equipment.

Supply costs per ton mined for the mining operations covered show an average increase of 113 percent in 1948 over 1939 costs, with the western district showing the highest increase (165 percent) in 1948 over 1939 costs. Because of the different nature of mining operations which require very little or no timber support, the central district had the smallest increase (75 percent) in supply costs over 1939.

Based on data obtained from the major lead-zinc mining districts of the country, the average of straight-time day's pay rates for common labor shows an increase of 127 percent in 1948 over the average rate in 1939. The greatest percentagewise increase (140 percent) occurred in the central district. The western and eastern districts showed the same percentagewise increase (120 percent).

The average of straight time day's pay rates for miners shows an increase of 120 percent in 1948 over the average rate in 1939. Here again, the greatest percentagewise increase (158 percent) took place in the central district. The western and eastern districts showed about the same increase (106 percent and 96 percent respectively).

Tabulations by districts follow to show average straight-time rates for day's pay labor, average labor cost per ton mined, and average supply cost per ton mined.

1. Average straight-time rates for day's pay labor dollars

COMMON LABOR

District	Straight-time rate per shift		Ratio (1948-39)
	1939	1948	
Western	$4.83	$10.63	2.20
Central	4.05	9.72	2.40
Eastern	4.32	9.56	2.21
Arithmetical average	4.40	9.97	2.27
MINERS			
Western	$5.45	$11.25	2.06
Central	4.30	11.08	2.58
Eastern	5.80	11.40	1.96
Arithmetical average	5.18	11.24	2.20

2. Average labor cost per ton mined

District:	Ratio 1948 to 1939
Western	2.90
Central	1.85
Eastern	2.30
Arithmetical average	2.35

3. Average supply cost per ton mined

District:	Ratio 1948 to 1939
Western	2.65
Central	1.75
Eastern	2.00
Arithmetical average	2.13

PERCENT TOTAL LABOR COST OF TOTAL OPERATING COSTS

Generally speaking, in 1939 the total labor cost per ton mined in the lead and zinc mining industry was approximately 55 percent of the total operating cost per ton. Today the total labor cost is closer to 70 percent of the total operating cost per ton mined. Total labor costs per shift have increased approximately 150 percent over 1939. Taking the total labor cost at 70 percent of the total operating cost, the 150-percent increase in labor costs would mean a 105-percent increase in over-all operating cost per unit over 1939.

Unit production per man-hour, however, has not increased 105 percent to offset the labor increases. Production and labor statistics released by the United States Bureau of Mines for lead and zinc mining indexes (1939 equals 100) show that the output of ore per man-hour in 1947 had increased 45 percent over that of 1939. By projecting the curve, the estimated increase for 1948 would be approximately 55 percent over that of 1939.

In other words, the present unit production per man-hour compared to that of 1939 has increased 55 percent, but the over-all operating costs per ton have increased 105 percent. The 55-percent increase in unit output per man-hour can be attributed in large part to mechanization and improved equipment.

For example, the tools and equipment commonly used 10 years ago to advance a drift heading consisted of a few shovels, picks, and other small tools valued at $50, a hand-cranked Leyner drill, arm, and column valued at $550, and a few mine cars, trammed by hand. Today a modern drift crew uses a $2,800 mechanical mucking machine, an $800 automatic-feed Leyner drill, a $200 cherry picker, a $2,000 jumbo, and a $3,100 storage-battery locomotive; a total of $8,900 versus $600 in 1939.

Today, one large deep lead-zinc-mining company has an equipment investment of approximately $30,000 for each working face, and has managed thereby to keep ahead of rising labor costs by more than doubling the feet of advance per man-shift over that attained in 1939.

Modern shaft-sinking equipment utilizes a $5,500 clamshell mucking device, compared with the cost of a few shovels used in 1939.

According to the National Industrial Conference Board, the present over-all gain since 1939 in the Nation's industrial production per hour of labor has averaged less than 1 percent per year. In the same period, the labor cost per unit of production increased by an average of about 11 percent per year.

BASIC SUPPLY COST INCREASES SINCE 1939

Basic operating supply costs, with the exception of timber, have increased approximately 60 percent over 1939 costs. Timber costs have increased 150 percent over 1939 costs, and in most of the western and eastern mines timber accounts for about 50 percent of the total operating supply cost. A weighted average of timber and other basic supply costs would show an increase of 105 percent over 1939 costs. Because of considerable freight-rate increases since 1939, the delivered-at-the-mine cost of supplies

results in a higher total figure than 105 percent, as shown by the average supply cost increase of 165 percent over 1939 for mines in the western district.

TOTAL LABOR COST OF DAY'S-PAY LABOR COMPARED WITH STRAIGHT-TIME RATE FOR DAY'S-PAY LABOR

To many of us the phrase "fringe benefits" conveys the idea of relatively unimportant small items of cost, and, when these items are regarded individually, this is a natural reaction. The straight-time rate of day's pay was, and still is—but not to its former extent—the major item of the total cost of day's-pay labor.

The startling fact of the matter, however, is that, collectively, fringe benefits may, and do, amount at present to as much as 20 to 25 percent of the straight-time rate for day's-pay labor. Increasing demands for pensions and welfare plans, if granted, will increase these figures materially. An equally important aspect of the matter is that basic day's-pay wage rates may go up or down, but the fringes, once granted, in large measure remain fixed, regardless of the company's prosperity, unit output per man-shift, or individual efforts. In other words, the fringe payments or benefits received by day's-pay employees can no longer be, and should not have been, regarded as fringes but definitely as items of operating costs.

Apart from straight-time rate for day's pay labor, when one considers the fringe cost payments made for or in behalf of day's pay employees, some of the following fringe items may appear directly or indirectly:

Directly: Overtime, shift differential, paid vacations, paid holidays, work-incentive payments.

Indirectly: Group life-insurance expense, group medical-insurance expense, unemployment-insurance tax, Federal old-age tax, medical department expense, occupational disease and industrial accident compensation, pension and/or retirement funds, separation pay, general welfare plans and recreation, employee housing projects.

It is not my intent or purpose to say that these items are not justified or called for in the normal course of employing labor. It is merely to point them out as being a very important part in the total cost of day's pay labor, not only in the mining industry but in industry in general.

Once the scope of the fringe payments is fully recognized and included along with the straight-time rate for day's pay labor in the concept of total cost of day's pay labor per shift worked, the practical application of this phrase can be made by using the latter concept instead of the straight-time rate for day's pay labor to calculate the total labor cost of a job or project, or to estimate savings resulting from mechanization or improved lay-out. Otherwise, we do not obtain a true labor cost and, hence, final cost picture of the situation; instead, we find ourselves underestimating the time required for the improvement to pay for itself or underestimating the actual cost of the job by 15 to 20 percent or more.

Mr. WATKINS. In conclusion, Mr. President, I wish to state that all the big unions in Utah have endorsed the pending measure. All the small-mine owners have endorsed it, and nearly all those who were leasing from other mines and performing what we call leasing work in the mines have also endorsed it. In my humble opinion the passage of the bill will reopen many of the mines which are now closed, because they are on the margin. Since we cannot get tax relief, I think the bill ought to be enacted. For that reason, I favor it.

SUSPENSION FROM DUTY OF CAPT. JOHN G. CROMMELIN, U. S. N.

Mr. KNOWLAND. Mr. President, in the Washington Star of this evening there appears the following statement:

Capt. John G. Crommelin today was suspended from duty and restricted to his home by Vice Adm. John D. Price, vice chief of naval operations, as an aftermath of the captain's disclosure that he made public a confidential letter linking three top Navy admirals to the unification fight.

Mr. President, speaking as a member of the Armed Services Committee of the Senate, I hope we are not going to have a repetition of the Billy Mitchell episode. The captain in question released a letter which apparently had been stamped "confidential" and sent through channels, as had been suggested by the Secretary of the Navy. The point at issue seems to be whether the releasing of a document which had been thus stamped subjects him to Navy discipline. Perhaps he has committed more than a technical violation of Navy regulations, but I wish to say, Mr. President, because it is a matter which I have raised on the floor of the Senate not once but many times, that the basic question at issue is whether the particular document had been too highly classified by the naval authorities in order to prevent the information from coming to the attention of the Congress and the American people. On numerous occasions I have objected rather strenuously not only to the Defense Establishment, but to the State Department and other agencies of the Federal Government, lowering what I have called an iron curtain between the operations of those departments and the Congress itself, to say nothing of the American people.

On the 24th of January of this year, as a member of the Armed Services Committee, I addressed a communication to the then Secretary of the Navy, the Hon. John L. Sullivan, which I ask to have printed in full at this point in my remarks, because it dealt with certain Navy regulations which were then being subjected to review.

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

JANUARY 24, 1949.

Hon. JOHN L. SULLIVAN,
Department of the Navy,
Washington, D. C.

DEAR MR. SECRETARY: Recently Navy regulations 1248 and 1249 have been called to my attention. I understand that these became effective January 20, 1949. Will you please inform me as to whether or not these regulations were in existence prior to that date, if not, were there any similar regulations. If there were any would you please furnish me with a copy of the same.

Enclosed is a copy of the regulations as they came to me.

Sincerely yours,
WILLIAM F. KNOWLAND,
United States Senator.

Mr. KNOWLAND. Under date of January 25, I received a reply from the then Secretary of the Navy, which I desire to have printed in the RECORD as a part of my remarks.

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

THE SECRETARY OF THE NAVY,
Washington, January 25, 1949.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: Your letter of January 24, 1949, forwarded to me a copy of sections 1248 and 1249 of the new edition of Navy Regulations.

The text of these sections in the new regulations is identical with the text enclosed in your letter.

Section 1248 of the new regulations is very similar to section 94 of the former regulations. Former section 94 read as follows (with the changes made by the new section 1248 indicated in parentheses):

"All petitions, remonstrances, memorials, and communications from any officer or officers of the Navy or Marine Corps (new section reads: 'from any person or persons in the naval service'), whether on the active or retired list, addressed to Congress (new section reads: 'the Congress'), or to either House thereof, or to any committee of Congress (new section reads: 'any committee thereof'), on any subject of legislation relating to the Navy or Marine Corps (new section reads: 'relating to the Naval Establishment'), (new section inserts: 'whether') pending, proposed, or suggested, shall be forwarded through the Navy Department, and not otherwise, except by authority of the department (new section reads: 'forwarded through, or as authorized by, the Secretary of the Navy')."

Section 1249 of the new regulations is very similar to section 95 of the former regulations. Section 95 read as follows (with the changes made by the new section 1249 indicated by parentheses):

"No bureau, office, or division chief (new section reads: 'No chief of a bureau, office, or division'), or subordinate (new section reads: 'other subordinate') in the Navy Department, and no officer of the Navy or Marine Corps (new section reads: 'and no person in the naval service') shall apply to either House of Congress or to any committee of either House of Congress (new section reads: 'any committee thereof'), or to any Member of Congress, for legislation, or for appropriations, or for congressional action of any kind except with the consent and knowledge of the Secretary of the Navy; nor shall any such person respond to any request for information from either House of Congress, or any committee of either House of Congress (new section reads: 'any committee of Congress'), or any Member of Congress, except through, or as authorized by, the department (new section substitutes for 'department' the following: 'Secretary of the Navy'); except as provided in Sections 102, 103, 104, and 859 of the Revised Statutes."

You will notice that most of the changes made are purely phraseological. The substitution of "the Secretary" for the "Department," as the authority through whom, or pursuant to whose regulations, communications shall be sent to the Congress, may look like a change of substance but is actually only one of form, since the long-standing Navy practice has been to clear such communications with the Secretary, or with other members of the secretariat, the Judge Advocate General, or other officers to whom the Secretary has delegated such authority for particular types of cases, before sending such communications on to the Congress.

The extension of these regulations from "officers" to "any persons in the naval service" makes the new sections apply to all military personnel in the Navy, while the former sections applied only to officers. The reason for this action was that the Navy

Regulations Board, specially convened to revise the regulations, discovered that the old regulations contained repeated references, both permissive and prohibitive, to "officers." In the interests of fairness and equality, the Navy Regulations Board felt that as a general rule all permissions and prohibitions should apply to both officers and enlisted men. For example, former section 77 required all officers in their relations with the governments or agents of foreign states to observe and obey international law, while the new section 1214 requires all persons in the naval service to conform in such matters to international law. Similarly, former section 106 prohibited an officer from exchanging duty with another, without authority from his commanding officer, while the new section 1213 applies to both officers and enlisted men. Former section 182 guaranteed the right of all officers to communicate with their commanding officer at all proper times while new section 1244 guarantees this right to all persons in the naval service. There are many other examples which I can send you if you desire further information.

I am advised by the Judge Advocate General that the historical explanation for the emphasis on officers in the old regulations is that they dated back in substantially unchanged form to the early days of the Navy, when officers were practically the only career people in the Navy and crews for the sailing frigates were signed on for each cruise.

This comparison of the present and former regulations shows that there has been not even the slightest intention to restrict naval personnel in proper dealings with the Congress. The present section 1249 again emphasizes, as did former section 95, the provisions of sections 102, 103, 104, and 859 of the Revised Statutes, which compel witnesses to testify before congressional committees and provide penalties for such failure to testify.

Sincerely yours,

JOHN L. SULLIVAN.

Mr. KNOWLAND. I also had communicated at the same time with the Department of the Army, and I ask to have printed in full as a part of my remarks a letter which I received from the then Secretary of the Army, Hon. Kenneth C. Royall.

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

JANUARY 26, 1949.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

DEAR SENATOR KNOWLAND: I am writing in regard to your inquiry by telephone as to the policy of the Army governing replies to communications of all nature received from the Congress.

The general rule is to furnish prompt and complete answers to congressional inquiries irrespective of the headquarters or agency in which the request is received. The information to be given is governed by regulations concerning security which may be promulgated from time to time and by regulations outlined in Executive orders issued by the President.

The Department of the Army prohibits military personnel from attempting to influence legislation affecting the Army except through the authorized agency. Likewise, activity to procure personal favor through legislation is prohibited except in case of private relief legislation. Army regulations 600–10 contain the provisions prohibiting activities of individuals influencing legislation. Army procedure governing congressional correspondence is contained in a memorandum. For your convenience copies of the aforementioned publications are inclosed herewith. The Legislative and Liaison Division is an agency specially charged with handling congressional requests and is authorized direct communication with subordinate headquarters in order to facilitate and expedite congressional correspondence.

The Department of the Army cannot, as a general policy, undertake to comment on proposed legislation prior to its introduction in the Congress and reference to a committee. Under current procedures prescribed by the Secretary of Defense, reports expressing the views of one or more departments or agencies of the National Military Establishment with respect to legislation are fully coordinated with other departments and agencies of the National Military Establishment prior to submission to the Congress.

Except as noted above, there are no restrictions as to communications between members of the Army and the Congress.

Sincerely yours,

KENNETH C. ROYALL,
Secretary of the Army.

Mr. KNOWLAND. Mr. President, I also ask to have printed as a part of my remarks two Navy regulations, numbered 1248 and 1249, which had been effective as of the 20th of January, 1949; also an article by Marquis Childs which appeared on the 23d of April, under the heading "Censorship in the Pentagon;" a copy of so-called Consolidation Directive No. 1, which was referred to by Mr. Childs in his column, and a Department of Defense, Office of Public Information, press release under date of September 16, 1949, with a memorandum to the press, and a copy of the regulations under which the Secretary had suggested that certain naval officials might communicate with him directly.

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

[From U. S. Navy Regulations, 1948, effective January 20, 1949]

COMMUNICATIONS TO THE CONGRESS

1248. All petitions, remonstrances, memorials, and communications from any person or persons in the naval service, whether on the active or retired list, addressed to the Congress, or to either House thereof, or to any committee thereof, on any subject of legislation relating to the Naval Establishment, whether pending, proposed, or suggested, shall be forwarded through, or as authorized by, the Secretary of the Navy.

1249. No chief of a bureau, office, or division, or other subordinate in the Navy Department, and no person in the naval service shall apply to either House of Congress, or to any committee thereof, or to any Member of Congress, for legislation, or for appropriations, or for congressional action of any kind, except with the consent and knowledge of the Secretary of the Navy; nor shall any such person respond to any request for information from either House of Congress, any committee of Congress, or any Member of Congress, except through, or as authorized by, the Secretary of the Navy; except as provided in sections 102, 103, 104, and 859 of the Revised Statutes.

[From the Washington Post of April 23, 1949]

CENSORSHIP IN THE PENTAGON

(By Marquis Childs)

As this Nation moves on to new responsibilities of world power, there are inevitable changes which seem at times to threaten the older and simpler way of life that most of us grew up under. Big Government, a big Military Establishment, a greatly expanded foreign service and world-wide information centers, all these mean a recasting of ideas and beliefs out of the past.

One of the deep concerns of the American Society of Newspaper Editors meeting here is with freedom of information. Voluntary censorship was accepted in wartime, but anything remotely like that in time of peace is repugnant.

The office of the Secretary of Defense recently issued consolidation directive No. 1. It raises some interesting points about free expression. Johnson is naturally concerned with ending the feud between the three services, which is one reason why unification has lagged and why the waste and duplication talked about by Herbert Hoover continue.

Nevertheless, the sweeping nature of the directive calls for some serious thinking. At the heart of the matter is the question of intelligent and informed criticism of military policy. The all-powerful French general staff imposed the Maginot line concept on an uncritical public in France and we know with what disastrous consequences.

Directive No. 1 is an order for the "review" which means censorship, of "all informational material" originating from the departments of the National Military Establishment, including classified military information or other matter. It provides review of—

"Transcripts of testimony before committees of the Congress in executive session by personnel subject to military jurisdiction, when such transcripts are made available for review prior to public release by the committees concerned.

"2. Material dealing with military matters prepared for general publication by civilian employees of the National Military Establishment or the departments or agencies of which it is composed. Advice will be given to such employees concerning possible violations of policy or propriety.

"3. Material proposed for public release by manufacturers, including subcontractors, concerning military equipment in process of development or production by them under contract for departments or agencies of the National Military Establishment.

"4. Material for publication dealing with military matters prepared by Reserve or National Guard personnel based upon information obtained through their postwar Federal military training."

Strictly enforced, this would preclude any criticism of military policy even before committees of Congress. If interpreted literally, it might prevent Paul Smith, editor of the San Francisco Chronicle, from writing an editorial on some military subject. Smith had a distinguished combat record in the Marine Corps during World War II and if he kept up his Reserve training he would be subject to the review order.

Of course, that would not happen. But the directive now in force would hold back a great deal of information that, in my opinion, the public is entitled to. When it is put alongside the proposed revision of military law, more restrictive and more sweeping than ever before, it merits careful consideration.

If the directive had been in force, we should never have had a public airing of the dispute between Maj. Gen. Claire Chennault and the late Gen. Joseph Stilwell over the conduct of the war in China. It seems to me a healthy thing that that quarrel was aired. The conflicts, the errors, the failures of our commanders in World War II are instructive and not alone for professional military men.

I am frank to admit that I may have a selfish interest in this as a reporter. One thing directive No. 1 will certainly do is spread a numbing fear through the Pentagon. The brass will be afraid to tell inquiring reporters their own name. Some benefits for

unification may result. But such far-reaching censorship, which is what this amounts to, is bound to have grave disadvantages.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, April 14, 1949.

Consolidation Directive No. 1.

Memorandum for General Prichard, Admiral Ewen, Mr. Leo, General Selden.

Subject: Establishment of Security Review Branch, Office of Public Information, NME.

1. In accordance with the provisions of the Secretary of Defense's memorandum of March 17, 1949, there is hereby established in the Office of Public Information, National Military Establishment, a Security Review Branch.

2. The mission of Security Review Branch is to establish safeguards for the National Military Establishment against the release by persons under its jurisdiction of classified military information or other matter which, if disclosed, would jeopardize the national security or welfare, and to facilitate the release of information which is in the public interest.

3. The departments of the National Military Establishment will submit to Security Review Branch all informational material originating within their jurisdiction which is subject to review as outlined below:

In the performance of its mission, Security Review Branch will—

(a) Review for security, policy, and propriety:

(1) Informational material of any nature, including material for use in press conferences or interviews, and including books, magazine or newspaper articles, news releases, speeches, radio scripts, still and motion pictures, posters, drawings, maps, etc., from military sources, including individual military personnel, for public dissemination through any medium of public information.

(2) Informational material dealing with military matters prepared by retired military personnel for publication.

(b) Review for military security:

(1) Transcripts of testimony before committees of the Congress in executive session by personnel subject to military jurisdiction, when such transcripts are made available for review prior to public release by the committees concerned.

(2) Material dealing with military matters prepared for general publication by civilian employees of the National Military Establishment or the departments or agencies of which it is composed. Advice will be given to such employees concerning possible violations of policy or propriety.

(3) Material proposed for public release by manufacturers, including subcontractors, concerning military equipment in process of development or production by them under contract for departments or agencies of the National Military Establishment.

(4) Material for publication relating to the National Military Establishment submitted voluntarily or under agreement by individuals or organizations outside the military service.

(5) Material for publication dealing with military matters prepared by Reserve or National Guard personnel based upon information obtained through their postwar Federal military training.

(c) Prepare necessary review guidances for dissemination through proper channels to public information officers of the three services.

4. Review action by Security Review Branch will be governed by security and policy directives of the National Military Establishment and similar directives of the Departments of the Army, Navy, and Air Force which are not in conflict with those of the National Military Establishment.

5. In accordance with my attached memorandum of April 13 to the departmental secretaries it is requested that the personnel listed below be detailed to this Office by Monday, April 18, 1949, to assist in the operation of the Security Review Branch:

Army: Lt. Col. Joseph S. Edgerton, GSC, AO288976; Maj. Noel C. Ruddell, CAC, O108822; Maj. Floyd A. Spencer, CMC, O464829; Maj. Robert A. Carr, Infantry, O297287; A. Jane Young, CAF-4; Elizabeth W. Land, CAF-3.

Navy: Commander W. D. Deibler, 99772; Commander E. T. Shepard, 75097; Mrs. Harriet B. Groves, CAF-4.

Air Force: Capt. Burton E. English, AO49718; Capt. Richard T. McCauley, AO70167; Capt. Charles R. Hippenstiel, AO45003; Miss Jayne Bryden, CAF-4; Miss Jean Weaver, CAF-3.

WILLIAM FRYE,
Assistant to the Secretary.

The following dispatch was sent yesterday to all naval commanders by Secretary of the Navy Francis P. Matthews and Admiral Louis E. Denfeld, United States Navy, Chief of Naval Operations:

"Please take steps to insure that the following is made known to responsible officers of your command:

"The recent series of public statements beginning with and resulting from Captain Crommelin's statement, all of which appear to have been inspired largely by apprehensions concerning the future of naval aviation, have from the standpoint of successful unification and maintenance of harmony among the services been a source of embarrassment to the Navy Department.

"While there is no intent to impair your right of free expression of views, I believe a more appropriate and effective procedure would be to transmit them to me through channels in accordance with article 1245 Navy Regulations. This is particularly pertinent, bearing in mind the announced intention of the House Armed Service Committee to examine next month many of the issues now receiving attention in public print. The views so transmitted will, I assure you, be used in support of the integrity and efficiency of the naval service.

"The cooperation of all personnel affected by the foregoing will be greatly appreciated."

UNITED STATES NAVY REGULATIONS, 1948

Chapter 12, General Regulations.

Section 3, Rights and Restrictions.

Article 1245, Suggestions for Improvement:

Any person in the Naval Establishment may address to the Secretary of the Navy via official channels, suggestions or constructive criticism pertaining to improvements in naval efficiency or to more economical methods of administration in the Naval Establishment.

Mr. KNOWLAND. Mr. President, I shall not prolong at this time the discussion in regard to this case. I bow to no one as having rather consistently on the floor of the Senate been an advocate of air power for this country. I do not happen to know, nor have I ever met, the Navy captain in question.

On the 26th day of August, when the appropriation bill for the National Defense Establishment was pending before the Senate, in my remarks, starting on page 12301 of the RECORD, I made perfectly clear my opposition to the cut which reduced the House figures providing for a 58-group-air-force program to 48 groups. As one who has advocated not that air power alone can solve the problem, because I think any sensible person must recognize the fact that there is required not only a balanced program of the Air Force, the Navy, and the Army, but even a balanced program as between the Defense Establishment itself and our Nation's economy, I rise at this time to express the hope that this matter will not become another Billy Mitchell case. Under the Constitution of the United States, Congress itself is charged with the responsibility of raising and supporting armies and navies; and if the Congress of the United States, because of any departmental regulations, is deprived of contact with persons in the various establishments who can adequately inform us as to the condition of the national defense, then, Mr. President, we are not able to discharge our responsibilities as United States Senators.

The system of placing classifications on documents is one which I think should be very sparingly used by the executive branch of the Government because I know of countless cases in which they have placed a high classification on a document which had no bearing whatsoever upon national defense. It had no bearing whatever, so far as secret weapons are concerned. But the high classification is placed solely for the purpose of preventing such information not only from getting to the public but from getting to Members of the Congress itself. Unless Congress is willing to take a stand and meet the issue head-on, I believe we shall ultimately find that we are to be spoon-fed with information; we are to be given information which someone in a higher echelon believes is the only type of information which it is good for us to have; and then, ultimately, if we rely on that type of information alone, we may find another Pearl Harbor at our doors without being adequately prepared to defend the Nation.

Mr. FERGUSON. Mr. President, I hope that what has happened today in connection with the technical arrest and suspension from duty of Capt. John Crommelin of the United States Navy will not make those in public service feel that they cannot appear before committees of Congress and testify freely and fully to those committees as to various matters regarding the national defense which may be the concern of Congress.

It appears that this disciplinary action against Captain Crommelin has been taken just as the House of Representatives started its very important investigation. I want to say upon the floor that if today's Crommelin incident in any way intimidates any officer or any employee of the United States Government to the point of preventing him from giving full and fair testimony before that congressional hearing or any other congressional hearing, it is going to be a very sad day for America.

I have not sufficient knowledge at the present time to comment on the action against Captain Crommelin. I am not sufficiently familiar with the particular letters in question to be informed as to whether they might be considered as giving aid and comfort to a potential enemy. I do think the incident points to the fact that the Military Establishment has it within its power to interfere with testimony which is being given before a committee. That is an evil against which we must guard in America. We must see that the iron curtain can never be

lowered by any administration to shut off from the Congress its right to make investigations and to bring out facts which Congress believes should be brought out in the public interest.

In that connection I am concerned with an executive department practice which requires all witnesses attached to the executive who may be called before Congress to clear their appearances with the Bureau of the Budget. To the extent that that practice impedes full and fair disclosure to Congress it is to be condemned.

As I say, I am not condoning or passing judgment in any way upon Captain Crommelin's actions or the propriety of his publicizing the letters in question in the manner that he did. The point I am making is that military discipline and the traditions and regulations for proper channels should never be used to bar Congress from its quest of facts.

It is the duty of Congress to provide for the common defense. Members of the armed forces are responsible to their superiors in the Military Establishment and the executive department. But they are also responsible to the Congress which in the discharge of its duties requires a full disclosure of facts. Internal discipline or proper channels should never be permitted to override the principle of necessary full and fair disclosures to Congress.

We faced this same issue in the early days of the Air Corps and Billy Mitchell. We know what happened at that time, and we know that it should not happen again, so far as giving testimony before committees is concerned.

I hope that what I say today, and what has been said by the Senator from California will make clear to everyone in the armed services the opinion of Congress that the Congress does not want anything to happen which will impede the legislative process in its necessary and proper efforts to get the facts.

STRATEGIC ORES, METALS, AND MINERALS

The Senate resumed consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

The PRESIDING OFFICER (Mr. LEAHY in the chair). The question is on agreeing to the committee amendment as amended.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The VICE PRESIDENT. A quorum is present.

FARM LEGISLATION

Mr. LUCAS. Mr. President, in the early part of the day I made a unanimous-consent request with respect to the agricultural bill, which was reported today by the Senate Committee on Agriculture and Forestry. Under the parliamentary situation, in order to take up the bill tomorrow, it is necessary to obtain unanimous consent; otherwise we will have to have an adjournment today and go through the morning hour tomorrow.

I now ask unanimous consent that tomorrow, on the convening of the Senate, the Senate may proceed to the consideration of Senate bill 2522, the so-called farm bill.

Mr. SALTONSTALL. Mr. President, I have talked with members of the Committee on Agriculture and Forestry on the minority side, and I understand there is no objection on their part to taking up the bill tomorrow. I further understand that the majority leader expects the Senate to meet at 11 a. m. tomorrow.

Mr. LUCAS. The Senator is correct, and I was going to make that announcement. I hope every Senator will be present at 11 o'clock so that after the first quorum call we can start moving on the farm bill. I do not know how much time it will take, but practically all the arguments have been made, and it seems to me we should be able to finish the bill tomorrow.

Mr. SALTONSTALL. I might also say to the majority leader, informally, at least, that so far as I know Senators on this side of the aisle would not object to a unanimous-consent agreement for a vote at a certain hour, if the majority leader decided to make such a request.

Mr. LUCAS. I think perhaps tomorrow I may make such a request.

The VICE PRESIDENT. Does the Senator from Illinois desire to have his request apply also to the House bill, which might be taken up under certain circumstances?

Mr. LUCAS. I thank the Vice President for the suggestion. I include the House bill in the request.

The VICE PRESIDENT. The question is, Is there objection to the waiving of the rule in regard to a bill lying over for one legislative day, and to proceeding to the consideration of the agricultural bill the first thing when the Senate meets tomorrow? The Chair hears none, and it is so ordered.

STRATEGIC ORES, METALS, AND MINERALS

The Senate resumed consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

Mr. CORDON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CORDON. Is the bill open to further amendment?

The VICE PRESIDENT. The committee amendment is open to further amendment.

Mr. CORDON. I desire to offer an amendment to the committee amendment, and will take but a moment to explain its purpose.

The VICE PRESIDENT. The amendment will be stated.

Mr. CORDON. I think perhaps time will be saved if I read it myself. It is in my own writing.

The amendment I shall presently send to the desk provides in substance for the inclusion in contracts made by the Government with mining operators a provision for repayment of funds which may be advanced to assist in explorations, the liability for payments of such advanced amounts to be limited to a reasonable portion of profits accruing from production resulting from the particular explorations.

The amendment is as follows: On page 11, line 14, after the period I propose to insert the following:

All contracts covering exploration projects shall contain provision for repayment to the United States of sums paid by the United States pursuant thereto, liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

I understand the chairman of the Committee on Interior and Insular Affairs has indicated a willingness to accept the amendment. I believe it will be helpful to the legislation itself. I do not believe it can in anywise be prejudicial to the furthering of the purposes of the proposed legislation, and I hope that the amendment may be accepted. I now offer it.

Mr. O'MAHONEY. I have no objection. I will be very happy to accept the amendment.

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

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an editorial published in the Engineering and Mining Journal for October 1949, in which are pointed out the reasons why the writer feels this particular bill should not be enacted.

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

MINE SUBSIDY LEGISLATION

As this is being written, it appears that the O'Mahoney bill (S. 2105) has small chance of being acted upon by Congress in the rush for adjournment. We hope, indeed, that this bill, which would give some metal mines a peacetime Government subsidy, will fail of enactment, because, as it stands, we believe it to be inimical to the best interests both of the mining industry and the Nation.

To begin with, we have approached consideration of subsidy legislation from the firm ground of our belief in the American system of free enterprise. As we have said before (April 1949) in the face of the present world-wide drift toward statism, it may be necessary to modify traditional American concepts of Government and economics in

order to preserve our basic freedoms. It would be tragic, however, to let ourselves be frightened into discarding these concepts altogether.

Government subsidization is obviously the antithesis, and the murderer, of private enterprise. On what grounds, then, could the mining industry believe in the one and also accept the doubtful aid of the other?

The answer is clear enough. Only on the basis that the public interest demands it can industry subsidies be defended. It is on this basis alone that air lines, steamship lines, railroads, the farmers, and other groups have at various times been subsidized.

It is equally clear that the public interest demands an adequate and continuing supply of mineral raw materials, preferably from domestic sources. Private industry has done, and is continuing to do, a splendid job in this respect.

However, there are two areas in mining that private industry cannot enter. One is the region of long-shot exploration for ore deposits, where the odds against discovery outweigh the probable rewards.

Private industry cannot afford much of this sort of risk taking; yet there is a very definite need for it. The San Manuel copper-ore body shows that Government can help do the job without becoming involved in the mining business.

The other closed area is the marginal mining property where: (1) Decreasing grade, increasing depth, or other factors have choked off profitable mining; (2) yet the district or the mine still hold substantial reserves of metals that may be permanently lost to industry if the continuity of mining them is broken.

In these areas, and in these areas alone, Government support of mining may be justified under today's conditions. The O'Mahoney bill was written to provide for this sort of Government activity, both in exploration and in support of marginal mines or districts. The bill had the approval of the administration and of the Interior Department.

For our part, we approved of the spirit of the bill, although we had misgivings on several features of it. For example, we doubted, and still doubt, the wisdom of giving such broad spending authority for subsidies to the Interior Department, which still harbors many outspoken advocates of the welfare state. Also, the bill, under its most recent proposed amendments, sets up a potential threat in the special stock pile of metals.

In brief, S. 2105 was hastily written, and it left too much to the imaginations of its proposed administrators. But it did represent an attack on an industry problem that has to be solved sooner or later.

However, when the bill went through committee, it picked up amendments that, among other things, made it mandatory for the Government to pay half the exploration and development costs of any likely prospect or any mine that produced less than 100 tons a month of combined copper, lead, and zinc. These payments were to be handed out merely on application, with only the simplest kind of prior investigation.

The intent of these amendments was to help the small miner, an objective with which we are in complete sympathy. But the effect would have been to make possible a liberal dipping into the taxpayers' pockets that could hardly be justified as an act in the national interest.

We are informed that in a last-minute effort to secure passage, Senator O'Mahoney will offer new amendments, if S. 2105 reaches debate, that will require more thorough investigation of applicants for subsidies. Other features of the bill were to be modified as well.

Despite these changes, however, S. 2105 still offers a threat, rather than a benefit, to mining. It is a hastily and loosely contrived piece of legislation. It lacks the support of even all of the industry elements who would receive its subsidies. And its justification as in the national interest is doubtful, where no doubt should exist.

We look much more hopefully toward action on tax problems, such as outlined or to a revival of the RFC mine development loan, as solutions to the problems of the small miner.

We would welcome, and we will assist, further efforts to bring to the mining industry Governmental aid in these channels, or in the areas defined earlier in this editorial. But we can not support an effort that we sincerely believe would in the end bring mining's house down upon its own head.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from the Acting Director of the Bureau of the Budget to the Secretary of the Interior under date of August 15, 1949, which is printed in the Senate committee report.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 15, 1949.

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge your letter of this date requesting the views of this Office on your proposed report to the chairman of the Senate Committee on Interior and Insular Affairs concerning S. 2105, a bill to stimulate exploration for conservation of strategic and critical ores, metals, and minerals and for other purposes. We understand from members of your staff that this replaces and rescinds your letter on this subject of July 28.

Your proposed report enclosed a redraft of the legislation which incorporates a number of points on which agreement has been reached with representatives of the Executive Office in discussions over the past several days. Pursuant to these discussions, you are advised that there would be no objection from the standpoint of the President's program to submission of your proposed report and redraft to the committee.

With respect to the provisions in your redraft concerning Federal aid for minerals production and for maintenance of mines in stand-by condition, it should be emphasized that this clearance is given with the understanding that such Federal assistance is designed solely for the purpose of conserving sources of essential supply which, as a practical matter, would otherwise be rendered unavailable in times of national emergency. From the standpoint of the President's program this assistance would not be acceptable on any other basis. Approval of the elements of production subsidy in your redraft should not be construed in any way as constituting an approval of subsidy for other than strictly conservation purposes. If it should become necessary for the Federal Government to take special action to relieve unemployment in the affected mining areas, other means would have to be found than the use of production subsidies.

In this connection we should like to draw your attention to the provisions of section 4 (d) requiring the Minerals Conservation Board to determine the maximum and minimum prices which may be paid for purchases of metals or minerals. In assuring that such purchases are made solely for purposes of conservation, we believe it might be most advantageous to require that these price determinations allow only for coverage of the costs of operation and maintenance, without provision for net profit to the producer. The ultimate return to the producer rests in the long run availability of his property, conserved with the assistance of the Government, for production and sale on the open market under more favorable circumstances. We have held preliminary discussions with your representatives on this proposal to bar profit allowances and while no conclusion has been reached and no such amendment is included in your redraft, we feel strongly that the committee should give this matter serious consideration.

We note that the provisions in the redraft for these conservation aids are entirely disassociated from the Government's stockpiling program. The only relationship between the two programs is that materials acquired by the Government pursuant to conservation aids, are made available to the stock pile, if suitable to its purposes, on precisely the same conditions as are any materials privately produced for sale on the open market. We consider it most important, to assure accomplishment of the legitimate purposes of both programs, that the conservation of domestic mineral resources should remain entirely distinct from stock piling for national security purposes. Under no circumstances should their separate objectives become confused in the process of developing conservation legislation.

As you know, it had been our view in the Executive Office of the President, that materials acquired by the Government in the course of the conservation program and not transferred to the national security stock pile should be sold on the open market as fast as they accrue, in order to avoid building up large Government inventories of a miscellaneous character. In place of a provision for automatic sale, your redraft provides that sales must be made only at prices which will return to the Government the average of prices paid for the material sold. The redraft further provides that sales may be made at lower prices, when considered to be in the best interests of the Government, taking into account costs of continued storage, so long as it is determined that such action will not substantially depress the market. In our view, these arrangements constitute the maximum departure from provision for automatic sale which could be accepted as a matter of sound policy.

We have discussed with your representatives the organizational status of the Minerals Conservation Board established under S. 2105. The language of the original bill and that of your redraft would appear to establish the Board as an independent agency of the executive branch. We believe that this is not intended and that it might create problems respecting the handling of appropriations as well as running counter to efforts, supported by the Commission on the Organization of the Executive Branch of the Government, aimed at reducing the number of separate agencies by grouping them under appropriate existing departments and agencies. Therefore, we suggest that serious consideration be given to amending the bill so that the Board would be an agency of the Department of the Interior and the Department be authorized to perform such housekeeping services as the Board may require. Appropriations for the expenses of the Board would then be made to the Department. Such an amendment should, of course, be so drawn as to safeguard the independent exercise by the Board of its substantive powers under the act.

In accordance with our understanding, a copy of this letter should accompany your report and redraft when submitted to the committee.

Sincerely yours,
F. J. LAWTON, *Acting Director.*

Mr. MALONE. I also ask unanimous consent to have the language of the Senate committee, on tax relief, as published in its report on the pending bill, be printed in the RECORD at this point.

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

TAX RELIEF

Cogent evidence has been presented to the committee that tax allowances for exploration and development costs are an effective means of attracting much needed venture capital into mining. The committee recommends, therefore, that the appropriate congressional committee undertake a study of the possibility of providing tax incentives for the domestic mining industry. However, it realizes the impossibility that any such action can be taken, or that its effects would be felt, in time to deal with the present emergency situation in respect to domestic sources of essential minerals and metals.

S. 2105 provides a new approach to the extremely complex and difficult problem of developing our reserves and revitalizing our mining industry, which has been and is a cornerstone of our national economy in peace or war. Time is very much of the essence in the situation, and the committee respectfully urges prompt action on the bill.

The favorable report of the Department of the Interior, signed by Secretary Krug, under date of August 15, 1949, together with the report of the Bureau of the Budget, are hereinbelow set forth in full and made a part of this report.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the committee amendment, as amended.

The amendment, as amended, was agreed to.

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

The bill S. 2105 was ordered to be engrossed for a third reading, read the third time, and passed.

ASSISTANCE TO STATES IN COLLECTING SALE AND USE TAXES ON CIGARETTES

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of House bill 195, Calendar No. 642, an act to assist States in collecting sales and use taxes on cigarettes.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 195) to assist States in collecting sales and use taxes on cigarettes.

The bill is as follows:

Be it enacted, etc., That as used in this act the term—

(a) "person" means any individual, partnership, corporation, or association;

(b) "disposing of" means any transfer for profit;

(c) "cigarette" means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco;

(d) "licensed distributor" means any person authorized by State statute or regulation to distribute cigarettes at wholesale or retail;

(e) "use," in addition to its ordinary meaning, means the consumption, storage, handling, or disposal of cigarettes;

(f) "tobacco tax administrator" means the State official duly authorized to administer the cigarette tax law of a State.

SEC. 2. Any person selling or disposing of cigarettes in interstate commerce whereby such cigarettes are shipped to other than a distributor licensed by or located in a State taxing the sale or use of cigarettes shall, not later than the 10th day of each month, forward to the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every such shipment of cigarettes made during the previous calendar month into said State; the memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

SEC. 3. Whoever violates the provisions of this act shall be guilty of a misdemeanor and shall be fined not more than $1,000 or imprisoned not more than 6 months, or both.

Mr. GEORGE obtained the floor.

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 report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes; that the House receded from its disagreement to the amendments of the Senate Nos. 5 and 11 to the bill, and concurred therein; that the House receded from its disagreement to the amendment of the Senate No. 16 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate Nos. 12 and 13 to the bill.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States, and by making benefits more realistic in terms of present wage rates, and for other purposes.

The message further announced that the House insisted upon its amendment to the bill (S. 1479) to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes, 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. MURRAY of Tennessee, Mr. KARST, and Mr. REES were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, and it was signed by the Vice President.

Mr. McKELLAR. Mr. President, will the Senator yield to me so I may present a privileged matter?

Mr. GEORGE. I yield to the Senator from Tennessee.

CIVIL FUNCTIONS OF DEPARTMENT OF ARMY APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a conference report on House bill 3734, the civil functions appropriation bill, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9 and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 6, 8 and 17, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: *"Provided further*, That the various appropriations for rivers and harbors and flood control may be used for the purchase (for replacement only) in the current fiscal year of five hundred passenger motor vehicles and ten motorboats (to be acquired from surplus stock where practicable) and the purchase (not to exceed five, to be acquired from surplus stocks), maintenance, repair, and operation of aircraft"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$197,489,690"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,200,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$366,330,400"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$67,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,600,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 11, 12, 13, and 16.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
ELMER THOMAS,
DENNIS CHAVEZ,
STYLES BRIDGES,
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

JOHN H. KERR,
LOUIS C. RABAUT,
CHRISTOPHER C. MCGRATH,
JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
Managers on the Part of the House.

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

Mr. MCKELLAR. I yield.

Mr. SALTONSTALL. May I ask the Senator, first, if the report is a unanimous report on the part of the conference committee, and, second, what bill it is on which the report is presented?

Mr. MCKELLAR. The report deals with the civil-functions bill. The Senator asked whether the report was unanimous. I believe one of the House conferees, Representative CANNON, did not sign the report, but, as I recall, all the other conferees signed it.

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

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

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3734, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
October 6, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 5 and 11 to the bill (H. R. 3734) entitled "An act making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 16 and concur therein with an amendment as follows: In line 39 of the matter inserted by said amendment, strike out the following: "in time of war or national emergency."

That the House insist upon its disagreement to the amendments of the Senate numbered 12 and 13, to said bill.

Mr. MCKELLAR. I move first that the Senate concur in the amendment of the House to the amendment of the Senate numbered 16.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. MCKELLAR. I now move that the Senate recede from its amendments numbered 12 and 13.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee.

The motion was agreed to.

The VICE PRESIDENT. That finishes action by both Houses on the conference report.

Mr. MCKELLAR. That completes action on the conference report.

I feel I ought to say that the bill has been in conference a long time, but it was a very hotly contested measure all the way through. I am very happy that agreement has at last been reached, and that the bill now goes to the President.

GRAZING FEES—AMENDMENT

Mr. THYE. Mr. President, will the Senator from Georgia yield to me so I may submit a brief amendment which will help to clarify a bill which has twice been objected to when the calendar was being considered?

Mr. GEORGE. I yield to the Senator from Minnesota for that purpose.

Mr. THYE. I thank the Senator from Georgia for yielding to me.

Mr. President, twice when the calendar was being considered House bill 5839, Calendar No. 1082, was objected to. I tried to learn why the bill had been objected to, and I found that there was certain language in the bill by reason which those who were interested in the question found it necessary to object to the bill. For that reason I had an amendment to H. R. 5839 drawn. The amendment is as follows:

On page 10, line 4, after the word "plants" insert a colon and the following: "*Provided further*, That the total of such deposits required in any fiscal year shall not exceed 25 percent of the total grazing fees for that year."

I think the amendment should make the bill acceptable to all. The bill would greatly assist the Forest Service in its administrative problems, and for that reason I think the bill should pass at this session. I am trying to do all I can to clarify every question which has made it necessary for some Senators to object to the bill. I believe it would be most helpful if a memorandum which I received from Mr. F. E. Mollin, executive secretary, American National Livestock Association, be inserted in the RECORD as a part of my remarks for the information of all who are concerned in this legislation. I ask unanimous consent that that may be done.

The VICE PRESIDENT. Without objection, the amendment will be received and will lie on the table, and, without objection, the memorandum referred to by the Senator will be printed in the RECORD at this point.

The memorandum is as follows:

OCTOBER 5, 1949.

MEMO ON H. R. 5839 BY F. E. MOLLIN, EXECUTIVE SECRETARY, AMERICAN NATIONAL LIVESTOCK ASSOCIATION

At present the Forest Service puts into a special fund a maximum of 20 percent of grazing fees collected. This amounts to a sum of something like $700,000 a year, according to an official of the Forest Service. There is no law authorizing this transfer; it is done merely under a regulation of the Forest Service itself. It is my understanding that the Office of the Comptroller has raised the question of the legality of this procedure, and that this is the main reason for section 12 of the above bill, which is the heart of the said bill.

There is a law directing the Forest Service to remit to the counties in which forests are located 25 percent of all receipts from the forests in lieu of taxes to be expended for road and school purposes. It is the practice of the Forest Service to deduct the amount actually put into the special fund referred to above, which is approximately, if not exactly, 20 percent of the grazing receipts before figuring the 25 percent that is to be returned to the counties, as indicated above. Although I do not have specific information on the point, I assume that the Forest Service makes a similar deduction from receipts from the sale of forest products, which are authorized by law to be used for reforestation, etc., before the reference to the counties is made.

I am inclined to question this procedure—that is, I believe a strict interpretation of the law might indicate that the amount remitted to the counties should be a full 25 percent of all forest receipts, grazing, timber, or otherwise. We are not specially interested in this point, but I mention it because of the effect section 12, as now stated in H. R. 5839, might have upon this matter.

There is no limitation in section 12 as to the amount that could be used for range improvements, except that it is to be deducted from the established grazing fee. It does not even limit such assessment for range improvement work in any one year to the amount of the grazing fee for that year. In many areas stockmen hold 10-year permits, and presumably under the broad authority granted under section 12 it would be possible for the Forest Service to assess a larger amount at one time than the grazing fee for that particular year. While the Forest Service probably does not contemplate such action, yet it is possible under the bill as now drawn.

ASSISTANCE TO STATES IN COLLECTING SALES AND USE TAXES ON CIGARETTES

The Senate resumed the consideration of the bill (H. R. 195) to assist States in collecting sales and use taxes on cigarettes.

Mr. SALTONSTALL. Mr. President, I should like to ask the majority leader if it is his purpose to take up any other measure for discussion tonight after the Senator from Georgia [Mr. GEORGE] has concluded his remarks?

Mr. LUCAS. When we finish consideration of the bill it is planned to take a recess until tomorrow.

Mr. SALTONSTALL. I thank the Senator.

Mr. GEORGE. Mr. President, I hope the consideration of this bill will not consume too much time, and that we may be able to vote on it this afternoon.

The bill has a single purpose, which is to assist the States in collecting State-imposed sales taxes or use taxes on cigarettes. It will be noted at the outset that the purpose of the bill is to assist the States in collecting State-imposed taxes, either sales taxes or use taxes. My own opinion is—and I do not think it worth while to engage in argument on the point—that the States may not impose a sales tax on anything shipped in interstate commerce; but I believe that undoubtedly the States may impose a use tax. However, whether or not the State can impose either tax, that question is not necessarily involved in this bill, because if no valid State tax can be levied, the utility of the bill ceases. I have no doubt, however, that the State can impose a valid use tax upon any article used within the State, although shipped from another State.

The bill is very simple in its terms. It has twice passed the House of Repre-

sentatives. It passed in the Eightieth Congress, but was not taken up for final consideration in the Senate. It again passed in the Eighty-first Congress, and is here now, with a favorable report from the Senate Committee on Finance.

The bill proposes merely that with respect to any cigarettes shipped in interstate commerce by whatever means the transportation is effected, to other than a regularly licensed dealer in cigarettes, into a State which imposes a sales tax or a use tax on cigarettes, the shipment must be followed by a report by the shipper within 10 days after the termination of each month's business to the tax authority in the State into which the cigarettes are shipped.

Of course, the real trouble is that, cigarettes being light and easily compressed, they can be sent through the mails by parcel post in large quantities. Shipments by express or freight do not constitute a serious problem. However, this is a serious problem so far as the States are concerned. Forty States—perhaps now 41, but 40 at the time of the consideration of the bill by the Senate Finance Committee—impose sales, or consumption, or use taxes on cigarettes. Those taxes vary from 1 cent a package to as high as 8 cents a package. Recently the State of Georgia, which I have the honor in part to represent here, has instituted a cigarette use tax of 5 cents a package. Therefore the temptation to indulge in a type of interstate sales which does not involve a sales tax, through the mail to customers in the State where the sales or use tax is imposed, is very great.

It was stated in the hearings that the several States imposing a tax on the sale or use of cigarettes were probably losing in the neighborhood of $40,000,000 a year on cigarettes shipped into the State from other States, and on which no tax was collected.

It will be noted in the second place—and I call special attention to it—that the bill would not apply to cigarettes unless they were sold and shipped in interstate commerce for profit. Therefore gifts may be sent from any State into a State imposing a cigarette tax, and the bill would not apply to the shipper or transmitter of the cigarettes, unless they were sold for profit.

The whole purpose of the bill is to require the shipper for profit of cigarettes into a State which imposes a sales or use tax on the cigarettes to report on the tenth day of the month following the shipment, either by sending a copy of the invoice or by furnishing a report showing the name of the shipper and the party to whom the cigarettes are shipped, and the name and quantity of the cigarettes. That is all. It is a very simple thing.

Of course there is a penalty imposed if the shipper fails to comply with the law. Failure to comply with the law is made a misdemeanor, subjecting the shipper to a fine of as much as a thousand dollars, or to imprisonment in the penitentiary for 6 months, or both. However, those are maximum penalties.

There is nothing else that I think is material for the consideration of the Senate so far as the terms of the bill are concerned. It does not increase the cost to the Federal Government, and no objection has been made by the Treasury Department. It might possibly result in a slight increase in cost to the Department of Justice. If there were prosecutions there would, of course, be some trials, or pleas entered, and there would be some slight increase in cost to the Federal Government.

Aid and assistance by the Federal Government to the States is not a new principle in our law. Heretofore the Federal Government has aided the States in the collection of their legitimate taxes. If the States cannot have the assistance of the Federal Government in this very minor way, the States cannot successfully meet the threat presently confronting them from outside dealers in cigarettes.

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

Mr. GEORGE. I yield.

Mr. KILGORE. Will the Senator from Georgia please state the particular instances in which the Federal Government has aided the States in the collection of taxes?

Mr. GEORGE. The Federal Government now exchanges with the States returns from all the taxpayers in the country. They are available to State authorities.

Mr. KILGORE. That is with respect to income taxes.

Mr. GEORGE. With respect to in come taxes. It is a very material assistance. Assistance is also given by the States. It is reciprocal. The States were aided by the Federal Government in the days of prohibition, with respect to transportation.

Mr. KILGORE. Mr. President, will the Senator yield again?

Mr. GEORGE. I yield.

Mr. KILGORE. The Senator well knows that at the time when various States had prohibition laws, before there was a Federal prohibition law, the Federal Government would still sell licenses for the manufacture of whisky, and would refuse to disclose to the State authorities the names of those who had purchased such licenses. I am sure the Senator recalls that situation.

Mr. GEORGE. I realize that it is possible now for a person living in a "dry" State to buy a Federal license for the manufacture of whisky. The Federal Government possibly would not disclose the name of the holder of the license. But the proposition before us is different from that.

Information as to income taxes is readily available and can be obtained, and the Federal Government has very properly assisted the States in that way in the collection of State income taxes.

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

Mr. GEORGE. I yield.

Mr. KILGORE. The Senator realizes, of course, that in most States there are consumers' sales taxes, generally beginning at 2 percent, and sometimes going as high as 4 or 5 percent. Yet persons in those States who make purchases by mail from firms located outside their State, pay no consumer's sales tax on such purchases. That tax is similar to the tobacco tax or the cigarette tax; and there is no compulsion on the Federal Government to disclose those sales.

Let me say that I am distinctly opposed to, and always have been, and expect to vote against, the idea of having one State bootleg something into another State. However, let me point out that almost every month I receive advertisements from Tampa, Fla., and from other points in the United States, of cigars for sale. At the present time, while in the District of Columbia, I could purchase them under those conditions without paying the sales tax which is imposed in the District of Columbia. Similarly, I can make purchases from Sears, Roebuck or Montgomery Ward or other mail-order stores without paying the District of Columbia sales tax, if I make such purchases while I am in the District of Columbia; or without paying the West Virginia sales tax, if I make such purchases while I am in West Virginia; or without paying the Georgia sales tax, if I make such purchases while I am in Georgia.

My thought is that if we are to deal with this matter, we should do so thoroughly, and should protect the States throughout.

I am perfectly willing to go along with the Senator from Georgia in regard to the idea of protecting the States in respect to all their tax rights. But I question why we should single out cigarettes.

This question has been raised also by the veterans, who say they are required to pay the veterans' bonuses of New York and various other States through cigarette taxes; and of course veterans generally are large consumers of cigarettes.

Mr. GEORGE. The Senator is quite correct; the cigarette tax is especially devoted by many State laws to the payment of veterans' bonuses, to public assistance, to education, to aid to the blind, and so forth. Of course that is a very worthy purpose.

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

Mr. GEORGE. I yield.

Mr. LONG. Is it not true that actually the sales tax on most items is a very minor factor in the total cost of the item—generally about 1 percent or 2 percent, whereas, on the other hand, the tax on cigarettes constitutes 15 or 20 or 30 percent of the total cost of the cigarettes?

Mr. GEORGE. I was about to refer to that.

Mr. LONG. So, that constitutes a much greater incentive for a person to attempt to avoid paying the tax on cigarettes.

Mr. GEORGE. I was going to state that if in any case it is legitimate for the Federal Government to assist a State in that connection, then I think the Federal Government should do so.

But the question before us deals only with cigarettes. Very largely, for obvious reasons, most of the articles shipped from one State to another State are easily identifiable; but that is not true in the case of cigarettes. In most cases the amount of the sales tax on machinery or automobiles or automobile parts or other items, if a State imposes

a sales tax or a use tax on such things, is inconsequential, as compared to the total cost of the article. But in the State of Louisiana, the State imposes a tax of 8 cents on each package of cigarettes sold in that State. Georgia now imposes a tax of 5 cents on cigarettes. So in the case of Louisiana, the tax becomes actually the largest item in the cost of each package sold. Hence, there is a temptation for a person or concern to establish a business of advertising in the State of Louisiana, "Why pay the 8-cent tax? You can buy cigarettes from us at the wholesale price, within this State."

Let me say that exactly that practice is carried on continuously by persons who sell cigarettes in States which impose a tax upon them. Day after day, I have read in newspapers in my State advertisements by which the citizens of the State are openly invited to violate the law, and the advertisements point out the enormous savings which can be made by doing so.

Mr. KILGORE. Mr. President, I wish the Senator to understand distinctly that I am not defending that practice. There is only one group in my State, so far as I know, that pays nothing to the State under such circumstances. I am not defending those persons.

But a large part of the income of my State comes from the sales tax. However, sales can be made to persons in my State by Sears, Roebuck or other mail-order houses without the payment of the tax, and the State has no recourse. Only in the case of cigarettes is there a recourse.

So I feel that in the case now before us we may be establishing a dangerous precedent.

Mr. GEORGE. I do not think it will be a dangerous precedent, for the reason that in most instances in the case of merchandise shipped from one State to another State, when a State imposes a tax on the article or on its use, that merchandise is easily identifiable and can be traced. But that is not possible in the case of cigarettes. So the States are entirely helpless in that matter. They have no power over interstate commerce. They have no way of identifying the shipments of cigarettes which can be made by parcel post in large quantities; in fact, under the present postal regulations as to the size and weight of packages which may be shipped by parcel post, it is possible for a person to carry on, through the mails, virtually a wholesale business in cigarettes.

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

Mr. GEORGE. I yield for a question.

Mr. KILGORE. I wish to ask a question: Would the Senator from Georgia object to an amendment to section 2 of the bill, by adding at the end of the section the following:

The memorandum or invoice shall be required to be forwarded to a tobacco-tax administrator of a particular State only if (1) the cigarette-tax law of that State is terms applies to cigarettes shipped in interstate commerce for consumption and (2) the cigarette-tax law of that State may lawfully and constitutionally be applied to such interstate shipment.

I seek enlightenment. Does the Senator have objection to such an amendment?

Mr. GEORGE. Yes; I do, because such an amendment is entirely useless. I have already stated that in my opinion—for whatever it may be worth—a sales tax upon an interstate sale, as such, would probably not be sustained by the courts. But a use tax may be sustained.

If a State does not have a valid tax, that is no concern of the Federal Congress. All we now require is that a shipper for profit in interstate commerce simply furnish a copy of the invoice or statement in connection with articles sold to anyone but a registered dealer within the State.

Mr. KILGORE. I was asking the question with all due respect. I wanted to have the point made clear as to the one amendment that someone asked me to offer. Is there any objection, for instance, to making the act effective March 1, 1950, as against May 1, 1950?

Mr. GEORGE. Yes.

Mr. KILGORE. What is the objection?

Mr. GEORGE. The objection is that the States are losing a large amount of revenue. The States have been pressing for 2 years to get action upon the bill. The further objection is that no one, who is engaged in the practice of selling cigarettes into States that propose to try to collect a tax on them, has got a stock of merchandise which he cannot dispose of over the week end.

Mr. KILGORE. But if I may make the suggestion, why not speed it up from May 1, moving it back to March 1 of the same year? It would speed the whole thing up by 3 months. Would there be an objection to that?

Mr. GEORGE. I will not accept the change.

Mr. KILGORE. It would move it back to March 1.

Mr. GEORGE. I shall resist any amendment to change the effective date of the act, because, I may say, it is a part of a program, at the end of the session, further to delay the enactment of a regulatory matter that can be of advantage to the States in enforcing the laws.

Mr. KILGORE. I think the Senator from Georgia misunderstands me. I wanted to move it back, instead of forward. Instead of having it start at May 1, why not start it on March 1—3 months earlier.

Mr. GEORGE. I do not know what the Senator is referring to.

Mr. KILGORE. Someone suggested such an amendment to me, that we make the date March 1, 1950, rather than May 1, 1950—not to move it back 12 months, but to move it forward 3 months.

Mr. GEORGE. I do not have the bill before me.

Mr. KILGORE. I am merely asking. I want the Senator from Georgia to understand what I am trying to do. It is not to delay the matter at all. It is to speed it up.

Mr. GEORGE. I think the Senator is confused because, when the bill was drawn and when it passed the House, it was thought the bill could be made effective at an earlier date. But I am not sure what the provision of the bill is on that point.

Mr. KILGORE. The suggestion made to me was that it be made effective March 1, 1950. I may say the suggestion came from officials of my State.

Mr. GEORGE. I can see no reason for it, and I do not want to make an amendment to the bill, because, when it goes to conference, it means perhaps another year's delay.

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

Mr. GEORGE. I yield.

Mr. WILLIAMS. In line with the point the Senator from West Virginia has made, the bill does not carry an effective date. It would therefore become effective on the date of its passage. I agree with the Senator from West Virginia; there should be some projected effective date, to give the firms engaged in this business an opportunity to clear up their inventory or else set up their books, and so forth, to comply with the law.

Mr. GEORGE. I should oppose that, and oppose it very vigorously. I do not think anyone who is openly inviting citizens of another State to violate the law and pointing out the profit they can make by doing so is entitled to any such consideration from the Congress.

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

Mr. GEORGE. I yield.

Mr. WILLIAMS. I disagree with the Senator from Georgia in this respect: The people who have been doing this business, have been operating within the law.

Mr. GEORGE. Yes.

Mr. WILLIAMS. I do not think they have been violating any law. I think the point should be recognized.

Mr. GEORGE. I say there is also another reason which I have already stated, namely, that no one dealing in cigarettes has a stock on hand that is not salable on the open market, and salable at once. It is not like someone who has accumulated a large stock of merchandise which must be sold over a long period of time. Dealers in cigarettes have been on notice now for 2 years that every effort would be made to induce the Federal Government to aid and assist the States in the collection of the taxes.

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

Mr. GEORGE. I yield.

Mr. BALDWIN. The State of Connecticut, as I recollect, imposes a tax on cigarettes, which it collects through a stamp. It is my recollection it is handled by the State tax commissioner, who sends to the different people manufacturing cigarettes and shipping them into the States, or to wholesalers, the stamps, for which they pay. The cigarettes are packaged and stamped, at least in the case of all cigarettes going into Connecticut.

The Senator is familiar, from the hearings, with any possible conflict there might be between that method of collecting the tax and the method here suggested of protecting the States. Does the Senator see any possibility of a conflict? I mean, are the manufacturers, who attach the stamps and send the cigarettes into the States that have a stamp tax,

going to be put to any additional difficulty, or is there going to be any confusion between shippers and the tax commissioners of the State because of that situation?

Mr. GEORGE. No, none whatever; I may say to the Senator. The difficulty does not arise in that regard, because the manufacturers are wholesale distributors or jobbers of cigarettes, who ship into States which impose a sales or use tax on cigarettes. It is now giving not the slightest trouble to the States. The only difficulty arises really because of parcel-post shipments. The only requirement on the shipper, whether he be a legitimate dealer or a bootlegger, is that if he ships to other than a regularly licensed merchant or distributor within the State, then he shall simply furnish a copy of his invoice within 10 days after the end of the month.

Mr. BALDWIN. It does not apply to the shipments to people who customarily deal in cigarettes, does it?

Mr. GEORGE. Not at all. They are expressly exempted in all cases where a shipment is made to a regular dealer in cigarettes by a manufacturer, wholesaler, or jobber. He is not required to do anything further, because if he ships to a dealer of that kind within the State, the State protects him. Indeed, one of the strong reasons for the passage of the bill to aid and assist is the desire to protect the legitimate merchant in each State against the man who is buying his cigarettes from someone who is advertising, for example, "We will save you 5 cents a package on each package of cigarettes."

Mr. BALDWIN. I think the bill, as explained by the Senator, would be a tremendous help to the tax commissioner in the State of Connecticut. I think it would plug a hole that otherwise has not been plugged as against people who want to avoid the tax and thereby defeat the State tax collector and who also want a favored position as against the legitimate dealer and others who comply with the law.

Mr. GEORGE. I think the Senator is entirely correct. Under the bill, shipments made by anyone to a regular dealer in cigarettes, or to anyone authorized to make sales of them, are not to be reported at all. No additional burden whatever is placed on the shipper. It is only when he ships to unlicensed and unregistered and undesignated establishments within a State that he must furnish a copy of the invoice, or a mere statement, if he wants to, to the taxing authority of the State into which the cigarettes are shipped. He must do that within 10 days after the end of each month in which he may have made such shipments.

Returning now to the question raised by the distinguished Senator from West Virginia and the distinguished Senator from Delaware, I find there is no effective date fixed by the bill itself. Therefore I think, under the well-known rules of construction and interpretation, the act would become effective from and after the date of its approval by the President.

Mr. President, if it were a different type of business, and if the dealers in the particular thing which the Congress has under consideration would be likely to suffer any great or consequential loss if they were immediately cut off from a practice which has been at least legal during the previous years in which they have been in business, I should be very glad to provide a future effective date for the act. But there is nothing which would incline one to conclude that that would be a just provision to put into the bill. Certainly when many States are losing vast amounts of revenue largely because of parcel-post shipments in interstate commerce, I think the act should be made effective at once. Any amendment, of course, would necessitate conference or further action by the House on the bill. I hope the bill may be passed and sent to the President in its present form.

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

Mr. GEORGE. I yield.

Mr. LONG. I believe the Senator learned in the course of the hearings that in some States, such as Louisiana and South Carolina, it is a criminal offense for the person receiving the cigarettes to fail to pay the tax.

Mr. GEORGE. That is correct.

Mr. LONG. So, through the advertisements, many of which I personally showed the Senator in the course of the hearing, the people were practically asked to violate the law. They were told, "What we are doing is not against the law," but the shipper did not present the fact to the purchaser that what the purchaser was doing was against the law, even against the criminal law, of his State.

Mr. GEORGE. The Senator from Louisiana is correct. In practically all the States there is some penalty imposed for the purchase and use of certain articles without the payment of the State tax.

The advertisements which the Senator first brought to my attention, and which I have subsequently seen in newspapers published in my own State, do invite violation of the law by citizens.

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

Mr. GEORGE. I yield the floor.

Mr. DONNELL. Mr. President, I should like to ask the Senator whether he thinks there is any question as to the validity of the statute in this respect: Section 2 makes it the duty of a person selling or disposing of cigarettes in interstate commerce, whereby such cigarettes are shipped to other than a distributor, to do certain things. Whoever violates that provision is to be adjudged guilty of a misdemeanor and fined or imprisoned, as the case may be.

There is nothing in the bill, as I read it, which makes it necessary that the person selling or disposing of the cigarettes shall have knowledge that the person to whom the cigarettes are sold or disposed of is other than a distributor. Suppose a person is charged with a violation. It does not devolve upon the prosecution to show any knowledge at all on the part of the seller or disposer that the consignee is not a licensed distributor.

Mr. GEORGE. That is correct.

Mr. DONNELL. Does the Senator think there is any possibility that the statute might be declared invalid on the ground that a person entirely innocent of any knowledge that the consignee is not a distributor has, by the mere fact of his sending merchandise to that person, brought himself within the prohibition of the law? In other words, can a person legally be convicted of an offense if he does not know that the elements of which he is convicted exist? Do I make my point clear to the Senator?

Mr. GEORGE. Yes; I think so. But I do not believe any difficulty would arise on that point. In my opinion in any case where the shipper in interstate commerce, for profit, in good faith offered the defense that he thought he was shipping to a dealer or to a distributor, he might very well be protected. But, of course, the violation lies in the fact that during January, for instance, he failed or refused by the 10th of February to send a copy of his invoice to the State taxing authority. I should think that any shipper, as a matter of precaution, unless he knew he was shipping to dealers or distributors, would send a copy of his invoice, particularly if the invoice were made out to an individual; but I do not think it would invalidate the act in any way. I have already said that my judgment is that the valid State statute is a use-tax statute rather than a sales-tax statute. That is my own view. Other persons differ from that view. But it would be my view that if a State wished to impose a tax and take advantage of this bill, assuming it should become law, the State would have to impose a valid use tax.

Mr. DONNELL. I concur in the view of the Senator that the only means by which the State into which the shipment is made could impose a tax would be by the imposition of a use tax. My query was that here is a criminal statute which does not require that the seller know that the person to whom he has sold is not a licensed distributor. It occurs to me that there may be some possibility that the statute might be declared invalid because of making it an offense to do something without requiring, as one of the elements of the offense, knowledge of the fact that the consignee was not licensed.

Mr. GEORGE. I do not think so, because I believe the effect of the bill as it is written is simply to impose the responsibility and duty upon the shipper of sending a copy of his invoice to the taxing authority of the State, unless he is sure he is sending to a distributor or a registered dealer in cigarettes within that State. So I do not think there is any difficulty on that score. The only responsibility placed by the Congress upon the interstate shipment in this instance is to furnish an invoice to the proper taxing authority in the State into which the shipment is made. If the shipper knows he is shipping to a dealer or distributor, he is excused. That is one of his privileges and one of his defenses, so to speak, for his failure or neglect in connection with his report. I do not think it would invalidate the statute at all.

Mr. DONNELL. I thank the Senator.

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

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Delaware.

The LEGISLATIVE CLERK. It is proposed to insert in the appropriate place the following:

This act shall take effect on February 1, 1950.

Mr. WILLIAMS. Mr. President, I want to point out that the business which has been conducted by shippers of cigarettes in interstate commerce has not been in violation of any State or Federal law. As the Senator from Louisiana pointed out, in his own State it is a violation on the part of those who purchase, but the violation is not because the purchaser purchased cigarettes from some other State; the violation if any, was because the purchaser did not comply with the Louisiana State law and make an individual report to the State and pay the tax. Therefore there was a failure on the part of the State of Louisiana to enforce its own laws.

Regardless of whether we are going further into the matter of making reports to the Government, which I feel is a very bad precedent, the least we can do is to set a date far enough ahead to enable the persons involved to liquidate their inventories. The Senator from Georgia said that perhaps they could do so in 24 to 48 hours. I disagree with that statement, because as soon as the law becomes effective, if it is going to accomplish a small fraction of that which its proponents think it will accomplish, their markets will be destroyed. They would have a difficult task to dispose of their inventory and there would be a tremendous loss.

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

Mr. WILLIAMS. I yield.

Mr. BALDWIN. I dislike to find myself in disagreement with my good friend from Delaware, but I want to pose this question to him: Is it not a fact that most of our State laws, if not all of them, which require a tax on cigarettes sold in the States, do just exactly that—require a tax on every cigarette sold in the State?

It seems to me that the case would be extremely rare where a company or an individual shipping cigarettes into a State, and advertising or carrying on business under the assumption that by their method of doing business they were avoiding the tax, will be subjected to any injustice if we pass the bill, and it becomes effective, as it normally would, when the President signs it. When a State imposes a tax on all cigarettes sold within the State—and that is what these taxes are intended to cover, every cigarette sold in every way in a State—it does not seem to me that it works any injustice on anyone, because the people who have been taking advantage of it have done so because they have been able, by their method of salesmanship, to avoid the tax. I do not agree with the Senator that they have been carrying on a business that is 100 percent simon pure. They have been in effect carrying on a business in such a way that they can avoid the imposition of a tax because of the confusion and the difficulty in the State in collecting it.

For that reason I ask the Senator if he really thinks those people are entitled to consideration. Does he not feel that by postponing the date to next February we would give them warning of the date when the law was to become effective, and between now and then those who had been avoiding the tax would be stimulated in their activities? The purchasers are going to be diligent to get in as large a stock of cigarettes as they can before the curtain falls.

As I have said, I do not like to be in disagreement with the Senator from Delaware, because there are so many things we think about entirely alike, but I do heartily disagree with him in this amendment, and I do not think it should prevail.

Mr. WILLIAMS. Mr. President, I point out to the Senator the way it works in my own State. We now have a tax on cigarettes in our State. There is no tax on cigarettes in the State of Maryland, immediately joining. As it applies in our State, if a man buys cigarettes in Maryland and has them shipped to our State, it is the obligation of the purchaser to report to our State authorities and pay the tax. If the purchase is made in Maryland, the man who sells the cigarettes in Maryland is not liable under the State law, and there is no violation of our laws.

I think it will be found that the same is true in Connecticut, that if the cigarettes are shipped from Maryland, or from any other State, to Connecticut, the sale is made in the State in which they are purchased, and that is why the sellers are not subject to the tax in the State of Connecticut. If in Connecticut, as the Senator from Georgia has pointed out, there should be a use tax, the man who uses the cigarettes is responsible for the tax, not the man who originally shipped them.

As to the projected date giving people opportunity to liquidate, I repeat, it is not unfair. A similar bill has been on the calendar for 2 years. It passed the House at the last session, and it passed 2 years before that, and the Senate failed to take action.

I feel that three more months now, surely is not an unfair time to give to those who have been in this line of business. The reason why I am proposing this is not to encourage those who have been avoiding the tax.

For instance, I pointed out how our people can buy cigarettes in Maryland without paying a tax. Maryland has a sales tax of 2 percent, and we do not have a sales tax. Maryland is complaining about the people of Maryland coming to our State, immediately adjoining, and buying their supplies without paying a sales tax. I am afraid we are going to set up a series of customhouses along the borders of the various States. That is why I am objecting to the principle, not as to cigarettes alone, but because of where it may lead.

I think 3 months is the very least period of time we can give. Whether we like the law or not, I think we should give them a chance to liquidate their business in the normal channels of trade.

Mr. BALDWIN. In the State of Delaware is the cigarette tax a use tax, supposed to be paid by Delaware citizens?

Mr. WILLIAMS. I am unable to answer that.

Mr. BALDWIN. Are any cigarettes which are sold or used within the State of Delaware subject to a tax?

Mr. WILLIAMS. Yes.

Mr. BALDWIN. If that be the case, then either the Delaware man has to pay a tax on the cigarettes which he uses, or the man who sells them to him, in Delaware, has to pay a tax. If the man in Maryland, taking advantage of that situation, says, "I will sell you some cigarettes, and we will work it out so that the sale takes place in Maryland, and it will not be subject to the tax," is he not encouraging the Delaware citizen to avoid the payment of the tax?

Mr. WILLIAMS. Not any more than are the merchants in our State who are encouraging the people in Maryland to come over to our State and buy their supplies, where they will not have to pay a sales tax. It was only recently that an article appeared in the Wall Street Journal about a couple of the New England States having quite a controversy over the sale of liquor across the borders. It was claimed one had a lower liquor tax. I am afraid of where the practice might eventually lead.

Mr. BALDWIN. Mr. President, it would seem to me that the bill is designed to accomplish, insofar as cigarettes are concerned, exactly what the Senator from Delaware thinks should be done with some other things. In other words, under the bill, as I understand, the Federal Government steps in and helps the tax collectors in the various States to collect their cigarette taxes, by preventing an avoidance of the tax through making it a Federal offense to ship cigarettes in interstate commerce, where the Federal Government can operate properly, in such a way as to avoid the tax. It seems to me that the number of people who are going to be done an injustice by the failure to put in the bill a date when the bill shall become effective is very small indeed, because in large part they are people who are building up their sales, and encouraging purchases on the basis that they can carry on business in a way that is going to make possible avoidance of the payment of a tax, whether by deliberately avoiding it or by taking advantage of a situation. It does not seem to me that any great injustice is worked by letting the law become effective at the earliest possible moment.

Mr. WILLIAMS. I should like to clarify one remark of the Senator from Connecticut. I do not think we should build up a barrier and say the Federal Government is going to protect a State which has put extreme taxation on some product.

Mr. BALDWIN. To pursue the point further about encouraging the States which have lower taxes, the Senator is not helping Delaware by this move, because it would encourage Maryland dealers to help the Delaware people avoid the tax. That is why I think the bill

should become effective at the earliest possible time.

Mr. WILLIAMS. I want to point out to the Senator that what is involved is more a matter of principle than how Delaware would benefit.

Mr. GEORGE. Mr. President, I merely wish to call the Senator's attention to the very pertinent fact that we are not outlawing the sale of cigarettes. We are not taking away a dime of the value of any dealer in cigarettes. By this simple requirement the dealer still has an article of merchandise which he can sell. If he is being hurt at all he is being hurt only because he is an accomplice in the use of a cigarette in another State, by a citizen of that State, without paying the tax imposed by that State on the cigarette. I cannot see that there is any basis on earth for postponement in behalf of such a dealer. If we were outlawing the sale of cigarettes there would be a great deal of merit in the Senator's suggestion. We are not outlawing the cigarette. The cigarette would be worth exactly what it was before. The only difference is that we would prohibit a dealer in another State from saying to a citizen of my State, "Violate the law of your State by buying your cigarette from me and saving 5 cents a package on its use." Why should we be too tender in our treatment of such a dealer? The dealer can still sell his cigarettes. They are still valid articles of merchandise, and there is nothing whatever in the bill which would affect the dealer's right to sell cigarettes.

Mr. WILLIAMS. That is true. But, under section 2 of the bill, we are asking the dealers to keep records, and certain information must be filed with the Government, and immediately on the passage of the bill the entire practice and conduct of business will be changed. I think the least we can do is to give the dealers a chance to readjust themselves to comply with the law.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the third reading of the bill.

The bill H. R. 195 was ordered to a third reading, read the third time, and passed.

ONE HUNDREDTH ANNIVERSARY OF BIRTH OF JAMES WHITCOMB RILEY

Mr. JENNER. Mr. President, Indiana, rich in literary tradition, joins with her sister States tomorrow in paying tribute to one of her most distinguished penmen.

The occasion will be the one hundredth anniversary of the birth of James Whitcomb Riley, alternately known as the Hoosier poet and the children's poet.

Though James Whitcomb Riley is but one of the host of honored literateurs of the Hoosier State, none touches the hearts of Hoosier folk more than did this poet of the people.

No State excels the Hoosier State in either quality or quantity of its excellent literature.

Such names as Gen. Lew Wallace, Booth Tarkington, George Ade, Meredith Nicholson, Edward Everett Eggleston, Theodore Dreiser, Albert J. Beveridge, Sarah T. Bolton, and a host of others fill the pages of literary history along with that of Riley.

A journalistic who's who would be filled for the greater part with the names of Hoosiers who have become famous in the past and present in the journalistic profession.

Many Indianians will gather at the little frame house on the national highway in Greenfield, Ind., his birthplace, at the Riley home on quaint Lockerbie Street in Indianapolis—both national shrines—and at the Riley tomb, high on a knoll in beautiful Crown Hill Cemetery in Indianapolis to honor the memory of the man whose writings still bring joy to children and fond memories to the adult.

At still another place, a fitting and lasting monument to the children's poet will there be joy tomorrow. That is the James Whitcomb Riley Hospital for Children at Indianapolis, where, thanks to Riley and medical science, many a happy little cripple is walking again.

SAVINGS UNDER UNIFICATION

Mr. MORSE. Mr. President, during the debate on the 1949 amendments to the Unification Act on May 26, the junior Senator from Illinois [Mr. DOUGLAS] addressed the following remarks to me:

I should like to ask the Senator from Oregon whether, in view of the fact that he states that savings of a billion or so dollars could be made by unification, he would submit for the record an estimate of the precise sources from which it is believed these savings could be effected. I know that this is quite a request to make and expect immediate compliance, but I wonder whether upon consulting with the advocates of unification such a detailed statement might be furnished.

I have been working on the problem of supplying the Senator from Illinois with the detailed information in answer to his requests. I now ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared in reply to his request.

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

In reply to the junior Senator from Illinois I pointed out that I felt that major savings could be made in two fields. First, in the field of budget- and fiscal-management procedures, in line with the recommendations of the Hoover Commission; second, in the field of procurement by, among other things, giving power of decision to the Chairman of the Munitions Board. At the present time, the National Military Establishment, although it spends over $15,000,000,000, annually, has no procurement chief who has the power of decision in his own field. Nor do the budgeting and fiscal-management practices as carried out under existing law give anything which even remotely resembles a sound system of management control and cost accounting. In effect, the National Military Establishment exists today as a loose and heterogeneous confederation of individual proponents rather than as a federation geared to the business of spending such huge sums of money in a manner which will gain full efficiency and economy. Given such a set of circumstances, one would have to be astonishingly gullible to deny that there is waste and extravagance. Just how much this waste and extravagance add up to in terms of dollars and cents, we can only estimate for the most part, because we are unable to agree on a program of corrective action. Even the most conservative of the experts who have studied this field—men such as comprised the Hoover Commission—feel that Federal spending wastes 10 percent. Others, men like Judge Patterson, Secretary Royall, and Secretary Symington, who are experts in the military field, feel that the savings could be larger. My own view in the matter is that the amount will exceed 10 percent. However, I again urge my colleagues to recognize that this depends on what we here in the Congress do about unification. Right now we are doing nothing. The watered-down version of unification which passed the Senate last month in the form of S. 1843 appears to be a casualty in what might be called the special-interests campaign being waged by those who refuse to accept the simple truth that devotion to national security as a whole must transcend devotion to separate programs. So I can assure you, and can reply to the Senator from Illinois, that as things now stand we won't save one red cent. Further, with the trend toward triplification that is rampant today, I predict that, given the same military program, the same cost of materials and the same cost of production, our military budget for 1951 will exceed that of 1950, and we won't get even as much national defense, dollar for dollar, as we are getting today. This staggering increase in the cost of our Military Establishment will continue until the Congress does something about it.

I am convinced, after a careful recheck of my original estimates, that S. 1843, if amended as I urged, and for which I received such an unprecedented amount of support on behalf of this cause which has been defeated so many times, would have saved slightly under $2,000,000,000 on a $15,000,000,000 military program. This assumes that costs of material and labor do not change, and that we give up no esesntial service. The saving is brought about by increased efficiency resulting from the improvements in procurement, budgeting, accounting, and fiscal reporting which I recommended. This amount breaks down as follows:

Estimated savings under S. 1843 with Morse amendments

Personnel pay allowances and support	$393,000,000
Operation and maintenance of facilities, United States and overseas	712,000,000
Major programs for procurement and production including ships and aircraft	639,000,000
Construction to include housing and public works	63,000,000
Research development, industrial mobilization, and maintenance of war reserve	105,000,000
Department administration, etc	47,000,000
Total	1,959,000,000

INCREASED COMPENSATION OF MEMBERS OF FEDERAL RESERVE BOARD, ETC.

Mr. MAYBANK. Mr. President, I ask unanimous consent, out of order, to introduce a bill to increase the compensation of members of the Board of Governors of the Federal Reserve System and members of the Board of Directors of the Federal Deposit Insurance Corporation.

There being no objection, the bill (S. 2647) to increase the compensation of

the members of the Board of Governors of the Federal Reserve System and the members of the Board of Directors of the Federal Deposit Insurance Corporation, introduced by Mr. MAYBANK, was read twice by its title, and referred to the Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, I have discussed the bill with the chairman of the Subcommittee on Federal Reserve Legislation, the distinguished Senator from Virginia [Mr. ROBERTSON]. It concerns the pay of members of the Federal Reserve Board and of the Chairman of the Federal Reserve Board, whose salaries, as Senators know, are paid by the banks.

CENSORSHIP POLICY OF THE NAVY IN CONNECTION WITH B-36 INVESTIGATION

Mr. MORSE. Mr. President, some days ago I commented on the floor of the Senate in regard to a story which appeared in the Washington Post concerning the censorship policy which was reported to have been adopted by the Navy in connection with the B-36 investigation. The Secretary of the Navy read my statement and used it as an occasion to address a letter to me under date of October 3, 1949.

I ask unanimous consent to have printed in the body of the RECORD at this point the letter which I received from the Secretary of the Navy.

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

THE SECRETARY OF THE NAVY,
Washington, October 3, 1949.

The Honorable WAYNE MORSE,
The United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: After reading the enclosed clipping from a recent issue of the Times-Herald, I felt very much like you did when you contacted me on July 21 about the rumored statements made by an officer addressing students at the Del Monte Navy line school.

May I say that the statement in the paper is utterly unjustified. I have made no attempt and have not thought of making any effort to "gag" any admiral or officer in the Navy. The conference referred to in the Washington Post article, upon which the Times-Herald story obviously was based, was a meeting which I had with my top civilian and military advisers of the Navy in the nature of a pretrial conference, to discuss matters to be presented to the Armed Forces Committee of the House when and if we are called before that body to testify. As a lawyer, I am sure you will recognize the wisdom and propriety of such a procedure.

I give you this information so that you may be advised of the real facts, as I am sure you would not want to misrepresent the attitude or purpose of myself or any other governmental official.

Trusting that you are rapidly recovering from your recent accident, and with kindest personal regards, I am,

Sincerely yours,
FRANCIS P. MATTHEWS.

Mr. MORSE. In the course of his letter the Secretary referred to an article which appeared in the Washington Times-Herald of Friday, September 30, 1949. I ask unanimous consent that that article be printed in the RECORD following the Secretary's letter.

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

SENATOR MORSE ASSAILS NAVY GAG ON FACTS VITAL TO UNITED STATES DEFENSE

(By William Moore)

Charges that Navy officers are being muzzled on facts vital to national defense were brought to the floor of the Senate yesterday by Senator MORSE, Republican, of Oregon.

MORSE called attention to reports that Navy witnesses have been forbidden even to mention the B-36 bomber in future testimony in the Navy and Air Force's scrap over the latter's bomber, and to further reports that they have been gagged on the controversy over cancellation of Navy plans for its superaircraft carrier.

The reports to which MORSE referred said the gag order had been invoked by Navy Secretary Matthews in the Defense Department's effort to end the feuding of the rival services.

"I do not know what the facts are regarding the B-36," MORSE told the Senate. "I have complete confidence in Air Secretary Symington.

"I do not know what the facts are in regard to supercarriers. But I want to say that the American people are entitled to have the facts.

"With the world situation what it is, if there is anyone in the Military Establishment who can present the facts that justify the building of carriers in order to strengthen the security of this Nation, I want the facts established and the carriers built."

MORSE said he is convinced that censorship is being imposed on the Navy and went on:

"Any attempt on the part of the Navy high command, including the Secretary of the Navy, himself, to restrict this inquiry is not in the public interest.

"Unless we can have some assurance that there is a change in policy on the part of the Navy, I shall, at the next meeting of the Senate Armed Services Committee, demand an entire investigation of it.

"I hope we can have early assurance that no one is being muzzled in the Navy Department if he has any facts to present to the American people in regard to either the B-36 or the supercarrier."

MORSE said the sponsors of the act by which the services were unified never intended that the Defense Department it created should be able to force any of the services to impose censorship.

Mr. MORSE. I also ask unanimous consent that my reply to the Secretary of the Navy, under date of August 6, 1949, be printed in the RECORD at this point as a part of my remarks.

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

OCTOBER 6, 1949.

Hon. FRANCIS P. MATTHEWS,
Secretary of the Navy,
Washington, D. C.

DEAR MR. SECRETARY: I very much appreciate receiving your letter of October 3. In fact, I am taking the liberty of inserting it in the CONGRESSIONAL RECORD, because I think in fairness to you it should appear there.

This job of being a Senator carries with it various responsibilities, one of which might be described as the task of functioning in a "watchdog" capacity. When I read the Washington Post story by Norris I talked to several members of the Armed Services Committee of the Senate. They agreed with me that some brief statement should be made on the floor of the Senate about it. I made the statement, setting forth my position on the question of policy involved if the allegations in the Post article had any foundation in fact. (Of course, I did not write the headlines attached to some of the newspaper stories based upon my speech.)

I made the statement because I believed that the time to make a statement of position as a member of the Armed Services Committee, on the allegations in the Norris article, was on the same day they appeared in the press. In my statement I made very clear that my comments rested upon the assumption that the Norris article represented a statement of fact. Your letter is a complete answer to the article, and it accomplishes the very purpose I had in mind at the time of making my statement. Therefore I shall be very glad to insert it in the RECORD.

With best regards.

Yours sincerely,
WAYNE MORSE,
United States Senator.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. GEORGE, from the Committee on Finance:

James E. Manahan, of St. Albans, Vt., to be collector of customs for customs collection district No. 2, with headquarters at St. Albans, Vt. (reappointment).

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

The Chief Clerk read the nomination of Myron Melvin Cowen, of New York, to be representative of the United States of America to the fifth session of the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the diplomatic and foreign service.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

FEDERAL POWER COMMISSIONER

The Chief Clerk read the nomination of Leland Olds, of New York, to be a member of the Federal Power Commission for the term expiring June 22, 1954.

Mr. LUCAS. I ask that that nomination be passed over.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

FEDERAL TRADE COMMISSIONER

The Chief Clerk read the nomination of Lowell B. Mason, of Illinois, to be Federal Trade Commissioner for a term of 7 years from September 26, 1949.

The VICE PRESIDENT. Without objection, the nomination is confirmed. That completes the nominations on the Executive Calendar.

Without objection, the President will be notified in all cases of the nominations confirmed.

NOMINATION OF LELAND OLDS

Mr. JOHNSON of Colorado. Mr. President, can the Senator from Illinois say when the nomination of Leland Olds will be considered?

Mr. LUCAS. I have told some Members of the Senate that, as things now appear, the Senate will probably consider the nomination on Tuesday next, unless something unusual occurs between now and then to delay its consideration.

Mr. JOHNSON of Colorado. Some Senators would like to be present when the nomination is considered, and they would like to know the day certain.

Mr. LUCAS. I am practically sure that at some time on Tuesday the nomination will be taken up.

Mr. WHERRY. Mr. President, may I ask the distinguished majority leader if he referred to the nomination of Mr. Olds when he said it would be taken up on Tuesday next?

Mr. LUCAS. That is correct.

Mr. WHERRY. The colloquy was in rather a low tone and I did not quite hear it.

Mr. LUCAS. I think the nomination will be considered on Tuesday next.

Mr. IVES. Does the Senator from New York correctly understand that it is definitely agreed that the Olds nomination will be taken up on Tuesday next?

Mr. LUCAS. I would not say definitely.

Mr. IVES. The reason for my question is that the Senator from New York would like to be absent from the session of the Senate on Monday, but will not ask permission to be absent on that day if there is any possibility that the nomination will be taken up on that day.

Mr. LUCAS. I rather think the Senate will proceed to consider the nomination on Tuesday.

Mr. IVES. Will the Senator be willing to enter into an agreement that the nomination be taken up on Tuesday next?

Mr. LUCAS. No I cannot do that, because yesterday I told the Senator from Ohio [Mr. TAFT] that the Senate would take up the farm bill on Monday next, and that he could make his plans accordingly. I thought that would be the proper time for considering the farm bill. But in the Committee on Agriculture and Forestry this morning all the members were against my position on that point, and I succumbed, of course, to the persuasive powers of my colleagues and said we would take up the farm bill tomorrow. It is almost impossible for me to set a day for taking up anything.

I understand the Senator from New York asked me whether the nomination would be considered on Monday. I will not ask to take it up on Monday, if that is what the Senator is interested in.

Mr. IVES. I thank the Senator.

POSTMASTER AT MERIDIAN, IDAHO

Mr. LUCAS. I should also like to advise the senior Senator from Idaho [Mr. TAYLOR] that I have agreed with the junior Senator from Idaho [Mr. MILLER] to take up the nomination of J. D. Petty of Meridian, Idaho, to be postmaster. That nomination has been pased over at divers and sundry times since it was first placed on the Executive Calendar. I merely wish to make that announcement. I think we will probably take up that nomination on Monday next.

There is a possibility that on Monday we might take up the displaced persons bill and get started on it. I make that announcement for the information of Senators. I hope every Senator will remain as close to the Senate Chamber as possible because we should finish everything next week.

LEGISLATIVE PROGRAM

Mr. WHERRY. Does the distinguished majority leader care to state now what he plans to make the unfinished business after consideration of the farm bill has been concluded?

Mr. LUCAS. After the farm bill has been disposed of we expect to take up Senate bill 2319, Calendar No. 757, the bill which deals with aid to Korea.

We also have the school planning and construction bill. I have agreed with the Senator from Ohio [Mr. TAFT] and the Senator from Minnesota [Mr. HUMPHREY] not to take up that bill until after Tuesday, because the Senator from Ohio will not be back before then.

I think there is a possibility of taking up the legislation dealing with the point 4 program.

We also have the omnibus flood-control bill, the river and harbor bill.

Mr. WHERRY. That is not on the calendar.

Mr. LUCAS. It will soon be reported by the committee. I think that was what we heard today. That practically winds up everything. Included is action on the resolution to discharge the Committee on the Judiciary from further consideration of the displaced-persons bill.

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

Mr. LUCAS. I yield.

Mr. MAYBANK. I wish to ask the distinguished Senator from Illinois when he expects to take up the point 4 program measure. When it is taken up I believe there will not be too much debate on it, and, if necessary in order to take up other legislation, it could be temporarily laid aside.

Mr. LUCAS. There is a possibility of taking it up on Monday. Will the Senator be present on Monday?

Mr. MAYBANK. Yes.

Mr. LUCAS. We may be able to bring it up tomorrow after we finish with the farm bill.

Mr. MAYBANK. I would greatly appreciate it if it could be brought up tomorrow after we finish with the farm bill, provided it is understood that it may be displaced by another bill if there is extended debate.

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

Mr. LUCAS. I yield.

Mr. WHERRY. I know it is very difficult to announce a definite time for the consideration of any bill, and have everyone satisfied as to when it should come up. It was my thought, because of the order in which the various measures are listed on the program, that the point 4 program would not come up before Monday. The Senator from Indiana [Mr. CAPEHART] is very much interested in that bill, and plans to be present on Monday, because he thought possibly that would be when it would come up.

Mr. MAYBANK. I hope that the distinguished majority leader may see fit to bring it up on Monday. If there is too much debate on it, it can be laid aside. May I make that unanimous-consent request?

Mr. LUCAS. We will try to get to it if we possibly can.

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

Mr. LUCAS. I yield.

Mr. DONNELL. I did not understand whether or not the Senator from Illinois made any statement with respect to the motion to discharge the Committee on the Judiciary from further consideration of the displaced-persons bill.

Mr. LUCAS. I did. That motion will come up next week. I cannot say as to the exact day. There is a possibility that it may come up on Monday, depending upon what may happen tomorrow.

Mr. WHERRY. Mr. President, will the majority leader yield for a question?

Mr. LUCAS. I yield.

Mr. WHERRY. Can the majority leader say whether or not he intends to take up any legislation tomorrow after the agricultural bill has been disposed of?

Mr. LUCAS. After we finish with the farm bill, it is planned to take a recess.

Mr. WHERRY. Then there will be no legislation brought up after that bill is disposed of?

Mr. LUCAS. I do not think we can bring up anything tomorrow following the disposition of the farm bill, unless we should be able to obtain a unanimous-consent agreement to vote at a certain time, which some Senators think we may be able to do.

Mr. WHERRY. So the Korean bill, the school bill, and others, will be taken up on Monday?

Mr. LUCAS. Monday or some other day next week.

Mr. MAYBANK. Mr. President, the minority leader [Mr. WHERRY] mentioned the fact that the Senator from Indiana [Mr. CAPEHART] is very much interested in the point 4 program. I know the deep interest the Senator has in the point 4 program. I hope the minority leader will help to bring it up on Monday.

Mr. WHERRY. I assure the distinguished Senator from South Carolina that, beginning Monday, any day satisfactory to the majority leader will be satisfactory to the minority leader.

RECESS

Mr. LUCAS. As in legislative session, I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Friday, October 7, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate October 6 (legislative day of September 3), 1949:

IN THE NAVY

The following-named (Naval Reserve aviators) to be ensigns in the Navy:

Billie J. Cartwright
Joseph V. Godfrey
Thomas G. Kilgariff
Doyle W. Lynn

The following-named (civilian college graduates) to the grades indicated in the Medical Corps of the Navy:

LIEUTENANT COMMANDERS

Harry L. Day
James D. King

LIEUTENANT

John E. Deming

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Winthrop T. Austin
Harry Birchard
James F. Bogardus, Jr.
Edward G. Dauchess
Mark H. Hanna
Malcolm L. McQuiston II
Robert G. Nicol
John A. Rothrock, Jr.
Alvis D. Sartor
Richard W. Singleterry
Donald H. Springgate, Jr.

James E. Galloway (civilian college graduate) to be an ensign in the Civil Engineer Corps of the Navy, from the 3d day of June 1949.

Joseph Raskin (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Barbara A. Austin
Florence M. Conner
Mary Dianich
Roberta F. Dorsett
Dolores R. Drzewiecki
Anita A. Henne
Dorothy L. A. Klahn
Carolyn E. Kovalovsky
Margaret L. LeCroy
Frances A. Neff
Mary A. Pandora
Louise K. Scanlon
Lorraine C. Schubilske
Audrey J. Sharafinski

The following-named officers to the grades indicated in the Medical Corps of the Navy:

COMMANDERS

Charles Bunch
Stephen M. Smith

LIEUTENANT COMMANDERS

Thomas E. Cone, Jr
Mervyn Shoor

The following-named officers to the grades indicated in the Nurse Corps of the Navy:

LIEUTENANT

Pearl I. M. Hebert

LIEUTENANT (JUNIOR GRADE)

Kathryn C. Jones

Algie M. Mansur to be a lieutenant in the Dental Corps of the Navy, in lieu of lieutenant (junior grade) in the Dental Corps of the Navy, as previously nominated and confirmed.

The following-named officers of the Naval Reserve on active duty, for permanent appointment to the grades and corps indicated, subject to qualification therefor as provided by law:

Lieutenant (junior grade), line

Harry M. Alker
Randall E. Anderson
George F. Arnold, Jr.
Sheldon Ashley
James H. Baker
George A. Blaszak
Ronald F. Bohn
Melner R. Bond, Jr.
Jack Buder
Joe Y. Christian
Philip C. Clark
Angelo E. Clemente
Antonino Consoli
James H. Dana
Paul E. Deeben
Clarence R. Derrickson, Jr.
William H. Ezell
Richard J. Fechheimer
Herbert S. Hammaren
Paul E. Hanes, Jr.
Walter O. Hansen
Leo C. Keating, Jr.
George J. Kay
Thomas J. Keegan
John T. Kelleher
Keith C. King
Glenn E. Kiser
Robert D. Kokins
Philip C. Krouse
George R. Le Blanc
Edward P. Lewis
Otto L. Liepin
Richard E. Love
Richard J. MacGarva
Frederick G. MacGurn
Adolph J. F. Malinowski
Charles L. Mamzic
Oscar N. Martin
Charles A. Matley
Melvin E. Mattson
Thomas D. McGovern
John H. McNally
John F. Mertz
Nicolo A. Mirabile
Charles M. Mitchell
Edward J. Mitchell
Gray D. Morrison II
Frank A. Moscovic
Harold E. Nay
William C. O'Reilly, Jr.
Arne G. Ostensoe
William H. Page
Harvey J. Pietsch
Alexander E. Power
Robert W. Pray
Ivan L. Rauch
Willard B. Risdon, Jr.
Charles S. Russell
Nelson C. Russell
Richard A. K. Russell
William K. Ryan
John R. Sisson
Edwin E. Sosebee, Jr.
Duncan H. South
Walter W. Sparks
Leonard B. Szatkowski
Merwin E. Taylor
William M. Tell
James A. Tonder
John A. Vanyo, Jr.
Maurice T. Wahlgren
Laurence R. Walker, Jr.
Norman E. Wallen
Walter J. Ward
Thomas S. Welch
Harold F. Wenzel
Nelson S. Wilder
James F. Wise, Jr.
Ralph D. Woleben
William V. Wolfe
William J. Yuengling

Lieutenant (junior grade), Supply Corps

Chester L. Carlock
George T. Gratton, Jr.
Norton N. Nielson
Richard F. Stillahn
William F. Paulson
Elvin L. Vanzee

Lieutenant (junior grade), Civil Engineer Corps

Harold W. Merritt

The following-named officers of the Navy and the Naval Reserve on active duty, for appointment to grades and corps indicated in lieu of that for which previously nominated and confirmed, subject to qualifications therefor, as provided by law.

For permanent appointment in the Navy:

Lieutenant, line

William H. Hubbard
William E. Rohde, Jr.
Stephen J. Whiteman
LaMar L. Woodward

Lieutenant, Nurse Corps

Mary K. Fleck

Lieutenant (junior grade), line

Burton E. Berglund
Carl J. Costanzo
Robert E. Cowell
Duilio D'Albora
Frank Gilliland
Delbert Grantham
Albert E. Hansen
John N. Howard
Svend I. Jensen
Donal D. Lemmon
Joseph E. McConnel
James V. McGowan
Murdoch M. McLeod
Jewett E. Richardson, Jr.
Harry P. Rodgers, Jr.
Edmund W. Sellman
Earle N. Trickey

Lieutenant (junior grade), Supply Corps

Robert C. Van Osdol

Lieutenant (junior grade), Civil Engineer Corps

Donn L. Ashley

For temporary appointment in the Navy:

Lieutenant commander, line

Jack O. Polk

Lieutenant, line

Theodore F. Drag
Adolph J. Furtek
Arvel Heath
Edward G. Kelley
Benedict J. Marafino
Orvis A. Martin
Allen C. H. Merz
Arthur J. Perkett, Jr.
Aquilino L. Ponciroli
Hatcher W. Williams, Jr.

Lieutenant, Supply Corps

Marsden E. Christiansen
Levi T. Gottschall
Francis LeRibeus
John T. Robison

For permanent appointment in the Naval Reserve:

Lieutenant, Supply Corps

"T" Lane Skelton

For temporary appointment in the N Reserve:

Lieutenant, line

Lewis P. Holland
John L. Martin
John F. Mathers

Lieutenant, Supply Corps

Leslie R. Allan
Joseph Allecretti
Clarence E. Carlson
Rodney K. Purnell

CONFIRMATIONS

Executive nominations confirmed by the Senate October 6 (legislative day of September 3), 1949:

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Myron Melvin Cowen to be representative of the United States of America to the fifth session of the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations March 28, 1947.

DIPLOMATIC AND FOREIGN SERVICE

Selden Chapin to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Netherlands.

To be consuls general of the United States of America

Jacob D. Beam
John F. Huddleston
Charles F. Knox, Jr.
Walter P. McConaughy
William A. Smale
Kenneth J. Yearns

To be consuls of the United States of America

William C. Affeld, Jr.
David I. Ferber
Merlin E. Smith
William D. Wright
Robert C. Johnson, Jr.
George D. Whittinghill

To be secretaries in the diplomatic service of the United States of America

Joseph Leeming
E. Wilder Spaulding

FEDERAL TRADE COMMISSIONER

Lowell B. Mason to be Federal Trade Commissioner for a term of 7 years from September 26, 1949.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 6, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy, holy, holy, Lord God almighty, how beautiful are all Thy works. In wisdom hast Thou made them all; the earth is full of Thy riches. O fill us with the spirit of the Master, as we remember what the Lord hath wrought.

Our Father, we pray Thee to adapt Thy teaching to our weakness and need; may we hallow Thy name with praise and gratitude; speak words of loving cheer; leave no opportunity unimproved to help others. Today let duty have no uncertain flame, but in its performance may our country look and find merit. O kindle in all hearts a mighty conquest of faith and hope, and Thine shall be the praise and glory forever. In the Master's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a joint resolution of the following title in which the concurrence of the House is requested:

S. J. Res. 134. Joint resolution to amend the National Housing Act, as amended, and for other purposes.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4708. An act to amend the United Nations Participation Act of 1945.

The message also 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. 2960. An act to amend the Rural Electrification Act to provide for rural telephones, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. LUCAS, Mr. HOLLAND, Mr. AIKEN, Mr. YOUNG, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 377. An act for the relief of Ernest J. Jenkins; and

S. 627. An act for the relief of Leon Moore.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1479) entitled "An act to discontinue the operation of the village-delivery service in second-class post offices, to transfer village carriers in such offices to the city-delivery service, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. HUMPHREY, and Mr. ECTON to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50-9.

SELECT COMMITTEE TO INVESTIGATE LOBBYING ACTIVITIES

The SPEAKER. Pursuant to the provisions of House Resolution 298, Eighty-first Congress, the Chair appoints as members of the Select Committee To Conduct and Study an Investigation of Lobbying Activities the following Members of the House: Mr. BUCHANAN, chairman; Mr. LANHAM, Mr. ALBERT, Mr. DOYLE, Mr. HALLECK, Mr. BROWN of Ohio, and Mr. O'HARA of Minnesota.

THE LATE HONORABLE ROBERT E. HANNEGAN

Mr. KARSTEN. 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 Missouri?

There was no objection.

Mr. KARSTEN. Mr. Speaker, it is my sad duty to inform the House of the death of one of the most outstanding political leaders of our time, the Hon. Robert E. Hannegan.

Bob Hannegan, as he was known to his many friends, had an illustrious career. From a very humble beginning he advanced to the highest pinnacle of success. I knew him almost all of his life. He was a hard worker and the success he achieved was earned by hard work.

He was born June 30, 1903, at St. Louis, Mo., and was educated at the Yeatman High School, as well as, the St. Louis University Law School, where he was graduated in 1925 with the degree of bachelor of laws. His family was not wealthy and he worked his way through school.

At an early age he developed a deep interest in politics. He started as a precinct worker and found he had a natural inclination in this field. Thereafter he became a precinct leader, committeeman, and was then elected chairman of the Democratic committee of the city of St. Louis.

In 1942 he was appointed collector of internal revenue for the eastern district of Missouri. There he made an outstanding record as a public official. His office was cited as one of the best and most efficient in the country.

This record prompted the late President Roosevelt to bring Bob to Washington and put him in charge of the Bureau of Internal Revenue. In October 1943 he was appointed Commissioner of Internal Revenue and in that capacity his record was also one of service. He brought to that office a personal touch which is so often lacking in Government departments. It was not necessary to make a trip over to the Bureau of Internal Revenue to see Commissioner Hannegan on matters affecting his department. He initiated the practice of coming down to the Capitol to discuss problems that might arise.

It was this type of service which ultimately resulted in his election as chairman of the Democratic National Committee. Shortly after Bob came to Washington, President Roosevelt's secretary called the Bureau of Internal Revenue and asked that someone be sent to the White House to assist in the preparation of the President's income-tax return. Instead of sending someone Hannegan went to the White House himself. There he met the President, who immediately recognized his exceptional political ability. It was not long thereafter that Bob became chairman of the Democratic National Committee. Later, on July 1, 1945, he was appointed to the President's Cabinet as Postmaster General.

A year or two ago at the continued insistence of his physicians he retired from active political life but he left a mark in politics that will long be remembered by both Democrats and Republicans.

Along with his many friends I extend my deepest sympathy to Mrs. Hannegan and his fine children. May God give them strength in their hour of sorrow.

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

Mr. KARSTEN. I yield.

Mr. KARST. Mr. Speaker, I join my colleague from Missouri in expressing my surprise in hearing of the death of a lifelong Democrat, who so ably represented the Democratic Party, not only for the city of St. Louis and the State of Missouri but for the entire country. I feel privileged to have known Robert E. Hannegan from his high-school days up to this surprising moment.

Robert E. Hannegan has spent his life for the betterment of the Democratic Party in our country. He was sincere in carrying out what he thought was the best for all in a program that brought him from a precinct worker to a committeeman of a ward in St. Louis to the chairman of the National Democratic Party here in Washington, and to the appointment as Postmaster General of the United States.

Robert E. Hannegan got his first taste of success by sharing in the honors of a champion football team, and permitted me, as a co-athlete of his, in our alma mater of St. Louis University, to assist him in leading our teams to victory. As he progressed in this life, he led the greatest team in this world today, the Democratic Party, to victory by electing a fellow Missourian, Harry S. Truman, as President of the United States. In carrying out this program, Mr. Hannegan spent hours, days, and many months, and in so doing, impaired his life to the point that he had to retire from political activities, and entered into a business which is a national sport of our country—the presidency of the St. Louis Cardinals baseball team.

However, his health would not permit him to carry on in this capacity. In recent months he had the opportunity and the privilege to visit our Holy Father in Rome and has just returned to be able for only the few months of the remaining period of his life to partake in the seed that grew into a luscious fruit.

I wish to take this opportunity to express my sincere sympathy and condolences to his beloved wife and his children. His work is done, his day is ended; sustained by a deep faith, he lived and died unafraid. God grant that his soul has found rest in a celestial spring of eternity.

Mr. SULLIVAN. Mr. Speaker, the announcement of the untimely death of the Honorable Robert E. Hannegan, of St. Louis, comes as a great shock to the people of the Eleventh District, to me personally, and to the State of Missouri and the Nation as a whole. Bob Hannegan was a young man, too young to die, but he had driven himself so relentlessly in the service of his community, his friends, his party, and his country, taking such

a toll from his physical resources, that his brilliant career has been ended.

I knew Bob Hannegan as a young high-school athlete. I was in the football clubhouse of St. Louis University when he joined the freshman team. I was with him during the years of his athletic triumphs. I came in contact with him as he was entering the practice of the legal profession. I was associated with him in the Democratic City Central Committee of St. Louis, and was proud to be one of those who selected him as chairman.

Bob Hannegan was a natural organizer. He had the gift of inspiring others to forget their differences and join together in a common objective. He was considerate of his friends and tolerant of his opposition. He fought hard but never unfairly.

He was a man of the greatest courage and unlimited tenacity. I have seen him when "those around him were losing their heads and blaming it on him." I have seen him when disaster fell, "stoop to pick up the pieces and start all over again." He was the adviser of Presidents. He walked with the mighty but never lost the common touch. He was never too big nor too busy to turn and reach a helping hand to those who needed his help.

The career of Robert E. Hannegan is the story of the opportunities of America—the story of a young man of fine parents, but modest means, who rose to the position of a Cabinet officer of the United States. In all of this activity he was a devoted husband and a loving father. He was devout in his religion, but respected the principles and the faiths of other people. There are many people who have been beneficiaries of his wisdom, his judgment, and his efforts. We all share the sorrow of his family.

Were I to write an epitaph I would point to the poem, When a Man's a Man, that should hang on the wall of every boy's room. Bob Hannegan was a man.

CUMULATIVE SICK AND EMERGENCY LEAVE WITH PAY FOR TEACHERS AND ATTENDANCE OFFICERS IN THE DISTRICT OF COLUMBIA

Mr. ABERNETHY. Mr. Speaker, I call up the conference report on the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1360)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

T. G. ABERNETHY,
HOWARD W. SMITH,
A. L. MILLER,
Managers on the Part of the House.

MARGARET CHASE SMITH,
ROBERT C. HENDRICKSON,
J. ALLEN FREAR, Jr.,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1 and 2: These amendments limit the type of emergencies for which cumulative leave with pay will be granted to personal emergencies. The House recedes.

Amendments Nos. 3 and 4: The House bill limited the total amount of sick and emergency leave with pay which probationary and permanent teachers and attendance officers can accumulate to 60 days. Amendments Nos. 3 and 4 raise this limit to 90 days. The Senate recedes.

T. G. ABERNETHY,
HOWARD W. SMITH,
A. L. MILLER,
Managers on the Part of the House.

The conference report was agreed to, and a motion to reconsider was laid on the table.

FINANCIAL ASSISTANCE TO CERTAIN HOMESTEAD ENTRYMEN

Mr. PACE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2514) to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 8, after "loan" insert "or any other loan made under the Bankhead-Jones Farm Tenant Act, as amended, or the act of August 28, 1937, as amended, to the owner of a newly irrigated farm in a reclamation project,".

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

Mr. PACE. I shall be pleased to. The House passed some time ago H. R. 2514, a bill to permit homestead entrymen to secure loans prior to the time of the perfection of their title as secured from the Department of the Interior.

The Senate amended the House bill by inserting on page 2, line 8, a comma and the following: "or any other loan made under the Bankhead-Jones Farm Tenant Act, as amended, or the act of August 28, 1937, the Water Facilities Act, as amended, to the owner of a newly irrigated farm in a reclamation project."

While the Senate report fails to explain the amendment and no explanation was made on the floor of the Senate, it is my understanding that the purpose of the amendment is to extend the provisions of this bill relating to the deferment of the first installment to loans made to owners of farms in reclamation projects under the Bankhead-Jones Farm Tenant Act, as amended, or the Water Facilities Act for a short period of time after the irrigation of water has first been applied to land. The House bill would permit such a deferment with respect to loans made to those borrowers who have not yet acquired title to their land in reclamation projects and on other public land. The Senate apparently felt that there are other persons who have acquired title but still have not been able to produce sufficient marketable crops on their reclamation farms to enable them to make the usual amortized payment. It usually takes 2 or 3 years to get the soil in condition to wash out the salts, to turn under legumes and other soil-conditioned crops and produce the first cash crop for market. Under the Senate amendment a borrower who had not yet reached that point in the development of his irrigated farm would be entitled to the deferment the same as with the entryman to whom a loan was made at the time he settled on the project.

I might add that the entire question with respect to this amendment deals with the first payment only; if the owner has not been able to get his irrigation project into operation where he has a return his first payment may be deferred for as much as 2 years.

Mr. MARTIN of Massachusetts. That is all the amendment does?

Mr. PACE. That is all the amendment does.

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

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

AMENDING THE CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 86) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MURRAY of Tennessee, THORNBERRY, and REES.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that my colleague from North Carolina [Mr.

BONNER], who is absent on official business, may be permitted to incorporate at this point in the RECORD the official report of the Board of Visitors to the United States Merchant Marine Academy.

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

There was no objection.

The matter referred to follows:

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY, 1949, KINGS POINT, LONG ISLAND, N. Y.

The PRESIDENT OF THE SENATE.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to Public Law 301, Seventy-eighth Congress, approved May 11, 1944, the following Senators and Members of the House of Representatives were designated to constitute the 1949 Board of Visitors to the United States Merchant Marine Academy:

SENATORS

By the President of the Senate: Senator ERNEST W. MCFARLAND, of Arizona, Democrat.

By the Committee on Interstate and Foreign Commerce: Senator EDWIN C. JOHNSON, of Colorado, Democrat, ex officio; Senator HERBERT R. O'CONOR, of Maryland, Democrat; Senator JOHN W. BRICKER, of Ohio, Republican.

MEMBERS OF THE HOUSE OF REPRESENTATIVES

By the Speaker of the House: Congressman HALE BOGGS, of Louisiana, Democrat; Congressman HENRY J. LATHAM, of New York, Republican.

By the Merchant Marine and Fisheries Committee: Congressman SCHUYLER O. BLAND, of Virginia, Democrat, ex officio; Congressman EDWARD J. HART, of New Jersey, Democrat; Congressman HERBERT C. BONNER, of North Carolina, Democrat; Congressman ALVIN F. WEICHEL, of Ohio, Republican. (Congressman VICTOR WICKERSHAM, of Oklahoma, Democrat, was appointed to represent Congressman BLAND.)

The meetings of the Sixth Congressional Board of Visitors to the United States Merchant Marine Academy were scheduled to take place on the 6th and 7th of May 1949.

Congressman Herbert C. Bonner, Congressman Alvin F. Weichel, Congressman Hale Boggs, Congressman Victor Wickersham and Mr. Hugh A. Meade, counsel, Merchant Marine and Fisheries Committee; members of the Congressional Board of Visitors were accompanied from Washington, D. C., to Kings Point by Rear Admiral Telfair Knight, USMS, Chief, Bureau of Maritime Services of the United States Maritime Commission; Rear Adm. R. R. McNulty, USMS, Chief, Division of Cadet Corps Training and Supervisor, United States Merchant Marine Cadet Corps; Capt. J. T. Everett, USMS, Assistant Chief of Cadet Corps Training, and Deputy Supervisor, United States Merchant Marine Cadet Corps; and by Commander Calvin R. Shorter, Chief Liaison Officer, Bureau of Maritime Services of the United States Maritime Commission.

The Board assembled at Wiley Hall, Kings Point at 0930 Friday, May 6, 1949, where they were welcomed by the Superintendent of the United States Merchant Marine Academy, Rear Admiral Gordon McLintock and his staff.

The following members of the Board were present: Congressman H. C. Bonner, Democrat, North Carolina; Congressman A. F. Weichel, Republican, Ohio; Congressman H. Boggs, Democrat, Louisiana; Congressman H. J. Latham, Republican, New York; Congressman V. Wickersham, Democrat, Oklahoma; Mr. Hugh A. Meade, counsel, House Merchant Marine and Fisheries Committee; Mr. T. M. Owen, a member of the administrative staff of the House of Representatives.

FIRST MEETING OF THE BOARD

The members of the Sixth Congressional Board of Visitors convened in the Conference Room in Wiley Hall under the temporary chairmanship of Congressman BONNER at 1000.

The Board elected Congressman BONNER to serve as permanent chairman and confirmed the appointments of Lt. Comdr. Raymond E. Salman and Lt. John A. Walsh, USMS, as secretary and assistant secretary respectively.

The Secretary outlined the plan of the day to the chairman and the members of the Board and inquired as to the Chairman's desires with regard to inviting the Chief of Bureau of Maritime Services and his staff and the Superintendent of the Academy and his staff to attend the conference. The chairman requested that these officers be invited to attend. The chairman further requested that the department heads be invited to join the Board in conference in addition to the officers mentioned above.

Upon the chairman's invitation to do so, the Superintendent read his report to the Board of Visitors. (Copy of the Superintendent's Report to the Sixth Congressional Board of Visitors attached.)

After the reading of the Superintendent's report, the District Supervisor, Capt. Sherman W. Reed, USMS, outlined to the Board the third class year of the cadet-midshipmen, and the functions of the District Supervisors' offices in placing and supervising the cadet-midshipmen during this year when they are assigned to merchant vessels of all kinds in every trade served by American-flag ships.

The chairman and the members of the Board of Visitors discussed the needs of the Academy with the Chief of the Bureau of Maritime Services, the Supervisor of the United States Merchant Marine Cadet Corps, and with the Superintendent of the Academy at great lengh. These matters are covered in this report under general comments and specific recommendations.

The Cadet-Midshipman Regimental Commander E. Lloyd Kayhart was presented to the Board of Visitors and extended an invitation to the chairman and members of the Board to lunch with the regiment in Delano Hall.

Recess was taken at 1150.

MEETING WITH THE REGIMENT OF CADET-MIDSHIPMEN

The Board was entertained at lunch by the regimental commander, the regimental adjutant, and the battalian commanders and adjutants.

Congressman BONNER and Congressman WEICHEL addressed the regiment of cadet-midshipmen briefly at the end of the meal.

The members of the Board met in the cadet-midshipmen's lounge in private conference with cadet-midshipmen from their home States from 1245 to 1400.

TOUR OF THE GROUNDS

Individual tours of the grounds and facilities were conducted for the members of the Board of Visitors by their officer escorts. The areas visited included cadet-midshipmen living quarters in Cleveland Hall, Patten Hospital, the departments of physical training and naval science in O'Hara Hall, including the television classes beamed over to the United States Merchant Marine Academy from the Naval Special Devices Station at Sands Point, N. Y., Tomb Memorial Field, the library, the auditorium, the departments of ship management and history and languages, and the electronics and gyro laboratories in Bowditch Hall; the electrical laboratory, the physics and chemistry laboratory, the steam and Diesel laboratories, the welding and refrigeration units in Fulton Hall; the ship-construction laboratory, the chartroom, the stability and trim experimental tank, visual signaling classrooms, and the meteorological laboratory in Samuels Hall; Hague Basin and Mallory Pier.

SECOND MEETING OF THE BOARD OF VISITORS

The Board sat in closed session during part of this meeting with the Secretary and the Assistant Secretary for further discussion of the points raised by the Superintendent's report. The Chief of the Bureau of Maritime Services was called to sit with the Board for the latter part of the meeting, to clarify certain matters submitted for consideration. The comments and recommendations of the Board are included in the general comments and specific recommendations of the report.

GENERAL COMMENTS

The Board expressed its admiration on the excellence of the appearance of the Academy and of the high spirit that was so manifest among the officers, cadet-midshipmen and the enlisted personnel.

The Board wishes to commend the United States Maritime Commission, the Bureau of Maritime Services, the Division of Cadet Corps Training, and the Superintendent of the United States Merchant Marine Academy for the magnitude of achievement on the limited funds available. It was the unanimous opinion of the Board that the Merchant Marine Academy is a shining example of a Government project in which public funds were used to maximum efficiency, giving material returns to the Government and the people in preparedness and general improvement of a service of national importance.

The Board was most surprised to find that the officers and personnel of the United States Merchant Marine Academy, although on Government pay, do not enjoy retirement rights or security of any kind. That the United States Maritime Service though authorized by the Merchant Marine Act of 1936 and established in ranks, grades, and ratings the same as the United States Coast Guard did not have retirement privileges included in its authority.

It was the general opinion of the Board that in addition to the revision, codification and enactment into law of title 46 of the United States Code, entitled "Shipping", as suggested in article C of part VI of the Superintendent's Report, that a bill be enacted setting forth the name of the United States Merchant Marine Academy at Kings Point, Long Island, N. Y., as a permanent institution—this act to include the complement of cadet-midshipmen consistent with economic operation, with the needs of the industry and the requirements of national defense. Further, to include some form of tenure, security and retirement provisions that will apply to the officers and personnel of the institution and the officers of the United States Maritime Service attached to the Bureau of Maritime Services.

SPECIFIC RECOMMENDATIONS

1. The Board specifically recommends that early action be taken to obtain the passage of H. R. 242, Eighty-first Congress, introduced by Congressman E. J. KEOGH, of New York, authorizing the superintendent to confer a degree of bachelor of science upon Academy graduates after accreditation by any accrediting authority.

2. The Board specifically recommends that the attention of the Maritime Commission and the House Merchant Marine and Fisheries Committee be drawn to the need for adequate tenure and retirement for officers and personnel of the Merchant Marine Academy, consistent with the practices of the United States Government to provide these benefits for all personnel in Government service.

3. The Board specifically recommends that enabling legislation be enacted at an early date setting up the United States Merchant Marine Academy at Kings Point, Long Island, N. Y., as a permanent institution and specifying the complement of cadet-midshipmen at the Academy, and the numerical strength

of the faculty and personnel required for the accomplishment of its mission.

4. The Board specifically recommends that the report of the Sixth Congressional Board of Visitors be incorporated in the CONGRESSIONAL RECORD for the information of all Members of Congress.

CONCLUSIONS

The Board wishes to make part of this record its admiration for the United States Merchant Marine Cadet Corps and its Academy at Kings Point. To commend the Maritime Commission, Rear Adm. Telfair Knight, Chief of the Bureau of Maritime Services; Rear Adm. R. R. McNulty, Supervisor, United States Merchant Marine Cadet Corps, and Rear Adm. Gordon McLintock, Superintendent of the Academy, and his staff for the contribution they are making to the United States merchant marine and to national defense in the development of the high type of officer so necessary to the United States merchant marine, naval power, and to the Nation, both in peace and in the event of war.

The Board was deeply impressed by the cadet-midshipmen it was their pleasure to meet during their visit to the Academy and encourages them to continue in their chosen careers.

The Board wishes to express its appreciation to Rear Adm. Gordon McLintock, the Superintendent, for his generous hospitality to the members of the Board. The Board wishes to express its thanks to the officers and personnel of the Academy for courtesies shown during their inspection of the Academy.

The chairman and members of the Board wish to express their appreciation for the able assistance given by Lt. Comdr. R. E. Salman, secretary to the Board, and Lt. J. A. Walsh, assistant secretary to the Board.

It is the recommendation of the Board that all Members of the Senate and House of Representatives make it a point to become better acquainted with the United States Merchant Marine Academy and its mission. That they visit the Academy at their earliest opportunity to be convinced, as were the members of this Board, of the great need this Academy is filling in our national welfare.

EXTENSION OF REMARKS

Mr. KLEIN (at the request of Mr. EBERHARTER) was given permission to extend his remarks in the RECORD and include two editorials which appeared in the New York Post Home News.

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include an article from the magazine Foreign Agriculture.

Mr. WAGNER asked and was given permission to extend his remarks in the RECORD in two instances and include two very fine editorials from the Cincinnati Post of last Monday.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include an article on the physically handicapped.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal.

Mr. STIGLER asked and was given permission to extend his remarks in the RECORD and include a speech by Judge Brewer, district judge of the thirteenth judicial district of the State of Oklahoma, and also to extend his remarks and include a table.

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include a report of the Americanism commission, Department of Illinois, of the American Legion.

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

UNION DEMOCRACY SUBCOMMITTEE AND THE TAFT-HARTLEY ACT

Mr. JACOBS. 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 Indiana?

There was no objection.

Mr. JACOBS. Mr. Speaker, I have in front of me a half-page advertisement that was published by the National Association of Manufacturers in numerous newspapers throughout the United States in May 1947. In it the NAM told the people that the Taft-Hartley law would guarantee to the American worker the right to speak his own mind regarding his own welfare without fear of being kicked out of the union, or fined.

I also have an article from the Washington Post, issue of October 4, 1949, which discloses that a man by the name of George H. Livengood was expelled as a member of the United Mine Workers Union because he filed suit for an accounting of the miners' welfare fund.

The last paragraph of that article reads as follows:

> At the time the suit was filed, the veteran miner said he believed the Taft-Hartley Act would prevent his expulsion from the UMW.

I wish to call your attention to the cruel hoax that was perpetrated upon the American people by the National Association of Manufacturers and I wonder what responsibility it will assume for their deceiving men like Mr. Livengood. I also bring to your attention the real purpose of the Union Democracy Subcommittee of the House Committee on Education and Labor which was unceremoniously dissolved during the recent recess.

It is also interesting to note that this morning's issue of the Washington Post informs us that the officers of the International Printing Pressmen's and Assistants' Union of North America has filed suit against the estate of the late president of that union. You will recall that this subcommittee of which I was chairman, with the gentleman from North Carolina [Mr. SIMS], the gentleman from Kentucky [Mr. MORTON], and the gentleman from California [Mr. WERDEL] as members, brought to light the facts upon which this action is based. At that time those officers indicated they would not bring this action. In fact, they threatened economic reprisals against their local organizations which insisted that the action be brought. That was the real interest our committee had in the case—to protect, by law, the rights of members to govern their own organizations.

First. I express no opinion regarding the merits of the mine workers' accounting case. I do claim that the courts should be open, and economic coercion to prevent any person from seeking a judicial remedy should be forbidden.

Second. Every member of an economic organization, employee or employer, should be protected in his right to express his opinion and exert his influence in the government of his organization.

Third. Presumably those who approve dissolution of the Union Democracy Subcommittee do not share these views.

The SPEAKER. The time of the gentleman from Indiana has expired.

CAPT. JOHN G. CROMMELIN

Mr. SUTTON. 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 Tennessee?

There was no objection.

Mr. SUTTON. Mr. Speaker, I congratulate Captain Crommelin, of the United States Navy, one of the outstanding heroes of World War II. I regret to say that it looks as if some people in the Pentagon would like to sink the United States Navy. Comparatively few men are better qualified to know of dissension in the naval personnel than are Capt. John G. Crommelin, veteran Navy flier; Vice Adm. Gerald F. Bogan, Commander of the First Pacific Task Fleet; Admiral Arthur W. Radford, Commander in Chief of the Pacific Fleet; and Admiral Louis E. Denfeld, Chief of Naval Operations. Why all the commotion over Captain Crommelin's advising the Navy's paymasters of public disaster? So far as I am concerned, I can see no reason why the contents of the communication prepared by Admiral Gerald F. Bogan and endorsed by Officers Crommelin, Radford, and Denfeld should be classed as a military secret. I often wonder if in the eyes of a chosen few plutocrats that it shall ever remain the plight of the taxpayers of America to spend and spend and fight and fight. I have had occasion to read some of Captain Crommelin's record as a fighting man. His citations and decorations awarded as a result of actual combat almost fill a typewritten page. His outstanding record as a fighting man speaks for itself. No one can question his courage, loyalty, and patriotism. When advancing was the toughest and the fighting the bloodiest, Captain Crommelin was one of the leaders of the attack. It is doubtful if a single American family can boast of five more courageous and loyal fighting men than the Crommelin brothers, all of whom are graduates of the United States Naval Academy. America is proud of the fighting records of Admirals Bogan and Radford. They are men who have rendered most conscientious service to this Nation in times of peril. They are to be congratulated because their patriotism has never been questioned, and, rightfully so, it should never be.

Admiral Louis E. Denfeld is honored and respected as the highest ranking naval officer in this Government. No one doubts but that the respect and admiration in which he is held is warranted. He is in a position to know more about the workings of the naval forces in America than any other living man. In my book, the American people

are entitled to know the observations of these public servants and should have the benefit of their views where the safety of this Nation is at stake.

I do not propose to defend Captain Crommelin against some petty regulation of the Navy. Possibly he did violate some rule that has been perfected by some plutocrat who was trying to shield some of the mistakes that any man might make, because the individual who makes no mistakes is the individual who does nothing. It appears to me that in this particular case, the regulations and red tape were so strong that it was apparent to Captain Crommelin that even at the sacrifice of his naval career it was necessary that the people of America know of the dissension in the armed services.

Personally, I do not know and have never had the pleasure of meeting Captain Crommelin, but from my experience in the Navy, I congratulate him on the courage that he has displayed in making the investigation that is now under way in the Armed Services Committee of the House of Representatives possible. If Captain Crommelin had exposed military secrets that would have endangered the security of this country, his situation would, in my opinion, be more grave.

At this point I cannot help but recall the plight of the late and lamented Brig. Gen. Billy Mitchell. We all recall that because of his visions pertaining to the Air Corps, he was court-martialed and in lieu of being sentenced, resigned his commission and retained the rank of colonel. Many years passed before the American people realized the great injustice that had been done him and in 1943 the Congress promoted the then deceased Colonel Mitchell to the rank of major general, effective as of 1945. They further gave his son a special posthumous medal. As for me, I care not for your posthumous decorations.

I regret exceedingly to know of the dissension in the ranks of our uniformed services. America has the greatest Army, Navy and Air Force in the world. We are blessed with the greatest natural resources of the world. America has made more progress than all the rest of the world combined. Is it not passing strange that we cannot have team play, cooperation, friendship, and coordination in our armed services?

In our American athletic contests, the coaches and those in charge, are always delighted to have the benefit of the views of those on the team in stressing weaknesses. Oftentimes one of the members of the team is much more qualified to detect an existing weak spot than is anyone else. Those in charge always make the best of such criticism and congratulate their players for the interest they have manifested in team play. Why cannot we have such cooperation among our armed services? I will in no way ever criticize the necessity of air power or of the doughboy, but, on the other hand, I am just as strongly convinced that a strong Navy is an absolute necessity for the defense of this Nation.

Now just what is the Navy's place in the national military picture? Judging by some of the articles I have recently read, there are people, some of them in high places, who do not think that it has any place. Because, they say, the next war is going to be won in 30 days. According to my way of thinking, this is asinine. They say that victory will be accomplished by sending fleets of long-range bombers from here or from some place closer if that happens to be convenient. These planes will proceed to about 70 enemy strategic industrial centers or cities. A sufficient number of these planes will be equipped with the atom bomb and they will deliver the coup de grace without any preliminary foolishness. The bombers, as some concession to possible enemy retaliatory action, will be concealed in rather large formations of other bombers for their protection. This coupled with the great altitude of approach will preclude serious opposition by the enemy who, we are assured, will be too dazed or incompetent to offer serious resistance. Although none of our pilots will have previously flown over the enemy territory and would in any event be too high to recognize it, each is expected to go straight to his allotted target, and from 30,000 to 50,000 feet drop the absolute weapon, within, we shall say, not more than half a mile of the bull's-eye of the target. A magic radar set is to identify the target to the pilot and bombardier; and when smoke clears away, what is left of the mangled enemy will be faintly heard to be crying the quivalent of "Uncle."

Now this is the kind of war which has great appeal for people who yearly spend billions of dollars on horse and dog races. But the human race has never been and never will be able to settle its differences with such dispatch. Peoples have looked for short cuts, secret weapons, and gadgets and have employed them with varying success, beginning long before Hannibal's elephants and Greek fire down to the automobile torpedo of the last century, through the tanks and gas of World War I and the buzz bombs of World War II. But invariably and inevitably man has found a way to meet each new instrument of terror and destruction. Some of them have been added to the arsenal of what we like to call our civilized communities. Others have been discarded. We have a bad habit of slogans as substitutes for mental perspiration. We like to speak of today as the "Atomic Age" or the "Air Age" and that seems to imply that the past is virtually wiped out, and that any reference to previous military experience is merely proof of a state of mental atrophy neatly summed up as "Battleship Admiral thinking."

No doubt that great progress in modern warfare is being and will be made, but so far as I can see there will always be need for the army of occupation. We cannot, must not, and will not permit our shores to be invaded. If we protect America any future wars will continue to be fought on foreign soils. In order to hold our gains in foreign lands, the Navy is an absolute necessity to transport the infantry and their supplies, that will comprise our army of occupation.

I could go on for an hour extolling the virtues of the three arms of our armed forces but reverting to the case of Captain Crommelin, I admire him for his forthright statement and for his guts in coming out for the preservation of the United States and defending the morals of the United States Navy.

It is unfortunate that it was necessary that he violate naval regulations, but if such a violation was his only means of awakening the Congress of the United States and the American people, his courage is to be heralded over this land.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a resolution, and in the other a radio broadcast delivered by him.

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

Mr. GWINN (at the request of Mr. RICH), was given permission to extend his remarks in the RECORD in two instances.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Bristol Courier, entitled "Biggest Raid in History."

Mr. MILLER of Maryland asked and was given permission to extend his remarks in the RECORD.

Mr. McGREGOR asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Mount Vernon News.

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

Mr. FARRINGTON asked and was given permission to extend his remarks in the Record in two instances, and include in one a newspaper article.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Des Moines Register and Tribune.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in two instances and include statements and excerpts.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an article from Popular Science called the Mechanical Cow.

FORT KNOX GOLD

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I wish to serve notice that if and when the resolution to create a congressional committee to go down to Fort Knox to take a look at that gold which it is said we have there, introduced by the gentleman from Pennsylvania [Mr. KEARNS], is brought before the House in view of the proceedings of yesterday

on H. R. 6000 and the action of the administration in using that $11,000,000,000 social-security money for purposes other than for which it was taken from the taxpayers, I shall offer an amendment to that resolution instructing the committee that if and when they see those bars of gold stored at Fort Knox, they insist that the bars be cut in two so as to ascertain whether or not they are plated or solid gold all the way through.

The SPEAKER. The time of the gentleman from Michigan has expired.

LOBBYING ACTIVITIES

Mr. CANFIELD. 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 Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, you have just announced the appointment of a committee of the House to study lobbying, which leads me to ask my colleagues of the House, Have you been, perchance, visited by the Sesqui lobbyists, those who are seeking to get $3,000,000 for the big birthday party in Washington, D. C., next year? Let me tell you about one approach, and later I will tell you about some others. Yesterday they visited a Congressman, a Member of this body from New England, and this was the approach: "Brother Congressman, you ought to vote for this $3,000,000." "Why?" "Because it is going to mean employment in your State." "How?" "Don't you have an artist colony in your State?" "Yes." "Well, we are going to appoint a lot of those fellows to come down to Washington to paint ornate murals and other pictures for this birthday party."

Next week another episode of this lobbying activity.

VETERANS' ADMINISTRATION AND CENSUS WORK

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

Thre was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have always felt that the Veterans' Administration should be a Department with a Cabinet head. The Administration is pushed around from pillar to post. If the census work is done in Philadelphia, the Veterans' Administration will have to move their district office employing 1,441 persons, and their records center employing 248 persons. Other veterans' offices also are housed there. The Veterans' Administration here in Washington was delayed for months in their work of paying GI insurance dividends because the necessary office space was held by the War Assets Administration. The Veterans' Administration should be given more consideration, the veterans' work could be accomplished very much better and more promptly if a Cabinet position was created. During the war the work for the soldiers was given priority. The soldiers won the war. The veterans come last. The Veterans' Administration has no other space where they can move their offices. It is a very unfair situation.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1950

Mr. KIRWAN. Mr. Speaker, I call up the conference report on 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, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

Mr. D'EWART. Mr. Speaker, I wish to make a point of order against a provision of this bill.

The SPEAKER. The gentleman can reserve the right to make that point of order later.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

Mr. RANKIN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with and that it be printed in the RECORD at this point.

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

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1380)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3838) maki g appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 31, 32, 44, 48, 54, 68, 73, 112, 138, 145, 146, 147, 151, 159, 165, 173, 176, 183, 184, 185, and 191.

That the House recede from its disagreement to the amendments of the Senate numbered 1 4, 5, 7, 8, 9, 10, 15, 19, 22, 23, 24, 25, 26, 27, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 45, 49, 51, 52, 53, 55, 56, 57, 58, 60, 61, 62, 65, 72, 74, 75, 78, 81, 82, 86, 88, 89, 90, 91, 114, 117, 118, 120, 121, 122, 124, 129, 139, 140, 142, 149, 152, 153, 154, 155, 157, 158, 160, 161, 163, 168, 169, 170, 171, 179, 180, 181, 182, 187, 188, 190, 192, 193, 194, 195, 196, and 197, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$203,750"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$347,500"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,005,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,450,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$657,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$200,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,100,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,037,500"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$137,500"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In line 8 of the matter inserted by said amendment, after the words "States of", strike out the following: "Montana,"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "two hundred and twenty-five passenger motor vehicles, of which two hundred shall be"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,520,625"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$249,750"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with amendment, as follows: In lieu of the sum proposed by said amendment insert "$189,625"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,313,750"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$35,150"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,063,750"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,150,000"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$397,833"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,477,050"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$379,050"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,071,250"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$418,575"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$325,000"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$315,250"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$507,350"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$161,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$294,000"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$360,000"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,145,000"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$421,500"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,000"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$173,475"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$105,025"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$95,050"; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$198,647"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$200,000"; and the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,600,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,504,860"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,400,000"; and the Senate agree to the same.

Amendment numbered 123: That the House recede from its disagreement to the amendment of the Senate numbered 123, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,093,125"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$68,000,000"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$897,250"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,750,000"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$658,333"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$359,450"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$725,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$48,800"; and the Senate agree to the same.

Amendment numbered 175: That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$367,000"; and the Senate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,755,500"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,266,430"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 11, 17, 20, 38, 46, 47, 50, 63, 64, 66, 67, 80, 83, 108, 109, 115, 119, 125, 128, 130, 131, 132, 133, 134,

135, 144, 148, 156, 162, 164, 166, 167, 172, 174, and 189.

MICHAEL J. KIRWAN,
W. F. NORRELL,
HENRY M. JACKSON,
CLARENCE CANNON,
BEN F. JENSEN,
IVOR D. FENTON,
Managers on the Part of the House.

CARL HAYDEN,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
KENNETH S. WHERRY,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on 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, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

OFFICE OF THE SECRETARY

Amendment No. 1: Appropriates $1,282,675 for salaries, Office of the Secretary, as proposed by the Senate, instead of $1,275,000, as proposed by the House.

Amendment No. 2: Appropriates $203,750 for salaries and expenses, Division of Territories and Island Possessions, instead of $190,000, as proposed by the House, and $217,500, as proposed by the Senate.

Amendment No. 3: Appropriates $347,500 for salaries and expenses, Oil and Gas Division, instead of $325,000, as proposed by the House, and $370,000, as proposed by the Senate.

Amendment No. 4: Authorizes not to exceed $115,000 for personal services in the District of Columbia for soil and moisture conservation activities, as proposed by the Senate, instead of $107,000, as proposed by the House.

Amendment No. 5: Appropriates for soil and moisture conservation $2,800,000, as proposed by the Senate, instead of $2,600,000, as proposed by the House. The managers on the part of both Houses intend that $165,000 be available for airplane seeding with earthen pellets.

Amendment No. 6: Reported in disagreement.

CONTINUING FUND, SOUTHWESTERN POWER FACILITIES

Amendment No. 7: Strikes out the words "of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies", as proposed by the House, and in lieu thereof inserts the words "of facilities for the transmission and distribution of electric power and energy to public bodies, cooperatives, and privately owned companies," as proposed by the Senate.

BONNEVILLE POWER ADMINISTRATION

Amendments Nos. 8, 9, and 10, relating to Bonneville Power Administration: Appropriates $30,284,500, as proposed by the Senate, instead of $29,927,500, as proposed by the House; inserts the proposal of the Senate for the Kerr-Anaconda transmission line; and provides contract authorization in the sum of $16,239,500, as proposed by the Senate, instead of $15,725,000, as proposed by the House.

The conferees concur in the distribution of funds as set forth in the table appearing at page 650 of the Senate hearings, including modifications indicated on page 5 of the Senate report, and also modifications to the extent required to permit the following adjustments therein, occasioned by developments in the Bonneville transmission program subsequent to submission of the annual budget in January 1949:

	Cash	Contract authorization
(1) Columbia-Midway No. 2	−$30,000	−$250,000
(2) Goldendale-Detroit	−95,000	−725,000
(3) Grand Coulee-Midway No. 3	+125,000	+975,000
(4) Ice Harbor	−297,500	−85,000
(5) Bremerton regulator		
(6) Orcas Island service		
(7) City of Seattle service: Snohomish-Arlington, Snohomish-Bothell		
(8) Camas substation	+654,500	+599,500
(9) Lebanon substation		
(10) Columbia-Keokuk service		
(11) Cowlitz-Longview		
(12) Tools and equipment		

It is the further understanding of the conferees that the administrator may make such adjustments in funds allocated for any of the authorized facilities as may be required by changed operating conditions and that the construction of the McNary-La-Grande transmission facility should be scheduled by the administrator as he determines to be necessary for a balanced program.

The appropriation and contract authority recommended for fiscal 1950 are less than the sums requested in the Budget for the Bonneville Power Administration.

Amendment No. 11: Reported in disagreement.

BUREAU OF LAND MANAGEMENT

Amendment No. 12: Appropriates $1,005,000 for salaries and expenses, instead of $975,000, as proposed by the House, and $1,035,000, as proposed by the Senate.

Amendment No. 13: Appropriates $3,450,000 for management, protection, and disposal of public lands, instead of $3,300,000, as proposed by the House, and $3,525,000, as proposed by the Senate. This action adds to the sum proposed by the House as follows:

(1) Survey of public lands:
(a) in the United States $62,500
(b) in Alaska 75,000
(2) Squaw Butte Station, Oregon 12,500

REVESTED OREGON AND CALIFORNIA LANDS

Amendment No. 14: Appropriates $657,500 for expenses, instead of $500,000, as proposed by the House, and $675,000, as proposed by the Senate.

Amendments Nos. 15 and 16 relating to acquisition and construction of access and connecting roads: Substitutes clarifying language as proposed by the Senate in lieu of that proposed by the House, and authorizes contractual obligations in the sum of $200,000 for such purpose, instead of $150,000, as proposed by the House, and $250,000, as proposed by the Senate.

BUREAU OF INDIAN AFFAIRS

Amendment No. 17: Reported in disagreement.

Amendment No. 18: Appropriates $3,100,000 for salaries and expenses, field administration, instead of $3,000,000, as proposed by the House, and $3,200,000, as proposed by the Senate. The $100,000 addition to the total appropriation proposed by the House is for labor recruitment and placement service.

Amendment No. 19: Appropriates $5,350,000 for the Alaska native service, as proposed by the Senate, instead of $5,000,000, as proposed by the House; and provides, in addition to the total appropriation proposed by the House, $350,000 for conservation of health.

Amendment No. 20: Reported in disagreement.

Amendment No. 21: Appropriates $3,037,500 for construction and maintenance services, instead of $3,000,000, as proposed by the House, and $3,075,000, as proposed by the Senate.

Amendment No. 22: Appropriates $6,014,975 for agency services, as proposed by the Senate, instead of $5,000,000, as proposed by the House.

Amendment No. 23: Appropriates $12,982,000 for education of Indians, as proposed by the Senate, instead of $12,200,000, as proposed by the House.

Amendment No. 24: Appropriates $7,917,000 for conservation of health, as proposed by the Senate, instead of $7,731,000, as proposed by the House.

Amendments Nos. 25 and 26, relating to welfare of Indians: Appropriates $900,000, as proposed by the Senate, instead of $500,000, as proposed by the House, and strikes out, as proposed by the Senate, a prohibition proposed by the House on the use of such appropriation as payment to Indians eligible for benefit payments under the Social Security Act.

Amendment No. 27: Appropriates $860,000 for Agriculture and stock raising, as proposed by the Senate, instead of $850,000, as proposed by the House.

Amendment No. 28: Appropriates $3,000,000 for the revolving loan fund, instead of $500,000, as proposed by the House, and $3,400,000, as proposed by the Senate.

Amendment No. 29: Appropriates $137,500 for acquisition of lands, instead of $125,000, as proposed by the House, and $150,000, as proposed by the Senate.

Amendment No. 30: Inserts the proposal of the Senate prohibiting the acquisition of land or water rights in certain states, but excludes the State of Montana which was carried in the Senate proposal.

Amendment No. 31: Deletes the Senate proposal to confer court jurisdiction for condemnation proceedings respecting certain land in Comanche County, Oklahoma.

Amendment No. 32: Deletes the Senate proposal to transfer certain real property at Ft. Sill, Oklahoma.

Amendments Nos. 33 and 34 respecting operation and maintenance of irrigation systems: Appropriates $469,800, as proposed by the Senate, instead of $450,000, as proposed by the House, and requires that the sum to be reimbursable shall be $335,253, as proposed by the Senate, instead of $315,453, as proposed by the House.

Construction, irrigation systems

Amendment No. 35: Appropriates $150,000 for the Flathead project, Montana, as proposed by the Senate, instead of $127,500, as proposed by the House.

Amendment No. 36 relating to the Wapato project in Washington: Inserts the words "numbered 3" to clarify the paragraph, as proposed by the Senate.

Construction, buildings and utilities

Amendment No. 37: Appropriates $15,000 for Pima, Arizona, as proposed by the Senate.

Amendment No. 38: Reported in disagreement.

Amendment No. 39: Appropriates $68,000 for Red Lake School, Minnesota, as proposed by the Senate.

Amendment No. 40: Appropriates $244,500 for Oklahoma: Western Oklahoma, as proposed by the Senate instead of $76,500 as proposed by the House.

Amendment No. 41: Appropriates $15,000 for Umatilla, Oregon, as proposed by the Senate.

Amendment No. 42: Appropriates $86,000 for Colville, Washington, as proposed by the Senate.

Amendment No. 43: Appropriates $48,450 for Menominee, Wisconsin, as proposed by the Senate, instead of $31,450, as proposed by the House.

Amendment No. 44: Authorizes contracts to be entered into in the amount of $637,500 in Alaska, as proposed by the House, instead of $1,387,500, as proposed by the Senate.

Amendment No. 45: Appropriates $237,750 for surveys, plans, and administrative expenses, as proposed by the Senate, instead of $233,750, as proposed by the House.

Amendments Nos. 46 and 47: Reported in disagreement.

Roads

Amendment No. 48: Appropriates $2,750,000 for Indian reservation roads, as proposed by the House, instead of $2,800,000, as proposed by the Senate.

Miscellaneous Indian tribal funds

Amendment No. 49: Appropriates $440,000 for administration of Indian tribal affairs, as proposed by the Senate, instead of $390,000, as proposed by the House.

Amendment No. 50: Reported in disagreement.

Amendment No. 51: Appropriates $304,500 for support of Klamath Agency, Oregon, as proposed by the Senate, instead of $300,000, as proposed by the House.

Amendment No. 52: Appropriates $235,000 for support of Menominee Agency, Wisconsin, as proposed by the Senate, instead of $234,000, as proposed by the House.

Amendment No. 53: Appropriates $86,800 for compensation of attorneys, as proposed by the Senate, instead of $55,000, as proposed by the House.

Amendment No. 54: Strikes out the proposal of the Senate to appropriate $10,000 for compensation of attorneys in California and to declare certain Indians to be an identifiable group within the meaning of the Indian Claims Commission Act of 1946.

The action of the conferees in eliminating Amendment No. 54 is not to be construed as the expression of an opinion by the conferees with respect to the authority of the Indian Claims Commission under the Act of August 13, 1946, to recognize the Indians of California or any other Indians as an identifiable group within the meaning of that Act.

Amendments Nos. 55 and 56: Appropriates $496,000 for industrial assistance and provides $100,000 thereof to be available for Blackfeet, Montana, instead of appropriating $396,000, as proposed by the House.

Amendment No. 57: Appropriates $1,014,000 for support of Indian Schools, as proposed by the Senate, instead of $987,000, as proposed by the House.

Amendment No. 58: Appropriates $75,000 for the Yakima Agency, Washington, as proposed by the Senate.

General provisions, Bureau of Indian Affairs

Amendment No. 59: Authorizes the purchase of not to exceed 225 motor vehicles (of which 200 shall be for replacement only), instead of 200, as proposed by the House, and 250, as proposed by the Senate.

Amendment No. 60: Authorizes not to exceed $5,000 for employment of consultants at not to exceed $100 per diem, as proposed by the Senate.

BUREAU OF RECLAMATION

Administrative provisions

Amendment No. 61: Authorizes purchase of not to exceed 230 motor vehicles, as proposed by the Senate, instead of 200, as proposed by the House.

Amendment No. 62: Authorizes the use of not to exceed $100,000 for employment of consultants at not to exceed $100 per diem, as proposed by the Senate.

Amendment No. 63: Reported in disagreement.

Amendment No. 64: Reported in disagreement.

General investigations

Amendment No. 65: Appropriates $3,700,000 for general investigations, as proposed by the Senate, instead of $3,500,000, as proposed by the House.

The managers on the part of both Houses approved $100,000 for the Solano County project, California, with the understanding that it is to be used only for investigations and general engineering in connection with this project and such approval does not represent a committal to the project and should not be so interpreted.

Amendment No. 66: Reported in disagreement.

Construction

Amendment No. 67: Reported in disagreement.

Amendment No. 68: Deletes the proposal of the Senate to appropriate $250,000 for the San Luis Valley project, Colorado.

Amendment No. 69: Appropriates $2,520,625 for the Boise project, Idaho, Payette division, instead of $2,316,250, as proposed by the House, and $2,725,000, as proposed by the Senate.

Amendment No. 70: Appropriates $249,750 for the Lewiston Orchards project, Idaho, instead of $229,500, as proposed by the House, and $270,000, as proposed by the Senate.

Amendment No. 71: Appropriates $189,625 for the Palisades project, Idaho, instead of $174,250, as proposed by the House and $205,000, as proposed by the Senate.

Amendment No. 72: Appropriates $64,240 for the Milk River project, Montana, Fresno Dam division, as proposed by the Senate, instead of $60,775, as proposed by the House.

Amendment No. 73: Deletes the proposal of the Senate to appropriate $500,000 for emergency rehabilitation on the Humboldt project, Nevada.

Amendment No. 74: Strikes from the bill the House proposal to appropriate $582,250 for the Tucumcari project, New Mexico, as proposed by the Senate. (This appropriation is reinserted elsewhere in the bill.)

Amendment No. 75: Appropriates $14,450 for the Rio Grande project, New Mexico-Texas, as proposed by the Senate, instead of $17,000, as proposed by the House.

Amendments Nos. 76 and 77 relating to the Deschutes project, Oregon: Appropriates $1,313,750, instead of $1,162,800, as proposed by the House, and $1,464,700, as proposed by the Senate, and authorizes not to exceed $35,150 for emergency rehabilitation work in the Arnold irrigation district, instead of $32,300, as proposed by the House, and $38,000, as proposed by the Senate.

Amendments Nos. 78 and 79 relating to the Deschutes project, Oregon: Correct language and authorize not to exceed $1,063,750 for emergency reconstruction of Ochoco Dam, instead of $977,500, as proposed by the House, and $1,150,000, as proposed by the Senate.

Amendment No. 80: Reported in disagreement.

Amendment No. 81: Appropriates $803,460 for the Klamath project, Oregon-California, as proposed by the Senate, instead of $850,000, as proposed by the House.

Amendment No. 82: Appropriates $219,170 for the Ogden River project, Utah, as proposed by the Senate, instead of $242,250, as proposed by the House.

Amendment No. 83: Reported in disagreement.

Amendment No. 84: Appropriates $4,150,000 for the Provo River project, Utah, instead of $3,400,000, as proposed by the House, and $4,542,600, as proposed by the Senate.

Amendment No. 85: Appropriates $397,833 for the Yakima project, Washington, Roza division, instead of $382,462, as proposed by the House, and $413,205, as proposed by the Senate.

Amendment No. 86: Appropriates $1,327,910 for the Kendrick project, Wyoming, as proposed by the Senate, instead of $1,428,000, as proposed by the House.

Amendment No. 87: Appropriates $2,477,050 for the Riverton project, Wyoming, instead of $2,321,350, as proposed by the House, and $2,632,750, as proposed by the Senate.

Amendment No. 88: Includes a survey for the Pilot Butte division, as proposed by the Senate.

Amendment No. 89: Appropriates $107,400 for the Shoshone project, Wyoming, Power division, as proposed by the Senate, instead of $119,000, as proposed by the House.

Amendment No. 90: Appropriates $60,000 for the Willwood division, as proposed by the Senate.

Operation and maintenance, reclamation projects

Amendment No. 91: Appropriates not to exceed $3,369,200 for the Parker Dam power project, as proposed by the Senate, instead of $3,200,000, as proposed by the House.

Amendment No. 92: Appropriates $379,050 for the Central Valley project, instead of $365,900, as proposed by the House, and $392,200, as proposed by the Senate.

Amendment No. 93: Appropriates not to exceed $1,071,250 from power revenues of the Central Valley project, instead of $1,034,100, as proposed by the House, and $1,108,400, as proposed by the Senate.

Amendment No. 94: Appropriates not to exceed $418,575 for Colorado-Big Thompson project, instead of $400,000, as proposed by the House, and $437,150, as proposed by the Senate.

Amendment No. 95: Appropriates $325,000 for the Boise project, Idaho, instead of $300,000, as proposed by the House, and $350,000, as proposed by the Senate.

Amendment No. 96: Appropriates $315,250 for the North Platte project, instead of $300,000, as proposed by the House, and $330,500, as proposed by the Senate.

Amendment No. 97: Appropriates $507,350 for the Rio Grande project, instead of $375,000, as proposed by the House, and $529,700, as proposed by the Senate. In addition to the amount proposed by the House, this action provides for extraordinary repair and maintenance of Elephant Butte dam, including reimbursement of funds already used therefor, the sum of $110,000; and the sum of $22,350 is provided as a general increase.

Amendment No. 98: Appropriates $161,000 for the Deschutes project, Oregon, instead of $150,000, as proposed by the House, and $172,000, as proposed by the Senate.

Amendment No. 99: Appropriates $294,000 for the Klamath project, instead of $285,000, as proposed by the House, and $303,000, as proposed by the Senate.

Amendment No. 100: Appropriates $360,000 for the Owyhee project, instead of $350,000, as proposed by the House, and $370,000, as proposed by the Senate.

Amendment No. 101: Appropriates $2,145,000 for the Columbia Basin project, instead of $2,100,000, as proposed by the House, and $2,190,000, as proposed by the Senate.

Amendment No. 102: Appropriates $421,500 for the Yakima project, instead of $402,000, as proposed by the House, and $441,000, as proposed by the Senate.

Amendment No. 103: Authorizes not to exceed $24,000 from power revenues to be available for operation and maintenance of the power systems of the Yakima project, instead of $23,000, as proposed by the House, and $25,000, as proposed by the Senate.

Amendment No. 104: Appropriates $173,475 for the Riverton project, instead of $161,950, as proposed by the House, and $185,000, as proposed by the Senate.

Amendment No. 105: Authorizes not to exceed $105,025 from power revenues of the Riverton project to be used for operation and maintenance of the commercial system, instead of $98,050, as proposed by the House, and $112,000, as proposed by the Senate.

Amendment No. 106: Appropriates $95,050 for the Shoshone project, instead of $89,000, as proposed by the House, and $101,100, as proposed by the Senate.

Amendment No. 107: Authorizes not to exceed $198,647 from the power revenues of the Shoshone project to be used for the operation and maintenance of the commercial system, instead of $186,000, as proposed by the House, and $211,295, as proposed by the Senate.

General fund, Alaskan investigations

Amendment No. 108: Inserts clarifying language relating to the submission of reports to Congress as proposed by the Senate.

Amendment No. 109: Reported in disagreement.

Amendment No. 110: Appropriates $200,000 for engineering and economic investigations, instead of $150,000, as proposed by the House, and $250,000, as proposed by the Senate.

General fund, construction

Amendment No. 111: Appropriates $4,600,000 for the Gila project, instead of $4,250,000, as proposed by the House, and $4,833,750, as proposed by the Senate.

Amendment No. 112: Deletes the Senate proposal to include $25,000 for additional plans in connection with the Gila project.

Amendment No. 113: Appropriates $36,504,860 for the Davis Dam project, instead of $32,928,150, as proposed by the House, and $37,504,860, as proposed by the Senate.

Amendment No. 114: Appropriates $110,290 for the Parker Dam power project, as proposed by the Senate, instead of $117,300, as proposed by the House.

Amendment No. 115: Reported in disagreement.

Amendment No. 116: Appropriates $6,400,000 for advances to the Colorado River Dam fund, instead of $6,375,000, as proposed by the House, and $6,761,650, as proposed by the Senate. This action provides an additional amount of $25,000 for plans for the Boulder City schools.

Amendments Nos. 117 and 118 relating to the Central Valley project, California: Appropriates $60,789,890 as proposed by the Senate instead of $53,550,000, as proposed by the House, and includes a limitation, proposed by the Senate, whereby not to exceed $100,000 is to be available for making examinations and surveys of power facilities and not to exceed $2,000,000 is for construction of the Shasta-Tracy (westside) transmission lines numbered 1 and 2. This action provides funds for the facilities indicated in the respective amounts shown on the following table:

1. Joint facilities	$3,250,000.00
2. Irrigation facilities	41,352,190.07
3. Power facilities:	
Examinations and surveys	100,000.00
Shasta power plant	1,000,000.00
Keswick Dam	2,[illegible]50,000.00
Keswick Power Plant	769,000.00
Delta Steam Power Plant	----------
Switchyards:	
Shasta switchyard	48,000.00
Keswick switchyard	266,000.00
Elverta switchyard	----------
Tracy switchyard	[1] 3,250,000.00
Transmission lines:	
Shasta-Tracy via Oroville-Sacramento 1-230-kv	$2,600,000.00
Shasta-Tracy (west side) 1 and 2 (2-230-kv)	2,000,000.00
Keswick-Tracy via Elverta 1-115-kv	----------
Elverta-Roseville 2-115-kv	----------
Galt-Delta cross channel P. P. 1-115-kv	----------
Tracy-Patterson 1-69-kv	----------
Substations:	
Roseville	----------
Redding	----------
Miscellaneous power facilities, Government Camp	20,000.00
Total, power facilities	12,403,000.00
4. Distribution systems (irrigation)	3,000,000.00
5. Contractors' claims	784,699.93
Total	60,789,890.00

[1] Amount is limited to funds needed to complete the Tracy switchyard for project pumping purposes only.

Amendment No. 119: Reported in disagreement.

Amendments Nos. 120 and 121 relating to the Colorado-Big Thompson project: Appropriates $20,172,750, as proposed by the Senate, instead of $18,275,000, as proposed by the House, and includes the Senate proposal for construction of the Brighton to Flatiron transmission line. This action also provides not to exceed $200,000 for construction of the Salida-Gunnison transmission line but provides no funds for constructing the proposed Estes-Valmont transmission line.

Amendment No. 122: Appropriates $2,815,200 for the Fort Peck project, as proposed by the Senate, instead of $1,445,000, as proposed by the House.

Amendment No. 123: Appropriates $22,093,125 for the Hungry Horse project, instead of $20,400,000, as proposed by the House, and $23,786,250, as proposed by the Senate.

Amendment No. 124: Appropriates $582,250 for the Tucumcari project, as proposed by the Senate.

Amendment No. 125: Reported in disagreement.

Amendment No. 126: Appropriates $68,000,000 for the Columbia Basin project, instead of $59,075,000, as proposed by the House, and $70,034,390, as proposed by the Senate.

Included in the appropriation of $68,000,000 is $100,000 for plans, designs, and initiation of construction of a headquarters building at Ephrata, Washington.

Amendment No. 127: Appropriates $897,250 for the Colorado River front work and levee system, instead of $824,500, as proposed by the House, and $970,000, as proposed by the Senate.

Amendment No. 128: Includes language to provide for emergency reconstruction of the La Prele unit, as proposed by the Senate.

Amendment No. 129: Appropriates $81,668,560 for the Missouri River Basin, as proposed by the Senate, instead of $73,822,500, as proposed by the House. This action provides for projects as set forth in the following table:

Phase A, units selected for construction:	
Big Horn Basin division, Wyoming, Owl Creek unit	$764,640
Bostwick division, Nebraska-Kansas	2,244,130
Boysen division, Wyoming, Boysen unit	7,957,400
Cannonball division, North Dakota, Cannonball unit	2,510,900
Cheyenne division, Wyoming-South Dakota:	
Angostura unit	1,926,150
Keyhole unit	1,680,710
Phase A, units selected for construction—Continued	
Frenchman-Cambridge division, Nebraska	$9,832,150
Grand division, South Dakota, Shadehill unit	3,990,000
Heart division, North Dakota:	
Dickinson unit	871,300
Heart Butte unit	1,117,750
Helena to Great Falls division, Montana, Canyon Ferry unit	7,928,300
Marias division, Montana, Lower Marias unit	1,951,730
Missouri-Souris division, Montana-North Dakota, Missouri diversion unit	[1] 200,000
Montana pumping division, Montana, N-Bar-N unit	552,500
Moreau River division, South Dakota, Bixby unit	3,371,180
North Dakota pumping division, North Dakota, Fort Clark unit	137,270
North Platte division, Wyoming:	
Glendo unit	300,000
Kortes unit	2,097,000
Powder division, Montana-Wyoming, Moorhead unit and Kaycee and Piney units	500,000
Smoky Hill division, Kansas, Cedar Bluffs unit	4,000,000
South Platte division, Colorado, Narrows unit	1,668,510
Transmission division	[2] 8,930,450
Upper Republican division, Colorado-Nebraska-Kansas, St. Francis unit	3,700,000
Yellowstone division, Montana-North Dakota:	
Cartwright unit	44,200
Marsh unit	191,660
Sadie Flat	170,000
Savage unit	102,040
Sidney unit	38,590
Subtotal, phase A	68,778,560
Phase B, units being prepared for construction:	
Big Horn Basin, Wyo.:	
Hanover unit	100,000
Shoshone extension unit	200,000
Cheyenne division, Wyoming-South Dakota, Rapid Valley unit	100,000
Columbus division, Nebraska	500,000
Grand Island division, Nebraska	120,000
Helena-Great Falls division, Montana, Helena Valley unit	90,000
James division, South Dakota, Oahe unit	700,000
Jefferson division, Montana, East Bench unit	236,000
Lower Big Horn division, Montana-Wyoming, Hardin unit	500,000
Middle Loup division, Nebraska	980,000
Missouri-Souris division, Montana-North Dakota:	
Crosby-Mohall unit	515,000
Devils Lake unit	35,000
Jamestown unit	150,000
Missouri diversion union	([3])

[1] In addition, contract authorization of $4,364,000 and use in phase A of $216,000 of 1949 unobligated balance.

[2] Includes $2,000,000 cash for transmission lines in North Dakota. In addition $2,000,000 contract authorization for these transmission lines in North Dakota.

[3] Transferred to phase A, note footnote 1.

Phase B, units being prepared for construction—Continued	
Montana pumping division, Montana:	
Nickwall unit	$25,000
Redwater unit	25,000
North Dakota pumping division, North Dakota, Painted Woods unit	60,000
Three Forks Division, Montana, Crow Creek unit	104,000
White Division, South Dakota, Pine Ridge unit	100,000
Yellowstone Division, Montana-North Dakota:	
Colgate unit	20,000
Elm Coulee unit	30,000
Seven Sisters unit	33,000
Stipek unit	67,000
Subtotal, phase B	4,690,000
Phase C, continuing work on the general plan of development	2,615,000
Phase D, work in cooperation or in connection with activities of the Corps of Engineers	85,000
Other Department of Interior agencies:	
Bureau of Land Management	450,000
Bureau of Mines	175,000
Fish and Wildlife Service	475,000
Geological Survey	3,700,000
National Park Service	375,000
Bureau of Indian Affairs	325,000
Subtotal, other departmental agencies	5,500,000
Total, Missouri River Basin project	81,668,560

Amendments Nos. 130, 131, 132, 133, 134, and 135: Reported in disagreement.

GEOLOGICAL SURVEY

Amendment No. 136: Appropriates $5,750,000 for topographic surveys, instead of $5,500,000, as proposed by the House, and $6,000,000, as proposed by the Senate.

Amendment No. 137: Authorizes not to exceed $658,333 of the appropriation for topographic surveys to be spent for personal services in the District of Columbia, instead of $650,000, as proposed by the House, and $666,666, as proposed by the Senate.

Amendment No. 138: Appropriates $3,500,000 for geologic surveys, as proposed by the House, instead of $3,520,000, as proposed by the Senate.

Amendment No. 139: Appropriates $500,000 for mineral resources of Alaska, as proposed by the Senate, instead of $425,000, as proposed by the House.

Amendment No. 140: Appropriates $4,125,000 for gaging streams, as proposed by the Senate, instead of $4,000,000, as proposed by the House.

Amendment No. 141: Authorizes not to exceed $359,450 of the appropriation for gaging streams to be spent for personal services in the District of Columbia, instead of $350,000, as proposed by the House, and $368,900, as proposed by the Senate.

Amendment No. 142: Authorizes payments of compensation and expenses of the United States representative in administering the compact as approved by Public Law 82, 81st Congress, as proposed by the Senate.

Amendment No. 143: Appropriates $725,000 for engraving and printing maps, instead of $700,000, as proposed by the House, and $750,000, as proposed by the Senate.

Amendment No. 144: Reported in disagreement.

BUREAU OF MINES

Amendment No. 145: Appropriates $500,000 for control of fires in inactive coal deposits, as proposed by the House, instead of $250,000, as proposed by the Senate.

Amendment No. 146: Appropriates $621,000 for testing fuel, as proposed by the House, instead of $656,000, as proposed by the Senate.

Amendment No. 147: Deletes the Senate proposal for the Bureau of Mines to reacquire certain property known as Plancor 587.

Amendment No. 148: Reported in disagreement.

Amendments Nos. 149 and 150: Appropriates $690,000 for oil and gas investigations, as proposed by the Senate, instead of $650,000, as proposed by the House, and authorizes not to exceed $48,800 to be spent for personal services in the District of Columbia, instead of $46,000, as proposed by the House, and $51,600, as proposed by the Senate.

Amendment No. 151: Deletes the Senate proposal for an appropriation of $30,000 for construction planning of an experiment station at Reno, Nevada.

Amendment No. 152: Appropriates $260,000 for buildings and grounds, Pittsburgh, Pennsylvania, as proposed by the Senate, instead of $250,000, as proposed by the House.

Amendments Nos. 153 and 154: Appropriates $950,000 for economics of mineral industries, as proposed by the Senate, instead of $800,000, as proposed by the House, and authorizes not to exceed $792,250 to be spent for personal services in the District of Columbia, as proposed by the Senate, instead of $660,000, as proposed by the House.

Amendment No. 155: Authorizes the purchase of 151 motor vehicles, as proposed by the Senate (of which 137 shall be for replacement as proposed by the Senate), instead of 137, as proposed by the House.

Amendment No. 156: Reported in disagreement.

NATIONAL PARK SERVICE

Amendment No. 157: Appropriates $856,000 for salaries and expenses for general administration, as proposed by the Senate, instead of $756,000, as proposed by the House.

Amendment No. 158: Appropriates $227,800 for recreational areas, as proposed by the Senate, instead of $410,000, as proposed by the House.

Amendment No. 159: Deletes the Senate proposal to appropriate $63,600 for the Travel Division.

Amendment No. 160: Appropriates $180,000 for investigations and studies of recreational resources and for the survey and excavation of archeological resources in river basins, as proposed by the Senate.

Amendment No. 161: Appropriates $300,000 for acquisition of lands, as proposed by the Senate, instead of $250,000, as proposed by the House.

Amendment No. 162: Reported in disagreement.

Amendment No. 163: Appropriates $7,500,000 for parkways, as proposed by the Senate, instead of $6,600,000, as proposed by the House.

Amendment No. 164: Reported in disagreement.

Amendment No. 165: Appropriates $7,500,000 for roads and trails, as proposed by the House, instead of $7,368,200, as proposed by the Senate.

Amendment No. 166: Reported in disagreement.

Amendment No. 167: Reported in disagreement.

FISH AND WILDLIFE SERVICE

Amendment No. 168: Appropriates $2,696,500 for propagation of food fishes, as proposed by the Senate, instead of $1,985,000, as proposed by the House.

This action, in addition to restoring $70,500 which was proposed by the House to be eliminated and approving $75,000 for repair of damage at fish cultural stations, as proposed in Senate Document No. 80, provides the sum of $566,000 for the development or rehabilitation of the following fish cultural stations: Bald Hill Dam, N. Dak. (including $6,000 for transfer to the Corps of Engineers for installation of a siphon); North Attleboro, Mass.; Erwin, Tenn.; Nashua, N. H.; Warm Springs, Ga.; Hot Springs and Dexter, N. Mex.; Ennis and Bozeman, Mont.; White Sulphur Springs, W. Va.; Williams Creek (McNary), Ariz., and Quilcene, Wash.

A fair and equitable distribution of funds should be made so as to make provision for each of the foregoing stations.

Amendment No. 169: Authorizes the expenditure of not to exceed $66,000 for repair and rehabilitation of fish cultural facilities at Warm Springs, Ga., as proposed by the Senate.

Amendments Nos. 170 and 171: Includes language for the investigation in connection with sea lampreys as authorized by Act of August 18, 1949, and appropriates $1,546,000 for all investigations respecting food fishes, as proposed by the Senate, instead of $1,250,000, as proposed by the House.

Amendment No. 172: Reported in disagreement.

Amendment No. 173: Appropriates $510,000 for commercial fisheries, as proposed by the House, instead of $530,000, as proposed by the Senate.

Amendment No. 174: Reported in disagreement.

Amendment No. 175: Appropriates $367,000 for wildlife resources and management investigations, instead of $340,000, as proposed by the House, and $394,000, as proposed by the Senate.

Amendment No. 176: Appropriates $388,000 for protection of migratory birds, as proposed by the House, instead of $410,000, as proposed by the Senate.

Amendment No. 177: Appropriates $1,755,500 for maintenance of mammal and bird reservations, instead of $1,600,000, as proposed by the House, and $1,819,500, as proposed by the Senate. This adds to the sum contained in the House bill $91,500 as requested in Senate Documents Nos. 47 and 80, and $64,000 general restoration.

Amendment No. 178: Authorizes not to exceed $1,266,430 of the appropriations for the Fish and Wildlife Service to be expended for personal services in the District of Columbia, instead of $1,250,000, as proposed by the House, and $1,282,860, as proposed by the Senate.

Amendment No. 179: Authorizes the Fish and Wildlife Service to purchase not to exceed 71 motor vehicles, as proposed by the Senate, instead of 64, as proposed by the House.

GOVERNMENT IN THE TERRITORIES

Amendment No. 180: Appropriates $72,700 for expenses of the offices of the Governor of Alaska, as proposed by the Senate, instead of $67,700, as proposed by the House.

Amendments Nos. 181 and 182: Appropriates $26,762,000 for construction, repair, and maintenance of roads, bridges, trails, etc., in Alaska, as proposed by the Senate, instead of $25,692,000, as provided by the House, and authorizes contract authority for the same purpose in the amount of $8,000,000, as proposed by the Senate, instead of $7,000,000, as proposed by the House.

Amendment No. 183: Appropriates $17,000,000 for the Alaska Railroad, as proposed by the House, instead of $25,000,00, as proposed by the Senate.

Amendments Nos. 184 and 185: Deletes the Senate proposals to increase the salaries of two officials of the Alaska Railroad.

Amendment No. 186: Authorizes the Secretary of the Interior to enter into contracts for additional work, materials and equipment for the Alaska Railroad in an amount not to exceed $17,000,000, instead of $12,000,000, as proposed by the House, and $22,000,000, as proposed by the Senate.

Amendment No. 187: Appropriates $32,633 for expenses of offices of the Governor of the Territory of Hawaii, as proposed by the Senate, instead of $26,800 as proposed by the House.

Amendment No. 188: Appropriates $225,583 for the Government of the Virgin Islands, as proposed by the Senate, instead of $223,000, as proposed by the House.

Amendment No. 189: Reported in disagreement.

GENERAL PROVISIONS

Amendment No. 190: Includes a limitation against the performance of new functions in connection with the Jackson Hole National Monument, as proposed by the Senate.

Amendment No. 191: Deletes the Senate language in connection with temporary personal services.

Amendments Nos. 192, 193, and 194: Strikes out House language in connection with the Virgin Islands Company, as proposed by the Senate.

Amendments Nos. 195, 196, and 197: Corrects title and section numbers.

Disclosing construction estimates

Suggestions have been made by contractor's representatives to the effect that estimates of the Bureau of Reclamation on construction work to be performed under contract should be made public at the time of opening the contractor's bids. Inasmuch as this procedure appears to be fair to both the Government and the contractors, the conferees on the part of both Houses believe that such suggestions should be followed.

AMENDMENTS IN DISAGREEMENT

Amendment No. 6, providing that not to exceed $65,000 of the unobligated balance of the fiscal 1949 appropriation for soil and moisture conservation continue available in 1950: The managers on the part of the House will move to recede and concur.

Amendment No. 11, providing that not to exceed 8 percent of any construction appropriation for Bonneville Power Administration be available for construction work by force account, except in emergencies: The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 17, appropriating $22,500 for expenses of the National Indian Institute: The managers on the part of the House will move to recede and concur.

Amendment No. 20, appropriating $150,000 for converting and outfitting a supply ship for the Alaska Native Service: The managers on the part of the House will move to recede and concur.

Amendment No. 38, making $8,000 of the prior year appropriation for Camp Verde Indian School available for cooperation with the Camp Verde, Arizona, public school district: The managers on the part of the House will move to recede and concur.

Amendment No. 46, authorizing unobligated balances of specific authorizations in appropriations for prior years for school districts in Minnesota to be transferred to any other such authorizations: The managers on the part of the House will move to recede and concur.

Amendment No. 47, providing for rescission of $202,418 of unobligated appropriations for construction of (Indian) buildings and utilities: The managers on the part of the House will move to recede and concur.

Amendment No. 50, authorizing increases from $1,500 to $4,500 in the sums to be paid for expenses in the distribution of per capita payments: The managers on the part of the House will move to recede and concur.

Amendment No. 63, providing that payments to school districts in accordance with the Act of June 29, 1948 may include payments on account of dependents of employees engaged in construction and related activities: The managers on the part of the House will move to recede and concur.

Amendment No. 64, authorizing the Bureau of Reclamation to make expenditures through the National Park Service for recreational studies and for recovery of archaeological remains: The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 66, appropriating $500,000 for investigations and plans in the upper Colorado River Basin States: The managers on the part of the House will move to recede and concur.

Amendment No. 67, appropriating $5,185,000 for the Santa Barbara County project, California, Cachuma Unit: The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 80, authorizing the use of not to exceed $100,000 for emergency reconstruction in the Grants Pass irrigation district: The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 83, specifying that the south division of Utah Lake Distributing Company Canal, as part of the Provo River project, Utah: The managers on the part of the House will move to recede and concur.

Amendment No. 108, specifying that reports on engineering and economic investigations made by the Bureau of Reclamation in Alaska shall be made to Congress: The managers on the part of the House will move to recede and concur.

Amendment No. 109, providing that funds appropriated for investigations by the Bureau of Reclamation in Alaska shall remain available until expended: The managers on the part of the House will move to recede and concur.

Amendment No. 115, authorizing the Commissioner of Reclamation to enter into contracts in connection with the Boulder Canyon Project (All-American Canal): The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 119, authorizing payment to certain contractors in settlement of claims against the Bureau of Reclamation in connection with contractors earnings: The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 125, appropriating $750,000 for the Fort Sumner reclamation project, New Mexico and providing contractual authority in the amount of $1,000,000: The managers on the part of the House will move to recede and concur.

Amendment No. 128, authorizing emergency reconstruction of the La Prele unit, Wyoming (Missouri River Basin): The managers on the part of the House will move to recede and concur.

Amendment No. 130, authorizing the Commissioner of Reclamation to incur obligations and enter into contracts in an amount not exceeding $6,364,000 in connection with the Missouri River Basin: The managers on the part of the House will move to recede and concur.

Amendment No. 131, providing that no funds shall be used for construction of the Glendo unit of the Missouri River Basin program until a definite plan report thereon has been completed, reviewed by the States of Nebraska, Wyoming and Colorado and approved by Congress: The managers on the part of the House will move to recede and concur.

Amendment No. 132, providing that no funds shall be used for construction of Moorhead Dam and Reservoir, Montana, until a definite plan report thereon has been completed, reviewed by the States of Wyoming and Montana and approved by the Congress: The managers on the part of the House will move to recede and concur.

Amendment No. 133, providing that no part of the appropriation made in this bill shall be available for operating the Canyon Ferry Reservoir at a normal pool elevation above 3,766 feet until new acreage equal to the irrigated land to be inundated is provided with facilities for irrigation: The managers on the part of the House will move to recede and concur.

Amendment No. 134, reappropriates $5,662.22 for additional payments to the Boulder City school district: The managers on the part of the House will move to recede and concur.

Amendment No. 135, limiting the proportion of construction of appropriations for the Bureau of Reclamation which may be used for construction work by force account: The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 144, authorizing the Geological Survey to acquire surplus property from other agencies without cost: The managers on the part of the House will move to recede and concur.

Amendment No. 148, appropriating $250,000 and authorizing the Secretary of the Interior to enter into contracts additional thereto in amount of $250,000 to enable the Bureau of Mines to extend and operate the present Leadville, Colorado drainage tunnel: The managers on the part of the House will move to recede and concur.

Amendment No. 156, amending the Interior Department Appropriation Act, 1949, by providing a detailed description of land previously authorized to be transferred by the Department of the Army to the Department of the Interior: The managers on the part of the House will move to recede and concur.

Amendment No. 162, authorizing the Secretary of the Interior to incur contractual obligations not exceeding $3,935,000 in connection with the Independence National Historical Park, Pennsylvania: The managers on the part of the House will move to recede and concur.

Amendment No. 164, authorizing the Secretary of the Interior to incur contractual obligations not exceeding $1,750,000 for the construction of parkways: The managers on the part of the House will move to recede and concur.

Amendment No. 166, authorizing the Secretary of the Interior to incur contractual obligations of not exceeding $3,250,000 for roads and trails in national parks: The managers on the part of the House will move to recede and concur.

Amendment No. 167, appropriating $3,847,450 for physical improvements, National Park Service: The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 172, authorizing the Secretary of the Interior to incur contractual obligations for investigations respecting food fishes not exceeding $50,000: The managers on the part of the House will move to recede and concur.

Amendment No. 174, reappropriating unobligated prior year funds for investigation, exploration and development of Pacific fisheries: The managers on the part of the House will move to recede and concur.

Amendment No. 189, authorizing the Department of the Army or other agencies of the Government to transfer surplus property without charge to the Government of the Virgin Islands: The managers on the part of the House will move to recede and concur.

MICHAEL J. KIRWAN,
W. F. NORRELL,
HENRY M. JACKSON,
CLARENCE CANNON,
BEN F. JENSEN,
IVOR D. FENTON,
Managers on the Part of the House.

The SPEAKER. Does the gentleman from Montana [Mr. D'EWART] desire to make a point of order?

Mr. D'EWART. Yes, Mr. Speaker.

The SPEAKER. The Chair will state to the gentleman, however, that the matter which he is complaining of is not in the conference report. It is a matter still in disagreement between the two bodies. The Chair doubts whether the gentleman's point of order would be proper at this time.

Mr. D'EWART. Then, Mr. Speaker, the proper time to take this matter up would be when it comes before the House as a matter in disagreement.

The SPEAKER. May the Chair inquire of the gentleman whether he intends to make a point of order against the conference report, or against a particular amendment in disagreement?

Mr. D'EWART. Against a particular amendment, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HOLMES. Mr. Speaker, in connection with the conference report on H. R. 3838, the Interior appropriation bill for 1950, I call attention to the Senate committee's report (No. 661) on the bill at page 48 which states:

The committee concurs in the statement on page 13 of House Report No. 324 (81st Cong., 1st sess.) that of the funds appropriated for this project $225,000 be used for new school construction and $100,000 be devoted to repair and improvement of existing school facilities at Coulee Dam, Wash., and recommends that proportionate amounts, based on the relative enrollment of the dependents of reclamation and contractor employees, be expended on school facilities at Grand Coulee, Wash., in accordance with Public Law 835, Eightieth Congress.

Specific amounts are earmarked for construction of new school facilities and for the repair of existing school facilities at the town of Coulee Dam. The report provided that a proportionate amount be available for construction of new facilities and for repair and improvement of existing facilities at Grand Coulee. If, for example, 900 of the students at Coulee Dam, Wash., are dependents of employees of the Government or of contractors' employees, and 600 such students are in attendance at Grand Coulee, the amount available for Grand Coulee will be two-thirds of that specified for use at Coulee Dam.

By reference to Public Law 835, assistance now available under that Act, and, in recognition of the unusual and extensive responsibility of the Government to these two communities, indicated the minimum amount to be made available for school construction purposes. It is my idea that the Congress intends to assist school districts in the Columbia Basin project to the fullest extent commensurate with the pupil load imposed on them by Reclamation and contractors' employees. Each case should be taken upon its merits, of course, and the localities must make an adequate showing.

The payments provided by Public Law 835, based on the average cost per pupil for instruction, in each Western State, are intended to be in addition to any assistance given directly in building funds as in the case of Coulee Dam and Grand Coulee. I believe that is understood by the Bureau of Reclamation here and in the field.

Public Law 835 with amendment No. 63 inserted by the Senate in the Interior appropriation bill was intended to clarify any question about the authority of the Bureau of Reclamation to provide assistance on account of the dependents of Bureau employees who might be working in district or other field offices and whose children have increased the school load in such towns as Coulee Dam and Ephrata. The hearings on the appropriation bill amendment, which is the same as included in the second deficiency bill already approved, show that the Bureau of Reclamation is expected to assist school districts in the West affected by construction activities to the full extent of the additional burden imposed on these localities.

Mr. KIRWAN. Mr. Speaker, the managers on the part of the House propose to recede and concur in a number of Senate amendments. Therefore, I ask unanimous consent that the following amendments be considered en bloc: Nos. 6, 17, 20, 38, 46, 47, 50, 63, 66, 83, 108, 109, 125, 128, 130, 131, 132, 133, 134, 144, 148, 156, 162, 164, 166, 172, 174, and 189.

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

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, will the gentleman from Ohio state why he is asking that these particular amendments be considered en bloc?

Mr. KIRWAN. The procedure is strictly in accordance with the rules of the House. We are going to move to recede and concur in all of them.

Mr. CASE of South Dakota. Yes, but why does the gentleman group these particular amendments together? Are they amendments that are known not to be controversial?

Mr. KIRWAN. Yes; they are not controversial.

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

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

There was no objection.

The SPEAKER. The Clerk will report the amendments in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 4, line 7, insert the following: ": *Provided further*, That not to exceed $65,000 of the unobligated balance of the appropriation for this purpose contained in the Interior Department Appropriation Act, 1949, is hereby continued available to June 30, 1950."

Senate amendment No. 17: Page 15, line 9, insert the following:

"National Indian Institute: For necessary expenses of the National Indian Institute for the United States of America in the performance of its functions as prescribed by Executive Order No. 8930, November 1, 1941, including personal services in the District of Columbia; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55 (a)); and printing and binding, $22,500."

Senate amendment No. 20: Page 16, line 19, insert the following:

"Vessel conversion: For expenses necessary in converting and outfitting a vessel for use as a service and supply ship by the Alaska Native Service, $150,000, to remain available until expended."

Senate amendment No. 38: Page 25, line 20, insert the following:

"Truxton Canon, the prior year appropriation of $8,000 for the replacement of the Camp Verde, Ariz., Indian school is hereby made available for cooperation with the public school district of Camp Verde, Ariz., for public school facilities;".

Senate amendment No. 46: Page 27, line 6, insert the following: ": *Provided further*, That unobligated balances of any specific authorizations in appropriations for prior years for school facilities in public school districts of Minnesota, appropriated in accordance with Public Law 804, Seventy-sixth Congress, or Public Law 231, Eightieth Congress, may be transferred to any other such authorizations."

Senate amendment No. 47: Page 27, line 12, insert the following: ": *Provided further*, That unobligated balances in the amount of $202,418 of specific authorizations in appropriations for prior years under the heading 'Construction, and so forth, buildings and utilities' are hereby rescinded and such sum shall be carried to the surplus fund and covered into the Treasury immediately upon the approval of this act."

Senate amendment No. 50: Page 28, line 24, after the word "tribe" insert the following: ", and the authorization from tribal funds for the payment of salaries of necessary employees and other expenses for the distribution of per capita payments authorized by the act of July 2, 1942 (56 Stat. 528), is hereby increased from $1,500 to $4,500."

Senate amendment No. 63: Page 39, line 24, after the word "property" insert the following: "; payments to school districts in accordance with the act of June 29, 1948 (Public Law 835), including payments on account of dependents of employees in field offices in project areas engaged in construction and related activities:".

Senate amendment No. 66: On page 43, insert:

"Investigations, upper Colorado River Basin: For engineering and economic investigations and studies of water conservation and development plans, in the upper Colorado River Basin States, such investigations, surveys, and studies to be carried on by said Bureau either independently, or in cooperation with State agencies and other Federal agencies, $500,000, to remain available until expended, and which shall be in addition to any other funds available for expenditures for such investigations in said area."

Senate amendment No. 83: On page 46, line 1, insert: "including the south division of Utah Lake Distributing Company Canal, which is hereby authorized,".

Senate amendment No. 108: On page 50, line 13, insert: "to Congress, relating to projects for the development and utilization of the water resources of Alaska,".

Senate amendment No. 109: On page 50, line 15, insert: "to remain available until expended,".

Senate amendment No. 128: On page 55, line 6, insert: "and emergency reconstruction of the La Prele unit, Wyoming)."

Senate amendment No. 130: On page 55, at the end of line 10, insert: ", and in addition thereto the Commissioner of Reclamation is hereby authorized to incur obligations and enter into contracts for additional work, materials, and equipment in an amount not exceeding $6,364,000, including not to exceed $2,000,000 for power transmission lines."

Senate amendment No. 131: On page 55, line 18, strike out all after the word "agencies" down to and including the word "Congress" in line 24, and insert: ": *Provided*

further, That in order to promote agreement among the States of Nebraska, Wyoming, and Colorado and to avoid any possible alteration of existing vested water rights, no part of this or of any prior appropriation shall be used for construction or for further commitment for construction of the Glendo unit or any feature thereof, until a definite planned report thereon has been completed, reviewed by the States of Nebraska, Wyoming, and Colorado and approved by Congress."

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that Senate amendment No. 132 be deleted from my motion.

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

There was no objection.

The Clerk continued to read the amendments in disagreement, as follows:

Amendment No. 133: Page 56, line 13, insert: ": *Provided further*, That no part of this appropriation shall be available or used to maintain or operate Canyon Ferry Reservoir at a higher maximum normal pool elevation than 3,766 feet, unless and until new land in Broadwater County, Mont., equal in acreage to the irrigated land to be inundated in Canyon Ferry Reservoir above elevation of 3,766 feet is provided with facilities for irrigation."

Amendment No. 134: Page 57, at the end of line 3, insert: ": *Provided*, That not to exceed $5,662.22 from the unobligated balance of the appropriation for operation, maintenance, and replacements of the dam, power plant, and other facilities of the Boulder Canyon project contained in the Interior Department Appropriation Act, 1948, may be utilized for additional payments to the Boulder City school district for the school year 1947–48, to carry out the purposes of said Public Law 528."

Amendment No. 144: Page 65, line 14, insert:

"The Geological Survey is hereby authorized to acquire by transfer without exchange of funds, for 1 year beginning July 1, 1949, from executive departments or independent establishments, equipment, materials, and supplies of all kinds, with an appraised value of not to exceed $150,000 from the surplus stores of these agencies: *Provided*, That the authorization in this paragraph shall not be construed to deny to veterans the priority accorded to them in obtaining surplus property under Public Law 375, approved May 3, 1946."

Amendment No. 148: Page 72, line 18, insert:

"Draining tunnel, Leadville, Colo.: To enable the Bureau of Mines to extend and operate the present Leadville, Colo., drainage tunnel for the purpose herein authorized or by Public Law 133 of the Seventy-eighth Congress, $250,000, and in addition the Secretary is authorized to enter into contracts in an amount not to exceed $250,000."

Amendment No. 156: Page 78, line 22, insert:

"The last paragraph under the head 'Bureau of Mines' in the Interior Department Appropriation Act, 1949, is amended to read as follows: 'The Department of the Army is authorized to transfer to the Department of the Interior, for the use of the Bureau of Mines, without compensation therefor, full jurisdiction, possession, and control of a parcel of 10 acres, more or less, from that portion of Fort Douglas Military Reservation in the county of Salt Lake, State of Utah, which lies directly north and east of the site of the Bureau of Mines Intermountain Experiment Station and is described substantially as follows: All of that parcel of land bounded on the north by the southerly margin of Fort Douglas Boulevard; bounded on the west by the easterly margin of Fifteenth East Street extended and by a line running south from Monument No. 6, Fort Douglas Military Reservation, Utah, a distance of 480 feet, to a point in line with the southerly margin of the 5-acre tract at present occupied by the Department of the Interior, Bureau of Mines, bounded on the south by a line running east from said point in line with the southerly margin of said Bureau of Mines property, and by a line running west from Monument No. 6, Fort Douglas Military Reservation; and bounded on the east by a north and south line so located as to make the total enclosed area approximately 10 acres'."

Amendment No. 162: Page 84, after the word "expended" in line 18, insert: ", and, in addition, the Secretary is authorized to incur obligations and enter into contracts, not exceeding a total of $3,935,000, for the acquisition of lands for purposes of the Independence National Historical Park."

Senate amendment No. 164: On page 85, after the figure "1949" on line 8, insert ", and, in addition, the Secretary is hereby authorized to incur obligations and enter into contracts, not exceeding a total of $1,750,000, for the construction of the Blue Ridge, Natchez Trace, George Washington Memorial, Colonial, and Foothills Parkways."

Amendment No. 166: On page 85, after the word "expended" on line 19, insert ", and, in addition, the Secretary is hereby authorized to incur obligations and enter into contracts, not exceeding $3,250,000, for the purposes authorized in section 4a of said act."

Amendment No. 172: Page 89, line 7, insert ", and, in addition, the Secretary is authorized to incur obligations and enter into contracts for additional work, materials, and equipment in an amount not exceeding a total of $50,000."

Amendment No. 174: Page 90, line 16, after "000", insert ", together with the unobligated balance of the appropriation under this head in the Interior Department Appropriation Act, 1949."

Amendment No. 189: Page 103, after the word "Governor" on line 20, insert ": *Provided*, That the Department of the Army or any other agency of the United States Government having title thereto is authorized to transfer, without charge to the government of the Virgin Islands or any agency thereof, materials, equipment, machinery, supplies, buildings, and docks surplus to its needs in the Caribbean area, which may be certified by the Department of the Interior as needed for any authorized activity of the government of the Virgin Islands."

Amendment No. 125: Page 54, line 1, insert "Fort Sumner project, New Mexico, $750,000, and in addition thereto the Commissioner of Reclamation is authorized to enter into contracts in an amount not in excess of $1,000,000;".

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in these Senate amendments.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendments of the Senate numbered 6, 17, 20, 38, 46, 47, 50, 63, 66, 83, 108, 109, 125, 128, 130, 131, 133, 134, 144, 148, 156, 162, 164, 166, 172, 174, and 189 and concur therein.

Mr. D'EWART. Mr. Speaker, I wish to make a point of order against Senate amendment No. 132.

The SPEAKER. The Chair understands that Senate amendment No. 132 has been deleted.

Mr. BARRETT of Wyoming. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BARRETT of Wyoming. Mr. Speaker, I rise in support of the motion to recede and concur in the Senate amendment on the Glendo Dam. I do so with considerable reluctance. In my judgment, the Glendo Dam will prove beneficial to both Nebraska and Wyoming. At the same time, I must admit that the State of Nebraska is warranted in its insistence on this amendment which provides that no funds may be used for construction of the Glendo Dam until a definite planned report thereon has been completed and reviewed by the States of Nebraska, Colorado, and Wyoming and approved by Congress.

The Glendo Dam and power plant is located on the North Platte River, approximately 6 miles southeast of Glendo, Wyo. The dam, an earth-filled structure, will create a reservoir of about 150,000 acre-feet capacity. A power plant having a capacity of 15,000 kilowatts is being recommended for construction at this site. The Guernsey Reservoir, about 25 miles below the Glendo site, is being rapidly filled with silt and this project is badly needed to correct this situation.

A recent silt survey of the Guernsey Reservoir, constructed by the Bureau of Reclamation near Guernsey, Wyo., has shown that its capacity has already been impaired by silt accumulation to such an extent that about 30 percent of its total capacity has been lost. It is apparent that further measures must be taken to provide additional silt-storage capacity and to develop more power.

The Glendo Dam was authorized under section 9 (a) of the Flood Control Act of 1944. That act authorized the projects recommended for construction in the initial stages in the Missouri River Basin in Senate Document 191. Glendo is one of the projects referred to for authorization under the initial construction program. It is described on page 90 of Senate Document 191 as a reservoir to store approximately 150,000 acre-feet of water. Section 1 of that act contains a sound policy established by Congress providing that the Secretary of the Interior shall submit plans for the construction of improvements on interstate streams to each of the States affected by that improvement. That policy has been reiterated from time to time by the Congress. With respect to that policy, I would like to read a statement by the Commissioner of Reclamation before the House Committee on Flood Control in connection with the flood-control bill of 1946. I read from page 691 of the hearings on that bill.

Now, Mr. Speaker, the Glendo Dam was originally authorized to store 150,000 acre-feet of water but the hearings before the Appropriations Committee have disclosed that the Bureau of Reclamation proposes to build a dam with a capacity of about 750,000 acre-feet. This represents a material alteration in the plan and under the provisions of existing law, the Bureau of Reclamation is required and should submit the plans to the authorities of the States of Wyoming and Nebraska for their consideration and comments thereon before any construction takes place on the Glendo Dam. The motion should be adopted.

Mr. CURTIS. Mr. Speaker, for the information of the House, I call atten-

tion to the approval of amendment No. 63 inserted by the Senate in H. R. 3838, the Interior Department appropriation bill for 1950. This amendment authorizes the Bureau of Reclamation, acting for the Secretary of the Interior, to make payments to school districts in accordance with the act of June 29, 1948 (Public Law 835) including payments to school districts on account of dependents of employees in field offices engaged in construction and related activities.

This amendment was included in the second deficiency bill and was inserted by the Senate in H. R. 3838 on representations that the language was necessary to clear up any question about the authority of the Bureau of Reclamation to make payments to school districts on account of dependents of employees in district, design, or other field offices such as are located at Indianola, Nebr., Coulee Dam, Grand Coulee, Wash., or any other points.

I call attention also to the hearings before the Senate Deficiency and Interior Subcommittees, which show clearly that Public Law 835 and this amendment are intended to be broadly and liberally interpreted to provide financial assistance to school districts which are burdened by construction and related activities to assure temporary relief to localities. The Bureau of Reclamation is authorized to assist in defraying the cost of additional facilities necessary to house dependents of Bureau and contractors employees as well as in the salaries of teachers and other operating expenses while projects are in the construction stage. Under the second deficiency bill, retroactive payments for fiscal year 1949 are authorized where additional burdens in school districts can be clearly shown. School districts are expected to make full disclosures of additional costs. A fair basis of payments would be the average cost per pupil enrolled for the State in which each project is located.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio to recede and concur in the amendments referred to.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 11: On page 9, line 11, after the figures, insert: "*Provided further*, That not exceeding 8 percent of any construction appropriations for the Bonneville Power Administration contained in this act shall be available for construction work by force account, or on a hired-labor basis, except in case of emergencies, local in character, so declared by the Bonneville Power Administrator."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein with an amendment as follows:

In line 2 thereof, following "exceeding", in lieu of the figure "8" insert: "12".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 64: Page 41, line 15, after the word "States", insert: "*Provided further*, That funds appropriated for the Bureau of Reclamation shall be available for expenditure through the facilities of the National Park Service in amounts of not to exceed $25,000 for any one reservoir area for studies of recreational areas and planning for their utilization, and in amounts of not to exceed $25,000 for any one reservoir area for the investigation and recovery of archaeological and paleontological remains in reservoir areas in which said Bureau is performing work, in the same manner as provided for in the act of August 21, 1935 (49 Stat. 666), and funds so expended shall not be reimbursable or returnable under the reclamation law."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert the following: ": *Provided further*, That funds appropriated for the Bureau of Reclamation shall be available for expenditure through the facilities of the National Park Service in amounts of not to exceed $25,000 for any one reservoir area for studies of recreational areas and planning for their utilization, and funds so expended shall not be reimbursable or returnable under the reclamation law."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 67: Page 44, strike out all of lines 6 and 7.

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 67 and concur therein with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"Santa Barbara County project, California, Cachuma Unit, $5,185,000: *Provided*, That none of the funds appropriated herein shall be available for construction of physical works or the acquisition of rights-of-way until the condition contained in the contract between the United States and the Santa Barbara County water agency, executed September 12, 1949, concerning participation by member districts shall have been met, and the outcome of elections within the member districts shall have been favorable in sufficient member districts to approve the disposition of the quantity of water as provided in said contract to make the same effective;".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 80: Page 45, insert: "and not to exceed $100,000 shall be available for emergency reconstruction of the northwest unit pipe line of the Grants Pass irrigation district, the full amount to be repayable under terms satisfactory to the district and the Bureau of Reclamation;".

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 80 and concur therein with an amendment as follows: In lieu of the language proposed by said amendment insert the following: ", and not to exceed $100,000 shall be available for emergency reconstruction of the northwest unit pipe line of the Grants Pass irrigation district."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 115: Page 51, insert ", and in addition thereto the Commissioner of Reclamation is authorized to enter into contracts in an amount not in excess of $2,975,700."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate No. 115 and concur therein with an amendment as follows: In lieu of the amount of $2,975,700 named in said amendment insert "$975,700."

Mrs. DOUGLAS. Mr. Speaker, I want to commend the chairman, Mr. KIRWAN, and the members of the Appropriations Committee for their successful fight against the most powerful lobby barrage in the history of this country and one that crumbled other bastions when the committee stood like a rock.

This bill is one of the greatest victories for the forces of public power and western development. It is a very real tragedy today that California cannot share the full measure of this victory which has been won for every other State of the West.

The heart of reclamation development in California is the Central Valley project. It is essential to the future of the people of California. The House of Representatives appropriated for this project everything that the President asked in order to insure the well-rounded development of this vital project in the coming year.

In the other body of the Congress, however, there was a different story. The Senate Appropriations Committee cut out all power projects, not only for California, but throughout the West. When this mutilated bill was brought to the floor of the other body, Senators from the Northwest, the Southeast, and the Southwest succeeded in putting back into the bill those power items called for in the President's program for the development of their States.

Because of the fact that no one in the other body spoke for the interests of the people of California in this bill, we did not receive equal treatment in the restoration of these cuts.

We listened for a voice to be raised in the other body in behalf of the people of California in this matter, and we heard none. The bill, as a result, was sent to conference minus items vital to the full usefulness of the Central Valley project.

Despite the valiant leadership of the House conferees by Chairman KIRWAN, I see by the conference report that the House conferees were forced to accept the cuts made by the other body in the Central Valley program. I must say to the gentleman from Ohio that I am greatly distressed that the final action the House conferees were forced to take leaves California in the category of a second-class State.

Great power developments will now go forward on schedule in the other reclamation States. In public power, under this bill, California has been assigned a very limited program.

I see by the report that no funds have been provided to build the Delta steam plant needed to firm up power for Central Valley. No funds have been provided to build the Keswick-Tracy-Elverta transmission line. No funds have been provided to construct the Elverta switchyard. No funds have been provided to build the Elverta-Roseville line. No funds have been provided to build the Tracy-Patterson line. No funds have been provided to build the Roseville-Redding substation. No funds have been provided to complete the Tracy switchyard.

And yet, Mr. Speaker, all of these power facilities are essential to the independent operation of the Central Valley project in the interest of the people of California.

Without adequate power in the area industry cannot expand and provide the jobs for California's ever-increasing population. And yet I repeat, Mr. Speaker, no one in the other body spoke for the people of California.

Because of the final conferees' report, which has accepted the Senate report on Central Valley, it is now impossible for the Interior Department to carry out the President's program which was passed by the House.

Mr. KIRWAN. Not the way the House passed it. As the bill passed the House it contained a provision for both the steam plant and the switchyard, but in the Senate these items were deleted from the bill.

Mrs. DOUGLAS. Were not funds also cut for the Keswick-Tracy-Elverta transmission line in the other body although the House had provided funds for this line?

Also the Elverta switchyard, the Elverta-Roseville line, the Tracy-Patterson line, the Roseville-Redding substation, and funds for completion of the Tracy switchyard, as well as funds for the Delta steam power plant?

Those power facilities are all out now. Is that right?

Mr. KIRWAN. Yes; they were cut out in the Senate.

Mrs. DOUGLAS. Funds to build them were passed by the House but cut out by the Senate?

Mr. KIRWAN. They were cut out in the Senate.

Mrs. DOUGLAS. In other words, the people of California have to pay taxes so that other States can now go ahead on schedule with their power-development programs this coming year, while we who are short of power to meet our basic agricultural and industrial needs now are to have only a small part of the power program planned for California and passed by the House. Why? Because there was no one to speak for California, a State with one of the greatest employment problems of any State in the Union?

Mr. KIRWAN. I think the gentlewoman from California is correct. They did not speak up out there like they did for the Southwest and other parts of the country.

Mrs. DOUGLAS. Would it be possible in a deficiency appropriation bill next year to provide funds for these deleted projects so that California can carry Central Valley development forward on schedule?

Mr. KIRWAN. We could bring it in here in the House. I do not know whether it would get by the Senate or not.

Mrs. DOUGLAS. May I say that the gentleman from Ohio has performed the greatest service of any man in this House for the far West, and we of California are grateful to him, even though California came out behind the eight ball.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio that the House recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 119: On page 52, line 25, insert the following: "and of which $794,699.93 is for payment to the following-named contractors in the following designated amounts in full settlement of their claims, legal or equitable, of any nature whatsoever arising out of or connected with the notice by the Bureau of Reclamation of the exhaustion of funds for payment of contractors earnings in connection with the construction of the Friant-Kern Canal, Calif., Peter Kiewit Son's Co., $186,195.93; Arizona-Nevada Constructors, $348,867.62; Morrison-Knudsen, Inc., and M. H. Hassler, $217,618.47; Bechtel Bros.-McCone Co., $32,018.51."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreememnt to the amendment of the Senate numbered 119 and concur therein with an amendment as follows: In lieu of the amount of "$794,699.93" named in line 2 thereof insert "$784,699.93"; and in lieu of the amount of "$186,195.93" named after "Kiewit Son's Co.," in line 9 thereof insert "$186,195.33."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 132: Page 56, line 7, insert the following: ": *Provided further*, That no part of this or prior appropriations shall be used for construction, nor for further commitments to construction of Moorhead Dam and Reservoir, Mont., or any feature thereof until a definite plan report thereon has been completed, reviewed by the States of Wyoming and Montana, and approved by the Congress."

Mr. D'EWART. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state the point of order.

Mr. D'EWART. Mr. Speaker I make a point of order against the provision found on page 56 of H. R. 3838, as reported by the conference committee. This provision reads as follows:

That no part of this or prior appropriations shall be used for construction, nor for further commitments to construction of Moorhead Dam and Reservoir, Mont., or any feature thereof until a definite plan report thereon has been completed, reviewed by the States of Wyoming and Montana, and approved by the Congress.

I make this point of order under rule 21, as it is clearly legislation on an appropriation bill; (1) because it is an affirmative direction and (2) it restricts executive discretion to a degree that may be fairly termed a change in policy. I call the Speaker's attention to page 422, section 844 of the House Rules and Manual, which reads, in part, as follows:

A provision proposing to construe existing law is in itself a proposition of legislation and therefore not in order.

On page 423 in the same section, I quote further:

A paragraph which proposes legislation being permitted to remain may be perfected by a germane amendment, but this does not permit an amendment which adds additional legislation. And where a Senate amendment proposes legislation, the same principle holds true.

I would call further the Speaker's attention to section 845, which reads, in part, as follows:

But such limitations must not give affirmative directions, and must not impose new duties upon an executive officer; and must not be coupled with legislation not directly instrumental in affecting a reduction.

In construing a proposed limitation, if the Chair finds the purpose to be legislative, in that the intent is to restrict executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail, he should sustain the point of order.

Mr. Speaker, I submit that the amendment to the appropriation bill is an affirmative direction and restricts executive discretion to a degree that may be fairly termed a change in policy.

Public Law 534, Seventy-eighth Congress, first session, paragraph (a) provides that certain plans, proposals, or reports of the Chief of Engineers, War Department, shall be submitted to the governors of the States affected. The legislation further provides that if the State does not file within 90 days written views and recommendations, then the Secretary of War shall transmit to the Congress the report, with such comments and recommendations as he deems proper. The record indicates that the Secretary of War did submit Senate Document 191, Seventy-eighth Congress, second session, as revised and coordinated by Senate Document 247, Seventy-eighth Congress, second session, to the States, and there is no record that Wyoming objected in any way within the 90-day limit to the Moorhead project,

which is mentioned in the proviso, to which I have made a point of order. The Moorhead project is contained in the documents described. There was no objection filed with the Secretary of War and the Congress authorized the projects mentioned in the document in section 9 (a), which reads as follows:

The general comprehensive plans set forth in House Document 475 and Senate Document 191, Seventy-eighth Congress, second session, as revised and coordinated by Senate Document 247, Seventy-eighth Congress, second session, are hereby authorized and shall be prosecuted by the War Department and the Department of the Interior as speedily as may be consistent with budgetary requirements.

Two years ago when floods were bad in the Missouri River Basin, President Truman sent a special request to the Appropriations Committee of the House for a flood-control project in that basin. The Moorhead project was selected as the most favorable flood-control project in Montana and appropriations for construction in the amount of $1,600,000 were made in the Second Supplemental Appropriation Act of 1948 and the regular appropriation act for the Interior Department for 1949. Of the amounts appropriated for the first 2 years' construction approximately all has been spent. In other words, the Congress has authorized construction of the Moorhead Dam and the Congress has twice made appropriations for that purpose. The proviso found on page 54 of the current Interior Department appropriations bill, and submitted by and included in the conference report, is clearly a change in policy heretofore established by law and does impose new duties upon an executive officer.

I therefore submit, Mr. Speaker, that this proviso found on page 54 of the Interior Department appropriations bill and contained in the conference report is a provision proposing to construe existing law and is a proposition of legislation and therefore not in order. I further submit, Mr. Speaker, that the provision is an amendment which adds additional legislation, and where a Senate amendment proposes legislation the same principle holds true.

I also submit, Mr. Speaker, that the provision gives affirmative direction and imposes new duties upon an executive officer; that the purpose of this provision is legislative, in that the intent is to restrict executive discretion to a degree which may be fairly termed a "change in policy rather than a matter of administrative detail."

I submit, Mr. Speaker, that this provision is clearly subject to a point of order under rule 21.

The SPEAKER. The Chair is ready to rule.

The Chair has listened to the gentleman from Montana very carefully. The Chair will state that if an amendment of this sort had been proposed in the House of Representatives when this bill was under consideration in all probability it would have been subject to a point of order. The Chair does not feel that in this case it is a violation of clause 2 of rule 21, for the simple reason that it has been held as early as 1921 by Mr. Speaker Gillette that when an amendment that might have been subject to a point of order in the House if offered here was adopted by the Senate, and the conferees reported such an amendment in disagreement the House may consider the amendment.

Therefore, the Chair must overrule the point of order of the gentleman from Montana.

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment, and I yield 5 minutes to the gentleman from Montana [Mr. D'EWART].

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

Mr. D'EWART. I yield to the gentleman from Washington.

Mr. HOLMES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately preceding the vote on the conference report.

There was no objection.

Mr. D'EWART. Mr. Speaker, funds for construction of the Moorhead Reservoir project, a proviso regarding which we are discussing today, were contained in the bill as it passed the House. The Senate has written in a proviso prohibiting the use of that money for construction, has eliminated all but $500,000 of the money, and directed that it can be used only for study of three projects on the Powder River.

The Moorhead project is one of the Bureau of Reclamation projects originally authorized by this Congress in House Document 191, submitted to the States with the proviso that they would have 90 days to object to that document. The evidence shows that no objection was filed by Wyoming to that document, which contains this Moorhead project. The President sent up a special request for flood-control projects in the Missouri Basin following the 1947 floods. After consideration of all possible flood-control projects by the Committee on Appropriations, certain appropriations were made to start construction on Moorhead, the total last year and the year before being about $1,600,000. This money has been used. It has been largely spent in the furtherance of this project. We in the House appropriated more money this year.

The writing of this prohibition into this appropriation bill will stop the construction of a project that has been duly authorized by this Congress and for which we have twice appropriated funds, and those funds have been largely spent on the project.

The reason Wyoming is making this objection to the Moorhead Dam and has caused the restriction to be written into the bill is that it fears the loss of water rights. That is borne out by statements of the Wyoming State engineer. It is borne out by statements of Senators in the other body. Writing such a provision into this bill will in no way affect those water rights. It is generally recognized that a water right is established when intent is shown to make beneficial use of that water by actual construction of the project. That intent has been shown by twice appropriating funds and by using those funds for construction. Therefore, the writing of this provision into this bill will not carry out the intent of the Wyoming people.

Further, this project is an important project in the development of the Missouri Basin. It fits in as a major project in the development of the Missouri Basin, as proposed in House Document 191. That is carried out in a statement by Mr. Vernon, the regional director, and by another statement by Mr. Straus, Commissioner of the Bureau of Reclamation.

Mr. Vernon said:

The Bureau's hydrologic studies conclusively show that there is adequate water in the Powder River Basin to operate Moorhead Reservoir at its presently planned capacity of 800,000 acre-feet, 175,000 acre-feet of superstorage, without interfering with proposed development of upstream areas. These investigations also show that control of silt and floods on the Powder River can be accomplished most effectively and most economically by constructing Moorhead Reservoir.

Commissioner Michael W. Straus wrote as follows in a letter dated May 6, 1949, addressed to Hon. JOSEPH C. O'MAHONEY, United States Senate, found on page 2489 of the Senate hearings, as follows:

Additional emphasis should be placed on the fact that Moorhead Dam is a major feature of the comprehensive plan for the multiple-purpose development of the Missouri River Basin project authorized by the Flood Control Act of 1944. Also the Congress subsequently, in the 1948 Deficiency Act, specifically provided funds for construction of Moorhead Dam to proceed as a flood-control feature of the Missouri Basin project with benefits recognized as extending far beyond the immediate areas in the Yellowstone Basin and as contributing to flood protection for downstream areas not along the main stem of the Misouri River.

Recently, because of the conflicting claims of Montana and Wyoming concerning Moorhead project, the Denver Post sent an expert and impartial reporter into the area to make a study of the problem. He noted that one of the ranchers who testified in the Senate hearings that no Powder River landowner would irrigate has now installed a $5,000 pump to take irrigation water directly from the river.

The Post also had this to say:

This is practically a drought year on the Powder, and the cattlemen have had a tough time. Right now herds have been cut way down, and there has been some distress selling. Range grass is sparse. Even bottom lands irrigated by spring flooding from side creeks haven't produced well. But where there has been full irrigation the fields are green.

Old timers, newcomers, and ranchers on and off the river agree that the dam would bring development and prosperity.

The importance of the Moorhead project was pointed out only a few days ago in a report made by the Synthetic Fuel Division of the Bureau of Mines. It was pointed out that this particular project is necessary to supply water for the use of synthetic fuel plants which will be built in this area. Stopping this project will hinder the manufacture of synthetic

fuels from coal as planned in these reports.

The Congress has made two appropriations for the construction of this project and now I am pleading for a third. There is no sound reason to abandon what we have started so well.

Mr. KIRWAN. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, this is a somewhat unusual situation where the Congress has twice made appropriations for the construction of a dam. As I have heard informally from the gentleman from Wyoming and the gentleman from Montana, the basic question arises over the proposed increase in the size of this dam. The only reason for my venturing to say anything at this time is that I was on the Deficiency Appropriation Subcommittee which made the initial appropriation for this 2 years ago. At that time the deficiency subcommittee responded to a budget estimate submitted for a flood-control program. At that time projects were not submitted to the State for any review under this later 90-day review provision. However, money was not only appropriated in the deficiency appropriation bill, an additional amount was appropriated in the regular appropriation bill last year. So there are 2 years of existing appropriations to start this dam. I would like to ask the gentleman from Wyoming this question. The original plan was for a dam of a smaller size than is now contemplated, is that correct?

Mr. BARRETT of Wyoming. The original plan was for a dam to store 390,000 acre-feet of water. The appropriations were made, it is true, in the last 2 years, but this is the first time wherein the Bureau has come before the Congress and said that they intended to build a dam larger than the originally approved one, and to store 975,000 acre-feet of water.

Mr. CASE of South Dakota. I think the gentleman from Wyoming has stated the question which is involved. The question is whether or not an appropriation would be permitted at this time which would increase the dam from 390,000 acre-feet to something over 900,000 acre-feet. It has been suggested that the situation might be resolved—I am not sure that it would, but I refer the idea to the gentlemen from Wyoming and Montana. It occurs to me that the situation might be resolved if the gentleman from Ohio and the gentleman from Wyoming would be satisfied to divide the question and then recede and concur with an amendment adding such language as this:

Provided, however, That this shall not prevent the use of prior appropriations for the construction of a dam on Powder River, having a capacity not exceeding 390,000 acre-feet.

In other words, that addition to the Senate language would permit the construction to go ahead with the previously appropriated money on the basis of the smaller dam originally envisioned. I do not know whether that would solve the situation or not.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. KIRWAN. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT of Wyoming. Mr. Speaker, I rise in support of the motion to recede and concur in the Senate amendment on the Moorhead Dam. That amendment provides that no part of this or prior appropriations be used for construction of the Moorhead Dam until a definite planned report thereon has been completed and reviewed by the States of Wyoming and Montana and approved by the Congress. Congress determined as a matter of policy in the Flood Control Act of 1944 that the Bureau shall submit a report on the proposed projects in the Missouri River Basin to the Governors of the States affected. Section I of that act provides that in the event the State sets forth objections to the plans, the proposed work shall not be deemed authorized except approved by an act of Congress. That is a sound policy and has been reaffirmed by Congress in the 1945 and 1946 Flood Control Acts. The hearings on this year's appropriation bill disclose that this policy was not carried out with respect to the Moorhead Dam and the purpose of the motion is to provide that existing provisions of law requiring submission of plans to the States of Wyoming and Montana on the Moorhead Dam shall be observed. On page 960 of part 1 of the hearings in the Senate, a letter from the district manager of the Bureau of Reclamation at Billings, Mont., to the State engineer of Wyoming reads in part as follows:

Your request for information concerning Moorhead Dam has been referred to me by Mr. Paul Berg. Final design studies for Moorhead Dam have not yet been completed so that we do not yet have the details of the dam and associated works. In general, however, the reservoir will have an ultimate capacity of 800,000 acre-feet, with provision made to operate the reservoir at a much lower capacity during its initial period. The exact capacity for the initial period of operation will not be known until design studies on the spillway have been completed.

The proposed Moorhead Dam will be located on the Powder River near the State line between Wyoming and Montana. All of the water to be stored at Moorhead is Wyoming water. It will back up the water a distance of 10 to 25 miles in Wyoming, depending on the size finally determined upon. The Moorhead was not one of the projects authorized under the Flood Control Act of 1944. The dam at Moorhead was described in Senate Document No. 191 as 150 feet high, storing 390,000 acre-feet of water and costing $4,000,000. In the request of this year's appropriation, it is described as a dam 174 feet high, storing 975,000 acre-feet of water and costing $15,850,000. There is no compact for a division of the waters of Powder River between the States of Wyoming and Montana. In the absence of a compact the construction of Moorhead Dam will endanger the rights of Wyoming to its rightful share of its own water. Compact commissioners have been appointed and will shortly open negotiations.

I may say to the gentleman from South Dakota [Mr. CASE] that I could not agree to his suggestion for the reason that in any event, the Bureau of Reclamation is required and should submit its plans and proposals for the construction of the Moorhead Dam to the Governors of the States of Wyoming and Montana. That is the plain intent of the law and I, therefore, must insist that this sound provision of the law shall be observed. I call the gentleman's attention to the statement of Commissioner Straus on page 2492 of part 2 of the Senate hearings, referring to the amendments proposed withholding funds for construction of the Glendo and Moorhead Dams and I quote:

May I report to the committee that these amendments have been supported by the Bureau of Reclamation administratively by an order requiring the preparation of a definite plan and wherever revisions are taking place in these authorized projects on which different plans are proposed we will consult with the States. It is that objective which is desired internally administratively and will be done with or without language.

I submit, Mr. Speaker, that the motion to recede and concur in the Senate amendment should be adopted.

The SPEAKER. The time of the gentleman from Wyoming has expired.

The question is on the motion offered by the gentleman from Ohio [Mr. KIRWAN].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 135: Page 59, line 11, insert:

"Not exceeding 8 percent of the construction appropriation for the Bureau of Reclamation for any project contained in this act shall be available for construction work by force account and on a hired-labor basis; except that not to exceed $250,000 may on approval of the Commissioner be expended for construction work by force account on any one project when the work is unsuitable for contract or when excessive bids are received; and except in cases of emergencies local in character, so declared by the Commissioner."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 135 and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert the following:

"Not exceeding 12 percent of the construction appropriation for the Bureau of Reclamation for any project contained in this act shall be available for construction work by force account and on a hired-labor basis; except that not to exceed $225,000 may on approval of the Commissioner be expended for construction work by force account on any one project when the work is unsuitable for contract or when excessive bids are received; and except in cases of emergencies local in character, so declared by the Commissioner."

Mr. KIRWAN. Mr. Speaker, I yield 8 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, the force-account item in this bill has been one of the issues before the Committee of the House and the Senate on the Interior appropriation bill for several years. Last year we put a limitation on force account in the amount of 6 percent of the amount appropriated for each project. We felt that was sufficient, and it proved to be sufficient.

Force account means that the Department can hire day labor to do these construction jobs to the extent of whatever the Congress permits. Mr. Straus testified before the Senate committee that the Reclamation Bureau had carried on their construction program at a more rapid rate during the fiscal year of 1948 than previous to that time and please remember during that time construction was carried on under the 6-percent limitation for force account.

This 12-percent limitation provided in this bill will give the Reclamation Bureau approximately $40,000,000 to expend on day-labor basis, which many of us believe is twice as much as they need spend, since it is to be spent only for emergencies.

Every other department of the Government lets its contracts to the lowest responsible bidder—or they are supposed to anyway; and it has proven to be the best and most economical. Now all we can hope for is that the Bureau of Reclamation will hold down the force-account expenditure to a minimum and spend money only for emergencies out of the force-account item, because we know that by letting these jobs by contract we get the best service and the most for our money.

The minority members of the committee are in general agreement on this report. We know, as does almost every Member of Congress, that the West must have quite large appropriations from the Federal Government for the development of our great West for irrigation, for reclamation, for the building of dams and for necessary transmission lines to carry power from the Government-owned dams to the farms and cities where it is needed. However, millions of dollars of the taxpayers' money could be saved had not this bill provided for the construction of hundreds of miles of needless transmission lines where private industry are willing and ready to build the lines with their own money and in addition thereto pay millions of dollars in local, State, and Federal taxes for the privilege of doing so, as against Government ownership and control and loss of tax revenues so desperately needed to ward off national bankruptcy for America.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. KIRWAN. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. JENSEN. Mr. Speaker, this country needs a lot of critical metals in short supply at this time, so we included an appropriation here for the Leadville tunnel in Colorado. There was some oppotion to this item, so we got all the facts obtainable. The fact is that there are many critical minerals that can be obtained in that area. The committee allowed the amount which is in this bill and we hope it will be spent judiciously and for the best interests of our defense program and for the best interests of America.

We were stunned when we learned that out of a million dollars Congress had appropriated last year for the Cachuma Valley water-supply project which lies close to Santa Barbara, Calif., which we expected would be used for actual construction, over $700,000 has been used for preconstruction, for blueprints, and a lot of other things that we thought had already been done. The committee understood, at least most of the members did, that the job was ready to go forward under construction a year ago last July 1. Now we learn that over $700,000 of that $1,000,000 we appropriated last year for the construction of a tunnel and to purchase rights-of-way and for the construction of a conduit running from the water supply to the city of Santa Barbara have been spent for other purposes. The Bureau says it was spent for preconstruction plans and specifications, and so forth. Be that as it may, I am sure the majority of the members of the Interior Department Appropriation Subcommittee of the House and Senate understood that the money would be used for actual construction. I hope the Bureau of Reclamation can explain.

We have appropriated again some $5,000,000 plus in this bill for that project, contingent on an election. The people who will eventually pay the bill will have a vote. So the money appropriated in this bill for the Cachuma project will be held up until after the people who pay the bill have spoken at a free election.

We had considerable discussion about language which a majority of the regular committee felt should be in the bill providing that certain transmission lines and related facilities which are included in the bill should not be built if private companies signed a contract with the Interior Department that they would build the lines and furnish good service and comply with the rates specified by the State bodies that governed the rates in the respective States, and give priority for power in accordance with laws now on our statute books.

The Texas Light & Power Co. signed such a contract with the Southwest Power Administration which should be a model for such agreements all over America. This question of who is going to furnish power, whether it be private industry, the REA, PUD municipal light and power companies, or the Government, has become a serious question. I hope that soon we can decide this thing once and for all and come to the realization that there is a place for every kind of power instead of having all electric energy in our land owned and controlled by the Federal Government, as some in our midst would have it.

Our honorable Speaker [Mr. RAYBURN] was very instrumental in bringing about the contract which was signed by the Texas Light & Power Co. with the Southwest Power Administration. This contract was entered into over a year ago and is working to the benefit of the taxpayers of America, to the signers of the contract, and to the people who receive that power. We tried to get language in this bill that would do that very thing in every area where we have controversies, and where the Federal Government is building duplicating lines, where public bodies and private companies already have sufficient power and are serving the people at rates that are just and fair. I am sorry to say that we were unable to get such a provision in this bill. I shall now tell you why.

I am glad to see the chairman of the full committee sitting here before me, but I am sorry to say that had it not been for him voting with the majority members of the House committee we would have gotten that language in this bill. The gentleman from Missouri sat there and voted and decided this issue, and I am sure that he will live to see the day when he will rue the actions which he took by making himself a supermember of the subcommittee on the Department of the Interior appropriations. By the actions of the gentleman—who is sitting right in front of me—the taxpayers of America and the electric power supply of America have been hurt; of that I am sure. Mr. Speaker, for the first time in the history of this Congress the chairman of a full committee has seen fit to make himself a supermember of a conference committee to the detriment, in my estimation, of western development and of representative government.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. KIRWAN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, may I supplement what the gentleman from Iowa [Mr. JENSEN] has said by adding that in addition to the other results he enumerates of my participation in the committee proceedings, the consumers of America will get cheaper electricity and better service; and industries all over the country will have cheaper and more abundant power; and every family, especially every farm family, will enjoy a better standard of living than the world has ever known.

Of course it is not necessary for me to call attention to the rule which has been in effect in the Committee on Appropriations ever since its establishment in 1865 under which the chairman of the committee has been ex officio a member of all subcommittees.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 167: Page 86, line 4, strike out "$3,500,000" and insert "$3,847,450."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 167 and concur therein with an amendment as follows: In lieu of the sum proposed by said amendment insert

the following: "$3,847,000 (no part of which shall be available for obligation or expenditure with respect to the site known as Castle Clinton, situated in Battery Park, New York City, until title, including rights of ingress and egress, thereto satisfactory to the Attorney General of the United States is vested in the United States)."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

INDIAN SCHOOLS AT PIPESTONE, MINN., AND EUFAULA, OKLA.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to ask a question of a member of the subcommittee.

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

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, may I ask the gentleman from Washington [Mr. JACKSON] as to the action of the conferees relative to the Indian school at Pipestone, Minn., and also the Indian school at Eufaula, Okla.

Mr. JACKSON of Washington. The conferees agreed on the figure placed in the bill by the Senate. That figure was substantially larger than the amount contained in the House bill. As the gentleman from Minnesota may recall, the report brought out specifically that the Department should continue to operate the schools at Pipestone, Minn., and Eufaula, Okla., the point being, however, that when the bill got over to the Senate it became apparent that there were not sufficient funds in the over-all appropriation to carry out that directive, so the Senate increased the funds to take care of those two schools. Therefore, I will say in direct answer to the gentleman that the bill as passed and the conference report, as agreed to, contains funds for the operation of these schools at Pipestone, Minn., and Eufaula, Okla.

Mr. H. CARL ANDERSEN. It is the full intention of the conferees that these two schools be operated?

Mr. JACKSON of Washington. That is exactly right.

Mr. H. CARL ANDERSEN. I thank the gentleman and the subcommittee for their action in respect to the school at Pipestone. Your decision is a welcome ending to my efforts of the past 6 months to assure the continued operation of this school.

EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to extend his remarks in the RECORD and include an excerpt and a letter.

THIRD DEFICIENCY APPROPRIATION BILL, 1950

Mr. CANNON. Mr. Speaker, I call up the conference report on 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, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1381)

The committee of conference on the disagreeing votes of the two Houses on 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 25, 31, and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 10, 17, 20, 21, 23, 26, 27, 28, 29, 30, 33, 38, 40, and 41, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In line 7 of said amendment strike out "S. 2072" and insert the following: "SEC. 2072"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$340,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$190,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the matter stricken out by said amendment, insert: ", of which $15,000 shall be available for payment of accrued annual leave only"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 9, 11, 12, 15, 16, 18, 19, 22, 24 and 27.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,
JOHN TABER,
CHARLES A. PLUMLEY,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on 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, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 to 6 inclusive, relating to the Senate: Increase salary of research assistant to the majority leader to $7,320; appropriate $152,108 for miscellaneous items; $2,500 for folding documents; $19,400 for stationery; and $4,500 for the Joint Committee on Printing, all as proposed by the Senate.

Amendment No. 7, relating to Capitol Police: Reported in disagreement.

Amendment No. 8, relating to Supreme Court of the United States: Appropriates $5,000 for expenses of the court incident to additions to Rules for Civil Procedure for the District Courts, as proposed by the Senate.

Amendment No. 9, relating to assistance to the Republic of Korea: Reported in disagreement.

Amendment No. 10: Clarifies language of the House.

Amendments Nos. 11 and 12, relating to the Commission on Renovation of the Executive Mansion: Reported in disagreement.

Amendment No. 13, relating to Federal Mediation and Conciliation Service: Appropriates $2,700,000 for salaries and expenses, as proposed by the House, instead of $2,740,000, as proposed by the Senate.

Amendment No. 14, relating to Bureau of Employment Security: Appropriates $340,000 for salaries and expenses instead of $300,000, as proposed by the House, and $392,850, as proposed by the Senate.

Amendment No. 15, relating to Bureau of Employment Security: Reported in disagreement.

Amendment No. 16, relating to Bureau of Old-Age and Survivors Insurance: Reported in disagreement.

Amendment No. 17: Inserts a center heading, as proposed by the Senate.

Amendment No. 18, relating to the Public Building Administration: Reported in disagreement.

Amendment No. 19, relating to Surplus Property Disposal under the General Services Administration: Reported in disagreement.

Amendments Nos. 20 and 21: Insert necessary center heading, and appropriate $75,000 for the Housing and Home Finance Agency, as proposed by the Senate.

Amendment No. 22, relating to Alaska Housing under the Housing and Home Finance Agency: Reported in disagreement.

Amendment No. 23, relating to the Motor Carrier Claims Commission: Clarifies House language.

Amendment No. 24, relating to the Motor Carrier Claims Commission: Reported in disagreement.

Amendment No. 25: Deletes provision of the Senate appropriating $220,000 for the Securities and Exchange Commission, as proposed by the House.

Amendments Nos. 26, 27, and 28, relating to Surplus Property Disposal: Delete provisions of the House no longer required because of subsequent enactment of legislation transferring this function to the newly created General Services Administration, as proposed by the Senate.

Amendments Nos. 29 and 30, relating to the United States Maritime Commission: Clarify language of the House and delete provision of the House restricting the use of appropriations for the survey of vessels by the American Bureau of Shipping, as proposed by the Senate.

Amendment No. 31, relating to the United States Maritime Commission: Restores the provision of the House relieving the Maritime Commission from obligations for con-

sumable stores, bunkers, etc., found in vessels on completion of charter agreements, as proposed by the House.

Amendments Nos. 32 and 33, relating to the War Claims Commission: Appropriate $300,000 for administrative expenses instead of $281,250, as proposed by the House, and $350,000, as proposed by the Senate, and delete provision of the House denying use of appropriated funds to carrying out provisions of section 8 of the War Claims Act, as proposed by the Senate.

Amendment No. 34, relating to the Bureau of Entomology and Plant Quarantine: Appropriates $190,000 for investigations of the citrus blackfly instead of $175,000, as proposed by the House, and $205,000, as proposed by the Senate.

Amendments Nos. 35 and 36, relating to the liquidation of war agencies transferred to the Department of Commerce: Appropriate $30,000 in lieu of $15,000, as proposed by the House, and $40,000, as proposed by the Senate, and retain House provision specifying that $15,000 of the amount appropriated shall be available for payment of accrued annual leave only.

Amendment No. 37, relating to the Corps of Engineers, Department of the Army: Reported in disagreement.

Amendment No. 38, relating to Personal or Property Damage Claims, Treasury Department: Appropriates $40,000 for this purpose, as proposed by the Senate.

Amendment No. 39, relating to the Coast Guard, Treasury Department: Deletes provision of the Senate appropriating $3,000,000 for the establishment of the Coast Guard Reserve, as proposed by the House.

Amendments Nos. 40 and 41, relating to damage claims: Insert clarifying language and appropriate $7,664,035.07 for claims and judgments, as proposed by the Senate, instead of $4,553,922.31, as proposed by the House.

CLARENCE CANNON
JOHN H. KERR,
LOUIS C. RABAUT,
JOHN TABER,
CHARLES A. PLUMLEY,
Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, we had hoped that this would be the last of the deficiency appropriation bills. But the session has been lengthened to such an extent that it was necessary for us to introduce a supplemental deficiency bill on which we hope to make a conference report tomorrow.

In the meantime, the third deficiency bill takes up merely those odds and ends which normally develop in the month-to-month operations of the Government. There is little of outstanding interest in the bill beyond the routine deficiencies.

On surplus property disposal we have reduced the estimate from $26,000,000 to $14,500,000.

On national housing, instead of $15,000,000 requested by the Bureau of the Budget, we recommend $10,000,000.

The item for Korea, in which there is general interest, we have approved for the full budget estimate of $30,000,000.

For domestic air-mail service we propose $16,100,000.

Mr. Speaker, the bill makes the customary appropriations for those deficiencies, which in the operation of the Government have been found to be unavoidable, and we include minimum amounts to carry out the provisions of the original appropriations.

The bill carries a total appropriation of $177,740,619, a substantial reduction in the budget estimates.

I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this conference report represents a compromise with the Senate on the items that the House had previously considered, and it represents, in general, a reduction of new items which the Senate had put in.

There is one item in disagreement relating to Korea which will come up later on. The greatest part of that estimate had been spent under the continuing resolution which was first presented to this Congress in June. The balance is supposed to carry on until the middle of October.

Mr. ALLEN of California. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ALLEN of California. I notice that amendment No. 31, relating to the United States Maritime Commission, restoring the provision of the House relieving the Maritime Commission of certain obligations, is to be restored as it was passed in the House. Will this provision refer to any vessels already under charter?

Mr. TABER. This provision in amendment 31 will not have any application to presently existing charters. If those charters are extended, it will, but not as to any vessel which is presently under charter. It will not have any application to the surrender of that vessel at the completion of the present term of charter.

Mr. ALLEN of California. I thank the gentleman.

Mr. CANNON. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. THOMPSON. Mr. Speaker, I note with a great deal of concern that the third deficiency appropriation bill, as finally submitted by the Senate and House conferees, does not include an item of $3,000,000 which had been provided for the training of the Coast Guard Reserve.

I believe that my personal record as an advocate of peacetime reserve training is too well known to require any comment at this time.

It is my interest in the broad subject of militia training that induces me to comment on the necessity for training civilians to come into the active Coast Guard in case of emergency and to be able to fill their important duties without delay.

I invite the attention of the House to the mission of the Coast Guard, to its activities in time of peace, and to its essential mission in time of war.

The Coast Guard is a peace and wartime service. Operating under the Treasury Department in time of peace, it performs a valuable service in rendering assistance to persons and property in distress or danger on the waters of the United States. On a number of occasions during the last several years Members of the House have risen to comment on some outstanding act of assistance performed by the Coast Guard, but for every act so noted there have been dozens which have gone unsung merely because they were classed as routine assistance cases by the service.

In addition to its assistance or search and rescue function the Coast Guard is daily engaged in enforcing our laws on the navigable waters of the United States and the high seas. At the same time through the enforcement of safety regulations for vessels of the United States it is promoting safety for our citizens who use water craft as a medium of transportation.

In the interest of the safety of the navigator the Coast Guard is simultaneously occupied in maintaining and operating thousands of aids to navigation, without which our water-borne commerce would quickly grind to a halt.

In time of war the duties I have just listed are magnified a hundredfold and become important not only as factors in the well-being of our country, but in the defense of it as well. The Coast Guard must be prepared to expand in time of emergency to take care of the increased peacetime responsibilities, but in addition must, as a part of the Navy, be prepared to assume additional duties imposed on it as a part of our armed forces.

From what I have said it should be apparent to any person that the Coast Guard must have an adequate and properly trained Reserve if for no other reason than our own national defense, because no other armed force is charged with the duty assigned by Congress to the Coast Guard, and accordingly is not prepared to undertake these duties in an emergency.

The Coast Guard Reserve was created by act of Congress on February 19, 1941. World War II was already 2 years old and indications were that the United States might become involved at any time. Prior to Pearl Harbor a small number of officers and a few enlisted men had been recruited. During the war the Reserve was used as an instrument for expansion so that on VJ-day, of approximately 172,000 persons in the Coast Guard about 144,000 were Reserves. In the 10 months remaining after VJ-day in fiscal year 1946 the Coast Guard demobilized to an organization of approximately 22,000 military personnel, which meant that practically all of the reservists were discharged or placed on inactive duty. The enlisted personnel were discharged and the male officers placed on an inactive list.

From that date forward the Coast Guard made repeated attempts to provide training for the Reserve officers as well as create an enlisted force which would be a nucleus group upon which to expand in the event of an emergency. To date these attempts have been unsuccessful and the action of the conferees in connection with the third deficiency appropriation bill presents another failure in an attempt to provide the necessary funds for a training program for the Reserves, without which training no Reserve program can be effective. The Reserve as it now exists is a static organization with little or no purpose and offering no incentive for the officers now

on the inactive list to say in the organization nor offering any inducement for young men to join.

As I indicated before, the Coast Guard and the Nation are faced with a very serious problem. The Navy has assigned to the service certain wartime missions, which require in a limited period after the event of an emergency a large number of personnel trained in special techniques of the particular jobs assigned to the Coast Guard. No provision has been made by the Navy or any other organization except the Coast Guard to provide the necessary trained personnel for these special tasks. Furthermore, in the event of an emergency, there is no source material from which the Coast Guard can draw untrained personnel and train them except through Selective Service, and it is anticipated that it will be at least several months after the advent of an emergency before any personnel would be available under the Selective Service System. If you add to this delay the time lost in training personnel under emergent conditions, it is readily apparent that the Coast Guard would not be equipped to meet its assigned missions in less than 5 or 6 months.

Without quoting any specific confidential figures, the seriousness of the problem can be realized when one estimates that the minimum requirements call for a considerable increase in the strength of the Coast Guard within 2 months after the advent of an emergency. A large proportion of this personnel are necessary for port security work and should another war arise, I think you will agree that we cannot afford to wait 5 or 6 months to create a force competent to guard the ports of our country against fire, sabotage, and other disaster.

There is still another phase of the Reserve problem which cannot be overlooked. Last year Congress passed a bill known as Public Law No. 810, which establishes certain rights for members of all Reserve components, provided such members met annually certain training requirements. The bill was designed for the armed services as an incentive to Reserve members to train regularly. The members of the Coast Guard Reserve come under the provisions of this law, and unless provision is made for the training of Coast Guard Reservists, the Coast Guard will be unable to meet the responsibilities charged to it under Public Law No. 810. This constitutes a discrimination against the members of the Coast Guard Reserve who joined during the war and would now like to continue their affiliation on a basis that is comparable with that of personnel who joined reserve components of the other armed forces.

The reserve training program contemplated by the Coast Guard does not duplicate the training program of any other armed service and will when provided for permit the Coast Guard to establish an active Reserve organization trained for the functions that the Coast Guard will be called upon to discharge should an emergency arise.

I urge upon the Members of this body the seriousness of the mistake we have made in failing to provide for this necessary part of our national defense and request your support in rectifying that mistake at the earliest practicable date.

Mr. CANNON. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

Mr. BROOKS. Mr. Speaker, I note with surprise and regret that in our appropriations absolutely no provision has been made for the protection of our vital ports from sabotage, fire, or explosion in the event of a national emergency. This important link in our national defense preparations is the responsibility of the Coast Guard. It must be performed by an organization of well-trained specialists who have had advance preparation, yet there are no funds to provide for this organization or to give them the advance training, because the provision of those funds for the Coast Guard Reserve was deleted from the Senate version of the third deficiency bill.

This appropriation request, originally the result of a survey to determine the place of the Coast Guard Reserve in relation to the reserve programs of the other military services was delayed in reaching the House early in this session and was therefore not included in the Treasury-Post Office appropriation.

A request was then made in the third deficiency bill but no action was taken. The chairman of the Appropriations Committee did not assign it to any subcommittee for hearings.

When the third deficiency bill went to the Senate, Senator CAIN, of Washington appeared before the Senate subcommittee holding hearings on the bill and pointed out the importance of providing a balanced security program by appropriating funds so that the Coast Guard Reserve could carry out the responsibilities for the security of our ports. Among other things he said:

> The vital importance of the Coast Guard port security program in national defense preparations has been completely overlooked. The Coast Guard, which operates under the Navy in time of war, has been assigned the specific responsibility for the security of our ports, which are vital in any such emergency. This entails the thorough training of adequate reserve personnel for detection and prevention of sabotage, supervision of explosive loading, and many other aspects of water-front and vessel security including fire prevention, fire fighting, identification, etc. In event of a national emergency it would be the responsibility of the Coast Guard to step in immediately (within a matter of hours) and take all measures necessary to assure the security of the ports. Although such a responsibility cannot be carried out without a reserve trained in all of the specialized aspects of port security, no financial provision has been made for the training of such a reserve.

After having this situation called to its attention the Senate appropriated $3,000,000 for the training of the Coast Guard Reserve. In spite of the importance of the security of our ports in a balanced security program and the relatively small amount involved—the same amount we are talking about appropriating for a sesquicentennial celebration—the proposed appropriation was eliminated in conference.

I want to call to your attention the fact that—

First. The Coast Guard is responsible for the security of our ports and requires a trained reserve.

Second. The management survey of the Coast Guard made by Ebasco Services, Inc., in 1947, at the request of the Congress, recommended that "provision be made for the maintenance of maximum potential value of the Reserve membership for war or emergency active duty by regularly recurring training."

Third. The United States Code specifies that the Coast Guard Reserve, as established on June 23, 1939, is a military organization and a component part of the Coast Guard for the purpose of providing a trained force of officers and enlisted persons which, added to the personnel of the regular Coast Guard, will be adequate to enable the Coast Guard to perform its functions and duties at all times.

Fourth. Due to the lack of an appropriation, it has been impossible to organize or train the Coast Guard Reserve except for the voluntary attendance of Reserve officers at lectures.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. CANNON. Mr. Speaker, in view of the fact that amendments numbered 7, 11, 12, 15, 16, 18, 22, 24, and 37 are merely technical disagreements, which it is necessary to bring back to the House because they carry legislation, I ask unanimous consent that they be considered en bloc.

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

There was no objection.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amendment No. 7: Page 3, line 10, insert:

CAPITOL POLICE

Capitol Police Board: For an additional amount to enable the Clerk of the House of Representatives to reimburse the government of the District of Columbia for the salary of one Metropolitan policeman assigned to the Capitol Police Board to provide additional protection for the Capitol Buildings and Grounds, fiscal year 1950, $3,754.51."

Amendment No. 11: Page 6, line 12, after the word "Congress" in line 12, strike out "fiscal year 1950" and insert: "fiscal year 1949, to remain available until June 30, 1950, $50,000".

Amendment No. 12: Page 6, line 13, after the figure "$50,000" insert: "$50,000, to be disbursed by the Chief Disbursing Officer, Division of Disbursements, United States Treasury: *Provided*, That this appropriation shall be available from and including April 14, 1949. All obligations incurred during the period between April 14, 1949, and the date of the enactment of this act in anticipation of such appropriation are hereby ratified and confirmed."

Amendment No. 15: Page 9, line 4, insert: "and shall be available for cooperation with the United States Immigration and Naturalization Service and the Secretary of State in negotiating and carying out agreements relating to the employment of foreign agricultural workers, subject to the immigra-

tion laws and when necessary to supplement the domestic labor force."

Amendment No. 16: Page 9, line 10, insert:

"SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

"The first proviso under this head in the Federal Security Agency Appropriation Act, 1950, is amended to read as follows: '*Provided*, That of the amount herein made available for expenditure, not more than $50,000 may be expended without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a), for alterations, repairs, and improvements to the buildings occupied by the Bureau of Old-Age and Survivors Insurance in Baltimore, Md., and vicinity, of which amount not more than $15,000 shall be available for alterations, repairs, and equipment for an employee cafeteria or cafeterias, and the total amount made available in this proviso, except such part as may be necessary for incidental expenses of the Bureau of Old-Age and Surviors Insurance, may be transferred to the Public Buildings Administration, General Services Administration, for such purposes'."

Amendment No. 18: Page 11, line 4, insert:

"PUBLIC BUILDINGS ADMINISTRATION

"Site for public building at Omaha, Nebr.: For an additional amount for the acquisition of a site for a public building at Omaha, Nebr., as authorized by the acts of March 25, 1948 (Public Laws 455, 456, and 457), $150,000, to remain available until June 30, 1950."

Amendment No. 22: Page 13, line 8, insert:

"*Alaska Housing*

"For purchase of obligations of the Alaska Housing Authority, as authorized by section 3 of the Alaska Housing Act (Public Law 52, approved April 23, 1949), fiscal year 1950, $10,000,000, to remain available until expended."

Amendment No. 24: Page 13, after the figure "$150,000" on line 20, insert: "The time for filing claims under the Act of July 2, 1948, is hereby extended to April 2, 1950."

Amendment No. 37: Page 22, line 21, insert:

"NATIONAL MILITARY ESTABLISHMENT

"DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

"CORPS OF ENGINEERS

"*Flood Control, General*

"For the completion of interior drainage facilities at Mandan, N. Dak., as a part of the local flood protection project authorized by the Flood Control Act of 1946 (Public Law 526, 79th Cong., 2d sess.), fiscal year 1950, $76,000, to remain available until expended."

Mr. CANNON. Mr. Speaker, I move to recede and concur in the Senate amendments referred to.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 9: Page 4, line 9, insert:

"ASSISTANCE TO THE REPUBLIC OF KOREA

"For expenses necessary to continue assistance to the Republic of Korea during the period July 1 to September 15, 1949, at the same rate and under the same terms and conditions as in the fiscal year 1949, pending the enactment of legislation outlining the terms and conditions under which further assistance is to be rendered, $30,000,000, of which not to exceed $375,000 shall be available for administrative expenses: *Provided*, That all obligations incurred during the period between August 15, 1949, and the date of enactment of this act in anticipation of such appropriation and authority are hereby ratified and confirmed if in accordance with the terms thereof: *Provided further*, That the funds appropriated pursuant to the joint resolution of June 30, 1949 (Public Law 154), as amended by the joint resolution of August 1, 1949 (Public Law 196), for assistance to the Republic of Korea, shall be charged to this appropriation."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate No. 9, and agree to the same with an amendment, as follows: In line 3 of the matter inserted by said amendment strike out "September" and insert in lieu thereof "October."

Mr. CANNON. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this amendment of the Senate calls for $30,000,000 to continue the operations in Korea which were begun by the Army 3 years ago and were continued since about the first of the year by the ECA by transfer pursuant to the language which was carried in the item for relief in occupied areas in last year's appropriation bill. No authorization has been carried so far by the Congress for the continuation of this operation. It was carried on under the continuing resolution which was adopted in June and continued on to about the 15th of August.

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

Mr. TABER. I yield.

Mr. STEFAN. Will the gentleman please tell the House how this $30,000,000 compares with the amount GARIOA has spent?

Mr. TABER. It is at the rate of about $9,000,000 a month as compared with $12,500,000 under the previous year's operations. I do not know on what basis it might compare in dollars and cents because it has been a very irregular operation due to the fact that there was no definite authorization or no definite appropriation.

Mr. STEFAN. As I understand, however, this is going to be a little less than what the Army spent in GARIOA, which means Government and Relief in Occupied Areas.

Will this $30,000,000 be used to cover the existing Information Service that is operating in Korea or will it be in addition?

Mr. TABER. Frankly, any information set-up that is under the ECA would be carried on there with these funds, but a State Department information set-up would be carried on under their funds.

Mr. STEFAN. And they are two separate information services?

Mr. TABER. Yes.

Mr. CANNON. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 19: Page 11, line 10, insert:

"SURPLUS PROPERTY DISPOSAL

"Salaries and expenses: For expenses necessary for carrying out the provisions of the Federal Property and Administrative Services Act of 1949 (Public Law 152, approved June 30, 1949), relating to excess and surplus property, including personal services in the District of Columbia; allocations to Government agencies for services rendered in connection with care and handling or disposal of property declared surplus prior to July 1, 1948; not to exceed $5,000 for payment of claims pursuant to law (28 U. S. C. 2372); not to exceed $14,000 for a health service program as authorized by law (5 U. S. C. 150); printing and binding; expenses of attendance at meetings concerned with the purposes of this appropriation; acquisition of real property and interests therein, necesary in connection with care and handling or disposal of property; payments to States or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus by Government corporations; appraisers at rates of pay or fees not to exceed those usual for similar services; and advances of funds to cashiers and collection of officials, upon furnishing bond; fiscal year 1950, $22,500,000: *Provided*, That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment, laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations where such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation: *Provided further*, That in addition to the amount hereinbefore appropriated, and notwithstanding the provisions of any other law, not to exceed $4,000,000 of the proceeds of the disposal of surplus property subject to a 'national security clause' as defined in the National Industrial Reserve Act of 1948 (50 U. S. C. 451), or as imposed pursuant to the act of August 5, 1947 (10 U. S. C. 1270, 34 U. S. C. 522 (a)), or deductions from proceeds otherwise collectible as a result of the disposal of such property, shall be available for such costs of renovation, restoration, rehabilitation, improvement, and repair of industrial facilities as may be contracted for during the fiscal year 1950 if required for purposes of national defense or for the protection of the public or of private property from the effects of the operation of such facilities: *Provided further*, That appropriations to the War Assets Administration for the fiscal year 1947 shall remain available for expenditure during fiscal year 1950 for obligations incurred during the fiscal year 1947 in respect to industry agents' contracts: *Provided further*, That not to exceed $762,000 of the appropriations to the War Assets Administration for the fiscal year 1949 shall remain available for accumulated or accrued leave paid after June 30, 1949, to employees of the War Assets Administration separated or furloughed on or before that date: *Provided further*, That the appropriation and authority with respect to the appropriation in this paragraph shall be available from and including July 1, 1949, for the purposes provided in such appropriation and authority. All obligations incurred

during the period between August 15, 1949, and the date of enactment of this act in anticipation of such appropriation and authority are hereby ratified and confirmed if in accordance with the terms thereof."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In line 22 of the matter inserted by said amendment strike out "$22,500,000" and insert in lieu thereof "$12,500,000"; and, in line 37 of the matter inserted by said amendment strike out "$4,000,000" and insert in lieu thereof "$2,000,000."

Mr. CANNON. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks and include extraneous material, also a brief statement of Mr. Larsen before the Senate committee.)

Mr. HOLIFIELD. Mr. Speaker, it is my opinion that the conferees are making a very serious mistake in cutting this item of $22,500,000 down to $12,500,000 and if you will bear with me for a moment I will explain why.

At the time that the third deficiency bill was debated here in the House in June I brought this matter up. At that time the gentleman from Michigan [Mr. RABAUT], was in charge of the bill. I pointed out that the functions of the War Assets Administration were being transferred to the General Services Administration and that they were sending the money that was needed to take care of it to another agency, the Department of the Treasury. The gentleman from Michigan said that this matter would be taken care of in conference and it has been taken care of in conference as far as the other body is concerned.

After listening to the presentation of the budget by Mr. Larsen of the General Services Administration the Senate approved the appropriation of $22,500,000. However, the conferees of the House are now insisting on a cut of $10,000,000.

Let me explain what this will do. First, let us realize that the General Services Administration now has the functions of the old Federal Works Administration, including the operation and maintenance of all Federal buildings. In addition to that, they have the further responsibility of closing out the War Assets Administration. In their budget estimate they asked for $12,000,000 to take care of property management and they also asked for $7,384,000 for the disposal of the residue of War Assets Administration property, which amounts in point of recovery to about $119,000,000. That is not the acquisition cost, but the amount that they estimate that they can recover from the remaining real property that is in the hands of the old War Assets Administration which is now transferred to General Services.

Now, this $7,000,000 and the additional $3,000,000 is for the purpose of disposing of this $119,000,000 in recovery estimate, of real and personal property. If they are not given the money to dispose of this residue of war assets, real and personal property, it is obvious that the Government of the United States is going to lose a great share of the $119,000,000 which they estimate they can recover within the next 6 or 7 months.

I do not have time to go into all of the intricacies of it, but I want to point out that the cutting of this appropriation for administrative cost, for rents of buildings, for advertising this property for sale, for all of the expenses that go toward an orderly disposal and maximum recovery of this War Assets property will be endangered.

In addition to that, the General Services Act also put upon Mr. Larsen the following responsibilities: The responsibility of analyzing the need for record management in government. The Hoover Commission estimated that at least $100,000,000 per year could be saved on that point. It also put upon him the responsibility for a traffic-management study and developing traffic-management procedure for the shipment of Government freight. We spent about $1,000,000,000 per year in transportation costs with the railroads, steamships, and air lines, and a study of $14,000,000 of freight bills by the Bender subcommittee, part of the House Committee on Expenditures in the Executive Departments last year, revealed that in the $14,000,000 study that was made, over $2,000,000 was overcharged the Government by the railroads, because the Government did not utilize the most efficient and economical method of shipping. So, they also have this responsibility of making a study of how to save the Government money on the shipping of all types of freight. The Hoover Commission has estimated that we can save $100,000,000 per year if the proper traffic-management procedure is adopted by government, as it is by the great corporations at the present time.

The Administrator of General Services is also charged with a study of the duplication of functions in all of the executive branches of government. We know that many functions are being duplicated. He is charged with the responsibility of making this study and bringing recommendations to the Congress to eliminate these functions where they have to be eliminated from a legislative standpoint, and where they can be eliminated by Presidential order or by administrative action he is charged to recommend that particular action. He cannot take this action which will save the Government many millions of dollars unless a study is first made of the amount of duplication involved; also the catalog project for procurement. Over 12,000,000 items are in the Federal purchasing list at the present time, and it is estimated by the Hoover Commission that at least 9,000,000 of these items are duplications of existing items. It will inure to the benefit of the Government if we can reduce all of these duplicating items to a minimum of nomenclature and specifications. He is charged with that further development of his agency. He cannot do it if these appropriations are cut. He is also charged with the effective use of Government offices and warehouses and the disposition of space in Federal buildings.

All of these things are extra duties that are being charged to the Administrator of General Services, and in my opinion a very bad mistake is being made by the conferees in insisting on the changing of this amount from $22,500,000 to $12,500,000. I hesitate to put myself in the position of being against the conferees of the House, but I wish that they would have consideration for some of the things that I have suggested to you. Remember this also, that the $7,500,000 which we passed the other day for school-maintenance grants is involved in his administration; also the $100,000,000 on advance planning. All of these additional duties we have put on this man. Many of them are not provided for in the present budget.

He said in his statement before the committee of the other body that while items for these responsibilities were not contained in his budget estimate, he thought he could make savings in certain departments that would allow him to have some excess cash to go into these additional responsibilities within the fiscal year.

I ask the conferees at this time if they will not recede from their position, which is in disagreement with the Senate, and agree to the Senate amount of appropriations, $22,500,000.

STATEMENT OF JESS LARSON BEFORE SENATE APPROPRIATIONS COMMITTEE ON GENERAL SERVICES ADMINISTRATION BUDGET

Gentlemen, I appreciate the opportunity of appearing before the committee today to discuss the third deficiency appropriation bill, H. R. 5300, as it applies to the surplus-property program. As you know, this bill implements the provisions of Public Law 862, Eightieth Congress, as amended by Public Law 7, Eighty-first Congress, by appropriating funds to the Treasury Department for liquidation of the affairs of the War Assets Administration and to the Reconstruction Finance Corporation for care and handling and necessary expenses relating to the management of real property. Subsequent to the passage of H. R. 5300 by the House of Representatives, Public Law 152, Eighty-first Congress, was enacted. This law repeals Public Law 862, as amended, abolishes the War Assets Administration, and provides for the transfer of its property, personnel, functions, records, and accounts to the General Services Administration effective July 1, 1949.

We are presenting for the consideration of the committee a budget estimate in the amount of $22,500,000. This estimate was prepared by the War Assets Administration and represents the funds required in the continued liquidation of its surplus property responsibilities in the fiscal year 1950.

No funds are provided in the estimate to cover costs of additional functions relating to property utilization and disposal, assigned to the General Services Administration by Public Law 152.

I am confident that the transfer to the General Services Administration will permit savings to be made in this estimate, and it is my intent to apply such savings to these additional functions.

JUSTIFICATION OF ESTIMATE

The estimate of $22,500,000 requested for fiscal 1950 may be summarized by the following major items of expense shown here in total and by activity:

Personal services	Total	Property management	Disposal	Inventory control and reconciliation	Executive direction
Regular salaries	$6,552,000	$2,477,000	$1,875,000	$1,692,000	$508,000
Regular salaries, protection and maintenance at site	726,000	726,000			
Terminal leave	1,095,000	343,000	412,000	281,000	59,000
Subtotal	8,373,000	3,546,000	2,287,000	1,973,000	567,000
Aircraft and aircraft parts and components	5,954,000	2,404,000	3,550,000		
Protection and maintenance of real property	3,296,000	3,296,000			
Taxes	1,587,000	1,587,000			
Administrative costs	1,530,000	623,000	405,000	391,000	111,000
Plant clearance	540,000	540,000			
Miscellaneous contractual disposal costs	530,000		530,000		
Other agencies	690,000	78,000	612,000		
Total	22,500,000	12,074,000	7,384,000	2,364,000	678,000

The $8,373,000 requested for personal services is based on a continuing reduction in staff as surplus inventories are reduced. During the fiscal year 1950, this reduction will total 61 percent from a beginning employment of 2,550 to only 1,000 on June 30, 1950. Through this reduction in force, there will result a fixed obligation for terminal leave in the amount of $1,095,000. Employment of guards, firemen and maintenance crews to be stationed at the site of real property will require an additional $726,000. The remainder of the personal services estimate amounting to $6,552,000 will provide for an average force of 1,433 employees for the conduct of the programs herein outlined.

PROPERTY MANAGEMENT

Of the above listed major items of expense to be incurred during fiscal year 1950, a total of $12,074,000 is necessary for property management activities. Of this total, $3,546,000 is required for employment of personnel, including terminal leave. This will provide for an average employment of 242 guards, firemen and maintenance crews to be located at real property sites, for the protection of such properties from fire, theft, vandalism, and so forth. It will also provide for an average employment of 557 employees to be engaged in the over-all property management functions. With $700,000,000 of property under long term leases, property management employees must make inspections, authorize special repairs and improvements, collect rental payments, and adjust or renegotiate leases as required. There are 54 "variable" leases, that is, the amount of rental is based upon a factor such as production, occupancy, use or net sales. In such cases property management employees must maintain close supervision to insure receipt of appropriate rental as well as be responsible for the productive operation of the plants under these leases. In addition, this group of employees will be required to prescribe standards of maintenance, direct crews at site, and to supervise as well as modify and renegotiate interim occupancy permits as necessary. Employees assigned to this activity will also be engaged in collection of interest in the amount of approximately $6,000,000 covering the interest returns on real property mortgages with balances due in excess of $190,000,000. This operation will involve periodic inspection of the properties together with collection of regular principal and interest payments.

Contracts for protection and maintenance of real property in inventory and real property maintained for multiple tenancy purposes will cost $3,296,000. This includes the cost of contracts for protection and maintenance services at surplus facilities, the cost of purchasing and transportation of oil and coal for heating and power, and the cost of utilities in such facilities. Because it is not always economical or feasible to maintain a staff of Civil Service employees covering all of the mechanical trades required in each plant, experience has demonstrated the need for contracts with industrial firms qualified to render these services. It is planned to continue with contractor operations during fiscal year 1950 in a large number of real property facilities, particularly plants containing substantial quantities of production equipment and machine tools.

The cost of property management activities includes $1,587,000 for payments of sums in lieu of taxes. These funds will pay sums in lieu of taxes of State, county and local jurisdictions on properties declared surplus by the Reconstruction Finance Corporation.

Funds in the amount of $623,000 are required for administrative costs of the property management program. This will provide for such items as office rent, equipment rental, transportation of things, travel, printing and binding, and supplies.

A total of $540,000 is required for plant clearance. This represents the net cost of removing personal property such as heavy production machinery and special purpose equipment from real property facilities, in those cases where such personalty is to be disposed of separately. It is anticipated that personal property acquired at a cost of $50,000,000 will be removed from real property facilities during the fiscal year.

The conduct of the property-management program in the fiscal year 1950 is necessary to protect the capital investment of the Government in the many plants which are in the surplus inventories and to carry out the duties of the Government as a lessor and a mortgagee. In addition to accomplishing these objectives property-management activities will bring to the Government during fiscal 1950 a gross return of $36,000,000 in lease income and in interest on mortgages. After deducting the cost of this program of $12,074,000 the net return to the Government for property-management activities will be approximately $24,000,000.

DISPOSAL ACTIVITY

As of July 1, 1949, there remained to be finally disposed of $1,829,000,000 of war-surplus property. The total includes $1,394,000,000 of real property; $380,000,000 of aircraft components and parts; $20,000,000 of aircraft; and $35,000,000 of agricultural lands and institutional type real property assigned to other disposal agencies. Of the total inventory, $1,090,000,000 is available for sale and $739,000,000 is on lease.

Sales and transfers in the fiscal year 1950 are expected to total $1,058,000,000 at acquisition cost, of which $472,000,000 will be by sale, and $586,000,000 by transfer without reimbursement, donation, scrapping, or other disposal action. We will obtain, largely from sales and leases, a gross realization of $119,000,000 during the year. With operating costs of $22,500,000, or only 19 percent of our gross return, the net return to the Government will be $96,500,000 for all operations in fiscal 1950. This represents a net return of 20.2 percent of the acquisition cost of property sold.

Of the above listed major items of expense to be incurred during fiscal year 1950, a total of $3,222,000 is necessary for disposal activity, exclusive of other agency costs and costs of the aircraft and component program. Of this sum $2,287,000 is for personal services costs, including terminal leave. This will provide for an average of 401 man-years during fiscal year 1950 to perform all of the functions incident to disposal operations, including disposal planning, appraisal, advertising, sales planning and negotiation, documentation, etc.

Administrative costs will require $405,000 to provide for such items as office rent, equipment rental, transportation of things, travel, printing and binding, and supplies and materials as necessary for disposal operations.

A total of $530,000 is incorporated as a major item of expense for miscellaneous contractual disposal costs. It includes $237,000 for advertising; $150,000 for brokers' fees in the disposal of real properties; $72,000 for reimbursement to the Department of the Interior in connection with real property disposals in accordance with Public Law 616; and $71,000 for appraisal and consultant services.

As a result of the disposal action projected for fiscal year 1950, surplus inventories will be reduced to $771,000,000 by June 30, 1950. This will include $761,000 of real property; $9,000,000 of aircraft: and $1,000,000 of institutional type real property. Of the total inventory of $771,000,000 remaining on June 30, 1950, $563,000,000 of such property will be on long-term lease.

AIRCRAFT AND AIRCRAFT COMPONENTS PROGRAM

As was indicated under disposal activity, the aircraft inventory will be reduced from $20,000,000 to $9,000,000 during fiscal year 1950, and the aircraft components inventory of $380,000,000 will be totally liquidated.

In connection with the disposal of our inventary of aircraft components, the National Defense Establishment has advised us of the need for an additional $100,000,000 of such materials for the defense purposes of this country and to meet the potential requirements of the impending foreign military-assistance program. In compliance with this request and based on the determination that it represents the best interests of the Government, a program has been developed to retain the needed portions of the aircraft components inventory until rescreened by the armed forces and their requirements fulfilled. Meanwhile, as the screening progresses we will continue with the sale of this inventory to commercial buyers and with the disposal by scrap and salvage methods of those items in the inventory which are obsolete and those which are available in long supply.

This matter has been reduced to a joint memorandum of understanding between the War Assets Administration and the National Defense Establishment. Final liquidation of the total inventory is provided for by June 30, 1950.

The cost of carrying out the aircraft components program represents $5,950,000 and will provide funds to reimburse agents for services rendered to the Government in the in-and-out handling and storage of aircraft components while the withdrawal and scrapping operations are being completed. It provides also for necessary expenses of outshipment of items withdrawn by the National Military Establishment. In addition, $4,000 will be required to provide for contractual protection and maintenance of aircraft returned to inventory by lease cancellations pending transfer to the Armed Services.

INVENTORY CONTROL AND RECONCILIATION

This activity comprises the normal function of inventory of property and the records of accounts receivable and reconciliation of inaccuracies in prior inventories together

with the records retirement program providing for sorting, classifying, and storage of surplus property records.

Of the total of $2,364,000 requested, $1,973,000 will permit an average employment of 364 for the year. The only additional expenses are the normal costs of rents, utilities, travel, communications, etc.

EXECUTIVE DIRECTION AND ADMINISTRATION

All of the normal policy, administration, supervision, and planning and budgeting functions of any Government agency are included in this item.

Requirements for personal services total $567,000 of the total of $678,000 for this item. This will permit an average employment of 110 for the year. The remaining costs consist of pro rata share of rents and utilities, communication, travel, supplies, etc.

OTHER DISPOSAL AND SERVICE AGENCIES

One of the major items in the budget estimate for the surplus disposal program for fiscal 1950 is the $690,000 to be transferred to other agencies; $520,000 of this amount is required for the Farm Credit Administration to permit them to complete during the fiscal year the disposal of the remaining 260,000 acres of agricultural land; $92,000 is required to reimburse the Office of Education for advice and assistance in the disposal of surplus property to educational institutions; $18,000 is necessary to cover costs of care and handling and litigation expenses to complete disposal of the Torney General Hospital, Palm Springs, Calif., by December 31, 1949. The remaining $60,000 is to be transferred to the Bureau of Reclamation as directed by Public Law 478, Seventy-ninth Congress, and Public Laws 247 and 841, Eightieth Congress, to provide for maintenance of reclamation projects at Tule Lake, Heart Mountain, and Yuma air base.

SPECIAL REHABILITATION FUND

The appropriation language which has been submitted requests that $4,000,000 of our $119,000,000 income from surplus-disposal operations in the fiscal year 1950 be made available for the purpose of protecting the capital investment of surplus plants which are subject to the national security clause and which constitutes a part of the Nation's system of national defense.

This fund will enable the General Services Administration to meet unforeseen and more or less imminent emergency situations necessitating rehabilitation and repair work in such industrial facilities as may be required for national defense or to protect public or private property from the effects of the operation of these facilities.

I believe that it is consistent with normal business practice to set up such a fund which will enable emergency situations to be met by expenditures out of income. It is possible that no portion of these funds will be used. However, we can reasonably anticipate the need for such work occurring during the year. As an example of the type of work for which the $4,000,000 may be required, it may be necessary during the year to reline the blast furnace at the Republic Steel Corporation Plant, Cleveland, Ohio. This major repair item will account for approximately $400,000 of the $4,000,000 for which authority to expend has been requested. I can outline a few other examples of potential costs which may be necessary to prevent loss of capital investment in national defense plants.

THE BOHN ALUMINUM & BRASS CO., ADRIAN, MICH.

A total of $263,550 for the renovation and rehabilitation of approximately $7,500,000 worth of aluminum extrusion tool, machinery, and equipment.

THE SUN SHIPBUILDING CORP., CHESTER, PA.

The expenditure of $127,000 for the renovation and repair of roofs, the processing of large Gantry cranes with rust inhibitives to arrest deterioration.

THE SCULLIN STEEL (SOUTH PLANT), ST. LOUIS, MO.

The rehabilitation of structural members, roofs, boiler plant, and the application of rust inhibitives to machinery may require the sum of $180,000.

CONCLUSION

Since the passage of Public Law 152, I have reviewed closely the budget estimate originally prepared by the War Assets Administration and I am convinced that the request for $22,500,000 plus the authority to expend $4,000,000 from profits to protect capital investment, is sound and justified. I want to take this opportunity to thank the committee again for the opportunity of discussing this program. With the assistance of the few members of my staff who are present we will attempt to answer any questions you may have or to furnish any further information that may be desired.

Mr. CANNON. I will be glad to answer the gentleman in my own time.

Mr. Speaker, in response to the last inquiry of the gentleman, who has a very comprehensive knowledge of this subject and who has rendered a great service in the formulation of the legislation under discussion, may I say that it is, of course, impossible at this stage of the proceedings to rewrite the conference report. The conference report is now pending and must either be voted up or voted down. It is not subject to amendment. Of course it may be recommitted, a course which is hardly practical in this instance. There is no practical way to revise the bill or the conference report at this time.

As a matter of fact, Mr. Speaker, there is really no occasion for making any change in this bill. The gentleman is under a misapprehension in one respect. The items to which he devoted the first part of his speech as cataloging, for instance, have little or no relation to this amendment or this appropriation. The provision before us relates to surplus property disposal. The matter which he discusses is under the jurisdiction of the Federal Bureau of Supply. Ample provision has already been made and funds have been made available to carry on these activities under that Bureau.

The second part of his speech relating to space, and so forth, likewise has nothing to do with this item or this appropriation or this bill. It is under the Public Buildings Administration and, again, in another bill, money has been appropriated, and ample provision has been made in another and prior bill, the independent offices appropriation bill.

May I say also, Mr. Speaker, discussing in general our reduction in the estimate under this Senate amendment, when the representatives of the agency were before us it was evident that they did not have a very definite idea as to what could be accomplished the first year. They are just establishing the activity. It is new and they must establish their routine and get started.

Three months of the fiscal year have already passed. One-fourth of the time is gone. They have only three-fourths of the fiscal year ahead of them. I am inclined to think that under the circumstances we have provided ample funds for the activities financed here. However, if by any chance it should develop, we have made inadequate provision, the Congress will be here in January and you may be certain we will take care of the situation.

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

Mr. CANNON. I yield to the gentleman from California.

Mr. HOLIFIELD. I appreciate the gentleman's position as a result of the status of the conference report and appreciate the gentleman's statement. I do not want to contend with him unduly, but I do wish to state that the Public Buildings Administration and the Federal Bureau of Supply are now incorporated in the General Services Administration, with their functions. The necessary funds for them is now incorporated in the appropriation we are considering. But in view of what the gentleman has said, my remarks are pertinent, that if a deficiency does arise in the regular procedure of their offices they will have an opportunity of coming in January, or at a later time for a supplemental appropriation, establishing that need before the committee.

I thank the gentleman for his remarks.

Mr. CANNON. Of course, the gentleman is doubtless aware that the first two items were fully appropriated for, both the Bureau of Federal Supply and the Public Buildings Administration, in the independent offices appropriation bill, passed by both Houses some time ago and which has gone to the President and has been signed, and is now in force.

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

Mr. CANNON. I yield to the gentleman from Nebraska.

Mr. STEFAN. I merely wish to ask the question whether or not we are concurring with the Senate in the purchase of a building for a post office in the city of Omaha, in Nebraska?

Mr. CANNON. We have made full provision for the post office building site at Omaha.

Mr. STEFAN. Is that for the building, or merely the land?

Mr. CANNON. It is for the purpose of the site.

Mr. STEFAN. How much was that?

Mr. CANNON. One hundred and fifty thousand dollars; I have forgotten the amount originally appropriated; but after the amount was included in the bill it was found that the value of the land had enhanced and also that there was the need for additional space, and the amount appropriated was insufficient. We appropriated at this time the full amount requested to take care of the enhanced cost of the original site and the additional space required.

Mr. STEFAN. In other words there is a sufficient amount of money to purchase the land?

Mr. CANNON. That is right.

Mr. STEFAN. And there is the authorization for the construction of a new building?

Mr. CANNON. Money for construction must come later.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

CIVIL FUNCTIONS APPROPRIATIONS BILL, 1950

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1377)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9 and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 6, 8 and 17, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: *"Provided further,* That the various appropriations for rivers and harbors and flood control may be used for the purchase (for replacement only) in the current fiscal year of five hundred passenger motor vehicles and ten motorboats (to be acquired from surplus stock where practicable) and the purchase (not to exceed five, to be acquired from surplus stocks), maintenance, repair, and operation of aircraft."; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$197,489,690"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,200,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$366,330,400"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$67,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,600,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 11, 12, 13 and 16.

JOHN H. KERR,
LOUIS C. RABAUT,
CHRISTOPHER C. MCGRATH,
JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
ELMER THOMAS,
DENNIS CHAVEZ,
STYLES BRIDGES,
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3734) making appropriations for civil functions for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

Amendment No. 1, relating to administrative expenses, Corps of Engineers: Provides for the purchase of 500 passenger motor vehicles instead of 486 as proposed by the House and 561 as proposed by the Senate, and further provides for the purchase of 10 motor boats and 5 aircraft as proposed by the Senate.

Amendment No. 2: Appropriates $197,489,690 for rivers and harbors instead of $176,034,270 as proposed by the House and $229,098,290 as proposed by the Senate.

Amendment No. 3: Clarifies statutory reference.

Amendment No. 4: Provides for a transfer from the appropriation for rivers and harbors to the Secretary of the Interior of $1,200,000 instead of $1,000,000 as proposed by the House and $1,360,000 as proposed by the Senate.

Amendment No. 5: Reported in disagreement.

Amendment No. 6: Appropriates $100 for alteration of bridges over navigable waters as proposed by the Senate.

Amendment No. 7: Appropriates $366,330,400 for flood control general instead of $321,000,000 as proposed by the House and $415,084,300 as proposed by the Senate. The conferees are agreed that with respect to both rivers and harbors and flood control projects, appropriations approved for planning are in no way to be interpreted as a commitment by the Congress for subsequent appropriations for construction nor, that by allowing funds for planning, it is the desire of the Congress that construction of a particular project be initiated. The conferees are further agreed that no transfers of unobligated balances are to be made from Big Walnut Reservoir to Rocky Fork Reservoir, Ohio.

Amendment No. 8: Deletes provision of the House restricting use of funds appropriated for flood control for the maintenance or operation of the Garrison Reservoir at a higher maximum normal pool elevation than 1,830 feet as proposed by the Senate.

Amendment No. 9: Deletes provision of the Senate amending existing legislation governing the Oklahoma City project, as proposed by the House.

Amendment No. 10: Deletes provision of the Senate providing for the use of planning funds for the Millwood Reservoir for the survey and study of alternate sites, as proposed by the House.

Amendment No. 11: Reported in disagreement.

Amendments Nos. 12 and 13, relating to the Isabella Reservoir in California are reported in disagreement.

Amendment No. 14, relating to flood control, Mississippi River and tributaries: Appropriates $67,000,000 instead of $63,000,000 as proposed by the House and $73,500,000 as proposed by the Senate. The conferees are agreed that the amount of $500,000 contemplated by the Senate amendment for the Devil's Swamp project is not included in the appropriation recommended for flood control, Mississippi River and tributaries. The conferees are further agreed that not more than a proportionate reduction shall be applied to the budgeted amount for Memphis Harbor.

Amendment No. 15, relating to flood control Sacramento River, California: Appropriates $3,600,000 instead of $3,500,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Amendment No. 16: Reported in disagreement.

Amendment No. 17, relating to general provisions applicable to the Panama Canal and Corps of Engineers: Establishes a limitation as to the amounts that may be expended for the employment of experts and consultants as proposed by the Senate.

JOHN H. KERR,
LOUIS C. RABAUT,
CHRISTOPHER C. MCGRATH,
JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, this bill is one of the important bills in the annual Federal budget. It provides necessary, essential, and indispensable service in river and harbor improvement and flood control, and this year I think is especially responsive to the needs of the Government and the country in that respect.

The bill should be passed and I urge its enactment. But it carries items of such flagrant character that I cannot subscribe to them either in the bill or the report.

As the bill passed the House and was messaged to the Senate last March, it was generally acceptable. Some items may have been subject to criticism but on the whole it was a good bill and was well below the budget estimates. There was considerable delay in consideration on the other side and it was not sent to conference until June 1. In conference we promptly agreed to the legitimate alterations of the other body and the bill could have gone to the President the next week but for a series of amendments added to the bill by the Senate, committing the Government to new and unbudgeted expenditures which would eventually exceed half a billion dollars.

These items are outside the orderly plan of work prepared and submitted to the Congress. They have no priority. Few of them have planning and some are unauthorized by law. There is no emergency which justifies any of them and the cost is exorbitant. They are unwarranted. unbudgeted, unjustifiable, and conscionable. Every dollar spent for them must be deficit-financed. Every dollar spent for them adds a dollar to the public debt. Every dollar spent for them pushes that much further back the prospect of reducing taxes. In a national financial and economic crisis, as serious

as any in the history of the country, these Senate amendments propose to spend money we do not have for things we can get along without.

They violate every principle laid down by the President in his budget message to Congress at the beginning of the session. In that message the President said:

The present high costs of construction and large competitive demands from various sectors of the economy make it necessary to undertake new river basin projects only where urgency is evident.

There is no emergency justifying construction of any of the projects proposed in the Senate amendments objected to by the House. These same rivers have been flowing to the sea under precisely the same conditions ever since Columbus discovered America, and no one knows how many centuries before. We can get along without throwing millions of dollars of Federal funds into them as well in the future as in the past.

Again the President says:

The flood-control program of the Corps of Engineers will be limited in the fiscal year 1950 almost entirely to continuation of work on projects started in 5 years.

Every item arbitrarily forced into the bill by the Senate amendments to the bill, over the protest of the House conferees, violates this salutary principle enunciated by the President. All are new projects and few of them have even reached the planning stage.

The President continues:

Because of a great increase in the estimated cost of the Missouri Basin development, the present plan should be reexamined to determine needed changes.

It is difficult to imagine circumstances under which a new project would be proposed until opportunity had been afforded to make the reexaminations and needed economies urged by the President. Surely the least that could be expected would be to await the results of the reexamination. But proponents of the amendments apparently have little regard either for examination or costs.

Again the President emphasizes:

River and harbor improvement by the Corps of Engineers is held in the 1950 budget to the minimum required for navigation and related purposes.

Notwithstanding the President's statement of this emphatic program the other body put into this bill projects which according to the estimates of the engineers ultimately will cost $459,000,000 and which under the routine with which you are all familiar will unquestionably cost vastly in excess of $500,000,000. But who cares about costs? The more they cost the more money will be distributed in home areas and among favored constituents.

I am not objecting to these amendments merely because the expenditures which they propose are unbudgeted—because they have not been approved by the Bureau of the Budget. There is nothing sacred about Budget estimates. The Congress has the power and should exercise the power when need arises, to make appropriations regardless of Budget estimates or lack of estimates. But when the Bureau of the Budget, which is proverbially indulgent in such matters, refuses to approve an expenditure there is cause for careful scrutiny of the entire project.

When the House, after careful examination of the projects proposed in the Senate amendment, called attention to the lack of Budget estimates, every effort, short of bludgeoning was resorted to in an endeavor to get the Bureau to issue estimates. And when the Budget refused to be coerced, as a last resort they appealed to the President. And the President likewise declined to interfere.

And the four majority members of the House committee of conference likewise declined to endorse the expenditures. For 4 months the four majority conferees explained, protested, argued, and plead with the Senate managers to withdraw the objectionable projects. And let me say here that my refusal to sign the conference report is not to be taken as criticism of my majority colleagues on the conference. I have only the highest praise for all three of them. We did not yield until it became evident that there was no hope of getting the bill through without including the Senate expenditures. Consequently they are incorporated in the pending report. We had to accept them in order to secure the passage of the bill.

Mr. Speaker, the issue involved concerns more than the money and the interference with orderly procedure. The fiscal condition of the country is probably the most unsatisfactory since the beginning of the Republic. We owe a debt of more than a quarter of a trillion dollars. That in itself is staggering. But the menace of the situation is that we are not reducing the debt. On the contrary we are increasing it every day. As long as a man is paying on his debts there is some hope for him. But when he goes deeper in debt day by day and continues to spend money for things he can get along without—then he is marked off the books of every credit agency in the country.

During the war we spent lavishly. It was the price of survival. But even as we spent we comforted ourselves with the thought that as soon as peace came we would begin to pay and get back to a solvent basis. It is 4 years since the shooting stopped and every year, instead of reducting the debt, we have increased it.

The first quarter of the current fiscal year ended last Saturday. On October 1, at the end of the first quarter of the fiscal year 1950, the Government was in the red $1,758,214,000. In 3 months we had spent that much more money than we had taken in. But here is something that makes it all the more significant. In the first 3 months of the year 1948, instead of a deficit we had a surplus. We took in in the first 3 months of 1948 more than we spent. We took in in the first quarter of 1949 approximately $2,000,000,000 less than we spent. At this rate what will be the condition of the Treasury June 30, 1950, at the end of the fiscal year? No one competent to judge estimates that we will be less than $2,000,000,000 in the red. The Joint Committee on Reduction of Nonessential Federal Expenditures predicts that, at the end of the fiscal year, we will be $7,000,000,000 in the red.

There seems to be general agreement in many authoritative quarters that by the end of the fiscal year 1951 we will be $10,000,000,000 in the red, which must be added to the public debt of a third of a trillion dollars, and which must be paid by the issuance of bonds.

The more bonds we issue the more insecure the market. There is already in this country, a definite trend toward turning Government bonds into real estate and commodities and other investments. People are getting just a little bit uneasy about Government bonds. They remember that after the last war Government bonds went down to 84. You walked in the bank and pushed a $100 bond across the counter and they gave you $84. The dollar itself is not buying as much as it did.

Why are they devaluing the pound in England today? Because the British Government spent more than it took in. A lot of people are criticizing England today because of its fiscal policy, its spending more than its income. You do not have to go away from home to find that situation. Here in the United States we are doing identically the same thing. We, too, are spending more than our income. We may never officially devalue the dollar, but if this sort of thing keeps up, when you take your dollar to the corner grocery it will buy less groceries, and when your widow cashes your insurance policy, the proceeds will buy considerably less than you figured it would when you took out your insurance.

Yesterday we passed a bill making more people eligible for social security. If this spending policy keeps up, the money they will get from social security will buy less than what they have today.

How can we remedy this situation? The most fundamental, the most elemental thing we can do is to quit spending, and nothing else will avail. We can levy more taxes, of course, but people are demanding that you reduce taxes instead of raising them.

We must do one of two things. We must quit spending or we must increase taxes. We can take our choice.

Here are commitments of a half billion dollars we are putting into this bill that do not need to go in it, half a billion dollars for things we could get along without. Yet, the other body sat there 4 months unmoved while the majority representatives on the House committee pleaded with them to forego these unwarranted expenditures.

If a proposition like this had been presented to any board of directors of any corporation in the United States, where with a debt approaching the value of all the assets in the United States, with an increasing debt and a steadily increasing deficit—to make investments instead of paying our debt, no board of directors in the country would have agreed to it.

Or if you had gone to a cashier, to the lending official of any bank in the United States, either a small country bank or a great metropolitan trust company and told them that you owed as much money as you were worth, and that you were not paying anything on your debts, but

that you wanted to borrow some more money, the cashier of the bank would promptly conduct you to the door. No businessman or ordinary intelligence would countenance such expenditures as the other body put in the bill.

I do not have to tell you that conditions may arise in the future which will require vast expenditures. We have had depressions before where we had to prime the pump. If such a contingency should arise again, where would we get the money?

The income of the farmers of this country today is dropping precipitously. You read in this morning's paper that the price of agricultural products is dropping rapidly. If some farm plan should be adopted in the future which will require money—and you cannot think of any plan for farm relief which would not require money—where are you going to get the money? Anybody knows we are engaged, and must be engaged for years to come, in a race of armaments in preparation for war—that America is today in greater danger than ever before in its history.

If we should have another war, God forbid, no matter how alert we are, and no matter how promptly we move, how ready our forces or how effectively they operate, our cities would suffer. We have been told there is no defense against the atomic bomb. In spite of everything and anything we could do, regardless of how promptly or how hard we hit them, they would strike crippling blows.

If one of those old-fashioned, outmoded Hiroshima bombs were dropped halfway between here and the White House, it would wipe out the United States Government. The House, the Senate, the Supreme Court, the Executive, and the Pentagon, with its high command, would be wiped out. Only one bomb would be necessary. Who can say that flying at terrific altitudes over our centers of production and population we could hope to escape great damage and tragic loss?

We must not have another war. There must not be another war. And there is only one way to avoid another war. That is to be prepared. The Kaiser took us on because he thought we were not ready. If Tojo and Hitler had dreamed we could defend ourselves they would not have attacked us. The only way to prevent another attack is to be ready. And to be ready we must have money. We cannot afford to fritter away money, even a small half a billion dollars when the extinction of the race is at stake.

In 1893 the Sino-Japanese war was on the horizon. It was a question of time as to when Japan would attack. Of course it would be a naval war, and China had, for the times, a fair navy. But the imperial council decided that in order to be fully prepared they needed one more modern warship. So they set aside the money to build the ship; they earmarked the funds and turned them over to the Empress. The Empress of China, Tzu-Hsi, the last of her dynasty, was supreme throughout China. She was very old. She was very opinionated. She loved the luxuries of life. So she took this money the council had earmarked for a battleship, and she built a battleship with it out of white marble, up in one of her mountain gardens. It was a beautiful thing, but in 1894, when Japan struck, China needed one modern ship. She did not have it. It had been transferred into an internal improvement. Our war resources may just as well be spent on unimportant rivers and harbors or on mediocre flood control, or to please chambers of commerce over the country, or to make votes for statesmen.

If there is any evidence needed of a serious defect in our form of government, this bill is exhibit No. 1. We have the greatest government the world ever saw. It functions perfectly, except in one respect. The unfortunate feature is that the men who vote appropriations are the same men who must depend upon the votes of the beneficiaries of those appropriations for election.

In my opinion, the one most impressive thing in the National Capital, if not in the city of Washington, is to be found half way between the House and the Senate Chambers.

The SPEAKER pro tempore (Mr. MILLS). The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Speaker, I yield myself 10 additional minutes.

When this Government was first established, it was an experiment. There was grave doubt in the minds of men that it could survive. When the form of the Constitution was reported in Europe, every chancelry rocked with raucous laughter. They said: "As soon as Washington dies the Government will die. When the first contested election is held the party that is defeated will grab their guns and go to shooting and some strong man on horseback will seize the Government and declare himself king. It is inevitable."

Even thoughtful Americans shared the apprehension. It is said that every morning when John Adams woke, as soon as he opened his eyes, he asked, "Does the Government still live?" Men everywhere felt the uncertainty and sought to strengthen the structure of the new Republic. Men everywhere gave their services without stint and without compensation. Washington in all his service as Commander in Chief of the Army in the Revolution and as President, refused to accept salary or allowance for expenses. And Jefferson gave so freely of his resources that he lived a life of comparative impoverishment.

When the Capitol Building was at last authorized and the plans were being drawn Jefferson went to the architect and said, "I want to give something for the Capitol. I want to give something to the people of the United States. Where in the Federal building can I contribute to its utility or its beauty with some memorial of my appreciation of the Republic?"

And the architect said, "I think I have what you want. Here at the East entrance to the Capitol is a foyer with spaces for six stone columns. If you wish you can give these six columns." And Jefferson out of his slender purse paid for the six beautiful columns of Virginia sandstone which stand today in the entrance of the greatest Capitol in the world.

He wanted to do something for the Government. He wanted to give something to the Government. Today everybody is trying to get something from the Government. Nobody any longer is thinking and planning what he can give to the Government but men work ceaselessly—even here in this Chamber—to see what they can get from the Government.

Mr. Speaker, one of the great needs of our times, is a return to the high ideals, the appreciation and the patriotism of the founding fathers. What can we give the Government of the United States? We can never compensate adequately for even a part of what it has done but we can at least stay predatory hands that reach out so insistently and so greedily for the common birthright that may be the one last hope of mankind.

Mr. Speaker, I urge the passage of the bill. It carries items I cannot approve, but otherwise it is a good bill. I trust it will receive unanimous approval.

Mr. Speaker, under leave to extend my remarks I append an itemized tabulation of projects provided for in the second and seventh amendments to the bill:

Flood control and rivers and harbors projects and amounts therefore included in amendments of the Senate Nos. 2 and 7, as agreed to in conference

RIVERS AND HARBORS

Construction

Alabama: Demopolis lock and dam, Warrior system	$1,000,000
Alaska:	
Nome Harbor	701,000
Wrangell Narrows	343,000
Arkansas:	
Arkansas River and tributaries:	
Bank stabilization, Little Rock to mouth	600,000
Bank stabilization below Dardanelle	[1] 500,000
Morrilton cut-off	[1] 250,000
California:	
Crescent City Harbor	481,000
Monterey Harbor	45,520
Sacramento River	1,700,000
San Diego River and Mission Bay	2,200,000
Connecticut:	
Mianus River (Cos Cob Harbor)	[1] 79,500
New Haven Harbor	250,000
Pawtucket River, R. I. and Conn	68,500
Delaware:	
Harbor of refuge, Delaware Bay	[1] 120,000
Indian River Inlet and Bay	[1] 320,000
District of Columbia: Potomac River, north side of Washington Channel	375,000
Florida:	
Intracoastal Waterway, tributary channels: Okeechobee-Cross Florida Waterway	[1] 300,000
Jim Woodruff lock and dam, Apalachicola River	7,500,000
St. Andrew Bay	[1] 125,000
St. Johns River, Jacksonville to ocean	900,000
Tampa Harbor	500,000
Georgia:	
Buford Dam, Chattahoochee River	750,000
Savannah Harbor	450,000

[1] Project to be fully completed within amount appropriated.

Illinois:	
Illinois Waterway: Mouth to mile 291	$250,000
Mississippi River between Ohio and Missouri Rivers:	
Chain of Rocks	9,000,000
Regulating works	750,000
Mississippi River between Missouri River and Minneapolis (exclusive of St. Anthony Falls)	750,000
Iowa:	
Missouri River, Kansas City, Mo., to Sioux City, Iowa	2,500,000
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
Kentucky:	
Cumberland River, Ky. and Tenn.; Cheatham lock and dam	1,400,000
Ohio River, Ky., W. Va., and Ohio, open-channel work	250,000
Louisiana:	
Calcasieu River and Pass	900,000
Intracoastal Waterway, Apalachee Bay, Fla., to Mexican border (New Orleans district)	2,500,000
Pearl River, La. and Miss	1,250,000
Waterway from Empire to Gulf of Mexico	500,000
Maine:	
Cape Porpoise Harbor	[1] 45,500
Josias River	[1] 33,500
Portland Harbor	206,000
Maryland:	
Baltimore Harbor and channels	650,000
Chester River	16,400
Honga River and Tar Bay	[1] 42,000
Massachusetts:	
Boston Harbor	400,000
Fall River Harbor	800,000
Menemsha Creek, Martha's Vineyard	[1] 72,700
Michigan:	
Port Sanilac Harbor	360,000
St. Mary's River:	
Power plant	1,700,000
Navigation features	1,000,000
Traverse City Harbor	[1] 325,000
Minnesota:	
Baudette Harbor	[1] 24,500
Hastings, small-boat harbor at	[1] 34,270
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
St. Anthony Falls	1,717,000
Two Harbors (Agate Bay)	[1] 1,000,000
Mississippi: Pearl River, Miss. and La. (See same project under Louisiana.)	
Missouri:	
Missouri River, Kansas City to the mouth	2,250,000
Mississippi River between Ohio and Missouri Rivers. (See same project under Illinois.)	
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
Missouri River, Kansas City to Sioux City. (See same project under Iowa.)	
Montana: Missouri River at Fort Peck	2,500,000
Nebraska: Missouri River, Kansas City to Sioux City. (See same project under Iowa.)	

[1] Project to be fully completed within amount appropriated.

New Jersey:	
Newark Bay, Hackensack and Passaic Rivers	$800,000
New York and New Jersey channels	1,260,000
Shark River	[1] 150,000
New York:	
Buffalo Harbor	550,000
Dunkirk Harbor	[1] 350,000
Great Kills Harbor	[1] 114,500
Hudson River	100,000
Hudson River channel	400,000
New York Harbor, entrance channels and anchorage areas	412,000
New York and New Jersey channels. (See same project under New Jersey.)	
North Carolina: Stumpy Point channel	[1] 32,500
Ohio:	
Cleveland Harbor	1,500,000
Ohio River open channel work. (See same project under Kentucky.)	
Oregon:	
Columbia River at Bonneville	1,250,000
Columbia and lower Willamette Rivers below Vancouver, Wash., and Portland, Oreg	[1] 150,000
Coos Bay	850,000
Depoe Bay	[1] 400,000
McNary lock and dam, Columbia River, Oreg., and Wash	35,000,000
Umpqua River	100,000
Yaquina Bay and Harbor	[1] 35,000
Pennsylvania:	
Monongahela River locks 2	3,500,000
Schuylkill River (cum removal)	400,000
Rhode Island:	
Harbor of refuge at Point Judith and Point Judith Pond	[1] 160,000
Providence River and Harbor	[1] 190,000
Pawcatuck River, R. I., and Conn.. (See same project under Connecticut.)	
South Carolina:	
Shipyard River	300,000
Winyah Bay	400,000
Tennessee, Cumberland River, Ky. and Tenn. (See same project under Kentucky.)	
Texas:	
Clear Creek and Clear Lake	[1] 54,700
Galveston Harbor	[1] 175,000
Houston Ship Channel	800,000
Intracoastal Waterway, Apalachee Bay, Fla., to the Mexican border (Galveston district): Harlingen, channel to	550,000
Sabine-Neches waterway	750,000
Trinity River	687,000
Virginia:	
Bransons Cover, lower Machodoc River	[1] 28,600
Norfolk Harbor	500,000
York Spit Channel	400,000
Washington:	
Chief Joseph Dam, Columbia River	5,000,000
Grays Harbor and Chehalis River	650,000
Columbia River at Bonneville. (See same project under Oregon.)	
Columbia and lower Willamette Rivers, Wash. and Oreg. (See same project under Oregon.)	

[1] Project to be fully completed within amount appropriated.

Washington—Continued	
McNary lock and dam, Columbia River, Oreg. and Wash. (See same project under Oregon.)	
West Virginia:	
Morgantown lock and dam, Monongahela River	$2,800,000
Ohio River open channel work. (See same project under Kentucky.)	
Wisconsin:	
Ashland Harbor	[1] 45,000
Port Wing Harbor	[1] 20,000
Subtotal, construction, rivers and harbors	113,649,690

Planning

Alabama:	
Alabama-Coosa Rivers, Ala. and Ga	200,000
Tennessee-Tombigbee waterway	200,000
Upper Columbia lock and dam, Ala. and Ga., Chattahoochee River	200,000
Arkansas:	
Arkansas River and tributaries, Arkansas and Oklahoma	500,000
Overton-Red River waterway, Arkansas and Louisiana	50,000
California: Half Moon Bay	75,000
Florida: New River	10,000
Illinois: Calumet-Sag Channel	100,000
Kentucky: Dover lock and dam	116,000
Michigan:	
Au Sable River	8,000
Hammond Bay Harbor	22,000
Harrisville Harbor	24,000
Point Lookout Harbor	20,000
Texas: McGee Bend Dam, Angelina River	200,000
Virginia: Norfolk Harbor, disposal area	50,000
Washington: Lower Monumental lock and dam, Snake River	225,000
Subtotal, planning, rivers and harbors	2,000,000

Other items

Maintenance	53,000,000
Operating and care	22,000,000
Examinations and surveys	1,200,000
Contingencies	1,300,000
Removing sunken vessels	300,000
Survey of northern and northwestern lakes	310,000
Prevention of debris in New York Harbor	360,000
California Debris Commission	15,000
Salaries, Office, Chief of Engineers	575,000
Printing for River and Harbor Board	40,000
River and Harbor Board expenses	440,000
Beach Erosion Board expenses	600,000
Work under Section 3, River and Harbor Act, Mar 2, 1945	300,000
Transfer to U. S. Geological Survey	200,000
Transfer to Fish and Wildlife Service	1,200,000
Subtotal, other items	81,840,000
Grand total, rivers and harbors	197,489,690

[1] Project to be fully completed within amount appropriated.

FLOOD CONTROL

Construction

Arizona: Tucson	$400,000
Arkansas:	
Bayou Bodcau Reservoir, Ark. and La. (see Louisiana).	
Blakely Mountain Reservoir	2,300,000
Blue Mountain Reservoir	35,700
Bull Shoals Reservoir, Ark. and Mo	12,777,500
Carden's Bottom drainage district No. 2	[1] 270,000
Conway County levee districts Nos. 1, 2, and 8	[1] 96,000
Conway County levee district No. 6	[1] 11,000
Crawford County levee district	[1] 300,000
Little Rock to Pine Bluff	[1] 333,000
Narrows Reservoir	3,460,000
Nimrod Reservoir	59,500
Norfork Reservoir, Ark. and Mo	744,100
Red River levees and bank stabilization below Denison Dam, Ark., Tex., and La	520,900
West of Morrilton	595,300
California:	
Cherry Valley Reservoir	520,900
Farmington Reservoir	1,700,000
Folsom Reservoir	3,100,000
Isabella Reservoir	2,350,000
Los Angeles County drainage area (exclusive of Whittier Narrows Reservoir)	6,500,000
Merced County stream group	175,000
Pine Flat Reservoir	7,000,000
Sacramento River and major and minor tributaries	600,000
Whittier Narrows Reservoir	4,000,000
Colorado:	
Cherry Creek Reservoir	[1] 900,000
John Martin Reservoir	[1] 100,000
Connecticut:	
Hartford	[1] 70,000
Norwich	[1] 290,000
Florida: Central and southern	1,500,000
Georgia:	
Allatoona Reservoir	6,750,000
Clark Hill Reservoir, Ga. and S. C	13,000,000
Macon	[1] 240,000
Idaho:	
Heise Roberts area	[1] 250,000
Lucky Peak Reservoir	3,000,000
Illinois:	
Coal Creek drainage and levee district	[1] 547,000
Columbia drainage and levee district	372,100
East St. Louis and vicinity	520,900
Farm Creek Reservoirs	1,860,200
Grand Tower drainage and levee district	669,700
Mounds and Mound City	450,000
Prairie du Rocher and vicinity	700,000
Preston levee and drainage district	[1] 200,000
Reevesville	[1] 100,000
Rosiclare	250,000
Wood River drainage and levee district	425,000
Indiana:	
Cagles Mill Reservoir	2,500,000
Cannelton	250,000
Delphi	[1] 80,000
Indianapolis (Fall Creek section)	750,000
New Albany	1,600,000
Chariton River, Mo. and Iowa. (See Missouri.)	

[1] Project to be fully completed within amount appropriated.

Indiana—Continued	
Coralville Reservoir	$2,455,500
Dry Run	[1] 355,000
Little Sioux River	372,100
Missouri River agricultural levees. (See Kansas.)	
Kansas:	
Fall River Reservoir	250,000
Hulah Reservoir, Okla. and Kans. (See Oklahoma.)	
Kanopolis Reservoir	[1] 218,000
Kansas City, Mo. and Kans	5,000,000
Missouri River agricultural levees, Kansas, Missouri, Iowa, and Nebraska	5,952,700
Kentucky:	
Ashland	744,100
Covington	1,041,700
Dale Hollow Reservoir, Tenn, and Ky. (See Tennessee.)	
Dewey Reservoir	[1] 900,000
Hawesville	[1] 650,000
Louisville	4,092,500
Maysville	744,100
Newport	2,200,000
Russell	[1] 185,000
Taylorsville	[1] 45,000
Uniontown	[1] 120,000
Wolf Creek Reservoir	15,030,700
Louisiana:	
Aloha Rigolette area	[1] 500,000
Bayou Bodcau Reservoir, Ark. and La	[1] 360,000
Jonesville	[1] 105,000
Lake Pontchartrain	[1] 540,000
Mermentau River	1,500,000
Red River levees and bank stabilization below Denison Dam. (See Arkansas.)	
Shreveport	325,000
Maryland:	
Cumberland, Md., and Ridgely, W. Va	744,100
Savage River Reservoir	1,265,000
Massachusetts:	
Adams	350,000
Birch Hill Reservoir	40,000
Holyoke	[1] 240,000
North Adams	350,000
Riverdale	[1] 450,000
Tully Reservoir	[1] 130,000
Michigan:	
Mount Clemens	[1] 270,000
Ren Run	500,000
Minnesota:	
Red Lake and Clearwater Rivers	1,116,100
Red River of the North, S. Dak., N. Dak., and Minn	744,100
Missouri:	
Chariton River, Mo. and Iowa	[1] 400,000
Clearwater Reservoir	60,000
East Poplar Bluff and Poplar Bluff	[1] 85,000
Kansas Citys, Mo. and Kans. (See Kansas.)	
Missouri River agricultural levees. (See Kansas.)	
Norfork Reservoir, Ark. and Mo. (See Arkansas.)	
Perry County levee districts 1, 2, and 3	744,100
Nebraska:	
Harlan County Reservoir	11,250,000
Missouri River agricultural levees. (See Kansas.)	
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa	[1] 380,000
Omaha	1,500,000
New Hampshire: West Peterboro Reservoir	[1] 330,000
New Mexico:	
Conchas Reservoir	[1] 35,000
Jamez Canyon	750,000

[1] Project to be fully completed within amount appropriated.

New York:	
Almond Reservoir	[1] $200,000
Arkport Reservoir	[1] 30,000
East Sidney Reservoir	[1] 800,000
Elmira	[1] 1,475,000
Hoosick Falls	350,000
Mount Morris Reservoir	4,836,600
Olean	744,100
Portville	520,900
Syracuse	[1] 600,000
Whitney Point Reservoir	[1] 290,000
North Carolina: Buggs Island Reservoir, Va., and N. C	15,500,000
North Dakota:	
Baldhill Reservoir	[1] 210,000
Garrison Reservoir	27,500,000
Homme Reservoir	[1] 475,000
Mandan	[1] 36,000
Oahe Reservoir, S. Dak. and N. Dak. (See South Dakota.)	
Red River of the North. (See Minnesota.)	
Ohio:	
Burr Oak Reservoir	[1] 1,150,000
Cincinnati	[1] 650,000
Delaware Reservoir	[1] 900,000
Dillon Reservoir	1,277,600
Ironton	[1] 215,000
Massillon	[1] 1,860,000
Muskingum River Reservoirs	1,550,000
West Fork of Mill Creek Reservoir	1,041,700
Oklahoma:	
Canton Reservoir	165,000
Denison Reservoir, Tex. and Okla	650,000
Fort Gibson Reservoir	12,000,000
Fort Supply Reservoir	[1] 116,500
Great Salt Plains Reservoir	31,000
Hulah Reservoir, Okla. and Kans	4,248,000
Oologah Dam and Reservoir	350,000
Polecat Creek	900,000
Tenkiller Ferry Reservoir	5,500,000
Wister Reservoir	77,500
Oregon:	
Cottage Grove Reservoir	[1] 140,000
Detroit Reservoir	9,500,000
Dorena Reservoir	2,500,000
Fern Ridge Reservoir	190,000
Lookout Point Reservoir	9,500,000
Milton Freewater	[1] 640,000
Willamette River (bank protection)	450,000
Pennsylvania:	
Conemaugh River Reservoir	7,400,000
East Branch Clarion River Reservoir	2,100,000
Punxsutawney	[1] 730,000
Sunbury	1,600,000
Wilkes-Barre Hanover Township	[1] 340,000
Williamsport	1,700,000
South Carolina: Clark Hill Reservoir, Ga. and S. C. (See Georgia.)	
South Dakota:	
Fall River Basin	372,100
Fort Randall Reservoir	23,000,000
Missouri River, Kensler's Bend, Nebr. to Sioux City, Iowa. (See Nebraska.)	
Oahe Reservoir, S. Dak. and N. Dak	2,000,000
Red River of the North. (See Minnesota.)	
Tennessee:	
Center Hill Reservoir	6,300,000
Dale Hollow Reservoir, Tenn. and Ky	[1] 570,000
Memphis, Wolf River and Nonconnah Creek	360,000

[1] Project to be fully completed within amount appropriated.

Texas:	
Belton Reservoir	$1,488,200
Benbrook Reservoir	3,500,000
Denison Reservoir, Tex. and Okla. (See Oklahoma.)	
Garza Little Elm Reservoir	2,232,300
Grapevine Reservoir	3,500,000
Lavon Reservoir	2,604,300
Red River levees and bank stabilization below Denison Dam. (See Arkansas.)	
San Angelo Reservoir and floodway	3,900,000
Texarkana Reservoir	5,000,000
Whitney Reservoir	10,500,000
Vermont: Union Village Reservoir	[1] 540,000
Virginia:	
Bluestone Reservoir, Va. and W. Va. (See West Virginia.)	
Buggs Island Reservoir, Va. and N. C. (See North Carolina.)	
Galax	[1] 600,000
Philpott Reservoir	2,400,000
Washington:	
Mill Creek	[1] 320,000
Mud Mountain Reservoir	400,000
Tacoma	[1] 500,000
West Virginia:	
Sutton Reservoir	1,000,000
Bluestone Reservoir, W. Va. and Va	1,350,000
Cumberland, Md., and Ridgeley, W. Va. (see Maryland.)	
Parkersburg	[1] 1,265,000
Point Pleasant	[1] 1,450,000
Snagging and clearing	1,000,000
Emergency bank protection	1,000,000
Sec. 205 projects	1,000,000
Subtotal, construction, flood control, general	351,835,400

Planning

Arkansas:	
Millwood Reservoir	200,000
Water Valley Reservoir, Ark. and Mo	150,000
California:	
Black Butte Reservoir	95,000
Hogan Reservoir	50,000
Salinas River	50,000
San Joaquin River and tributaries	45,000
Success Reservoir	60,000
Terminus Reservoir	60,000
Colorado: Trinidad	25,000
Hawaii: Hanapepe River	20,000
Illinois: Henderson River	45,000
Indiana:	
Levee unit 5, Wabash River	50,000
Mansfield Reservoir	40,000
Vincennes	40,000
Kansas:	
Pioneer Reservoir, Kans. and Colo	75,000
Toronto Reservoir	50,000
Louisiana: Mooringsport Reservoir, Tex. and La	65,000
Massachusetts: Barre Falls Reservoir	10,000
Minnesota: Aitkin	25,000
Missouri:	
Carthage	8,000
Joanna Reservoir	75,000
Meramec River Reservoirs	25,000
Pomme de Terre Reservoir	50,000
Table Rock Reservoir, Ark. and Mo	125,000
Nebraska:	
Gavins Point Reservoir, S. Dak. and Nebr	150,000
Miner's Bend, Nebr. and S. Dak	15,000
New Mexico:	
Bluewater floodway	$12,000
Chamita Reservoir	75,000
Rio Grande floodway	50,000
New York:	
Lake Chautauqua and Chadakoin River area	19,000
South Plymouth Reservoir	50,000
Watkins Glen	10,000
North Carolina:	
Reddies No. 1 Reservoir	40,000
Reddies No. 3 Reservoir	30,000
Ohio: Reno Beach—Howard Farms	6,000
Oklahoma:	
Boswell Reservoir	100,000
Bradens Bend	35,000
Eufaula Reservoir	150,000
Optima Reservoir	100,000
Pennsylvania:	
Allegheny River Reservoir, Pa. and N. Y	45,000
Bear Creek Reservoir	90,000
Prompton Reservoir	65,000
Shenango River Reservoir, Pa. and Ohio	50,000
Tennessee:	
Rossview Reservoir, Tenn. and Ky	30,000
Three Islands Reservoir	50,000
Texas:	
Canyon Reservoir	150,000
Ferrell's Bridge Reservoir	75,000
Mill Creek	25,000
Vermont:	
Ball Mountain Reservoir	90,000
North Hartland Reservoir	85,000
Rutland	75,000
Washington: Colfax	25,000
West Virginia: Wheeling-Benwood	75,000
Subtotal, planning, flood control, general	3,210,000

Other items

Preliminary examinations, surveys, and contingencies	5,000,000
Maintenance of completed work	4,000,000
Salaries, Office, Chief of Engineers	725,000
Emergency repairs	1,000,000
Transfer to U. S. Geological Survey	440,000
Transfer to U. S. Fish and Wildlife Service	120,000
Subtotal, other items	11,285,000
Total, flood control, general	366,330,400

[1] Project to be fully completed within amount appropriated.

Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Speaker, I am glad that we have at last been able to bring before this Congress a bill that will contribute at once to the welfare of our Nation and prepare us to meet emergencies that will doubtless arise in the near future and remain dangerous for many years. In recent years we have authorized and expended many billions of dollars to maintain the political integrity of other countries, and I hope and pray that we have some success. I am sure that few of us will be able to see the fruition of our efforts. The destiny of mankind is and will ever be in the hands of God—let us hope and pray that we are acting through His guidance and under His direction. It is written in Holy Scripture, "If any provide not for his own especially for those of his own house, he hath denied the faith, and is worse than an infidel."

The millions of dollars provided in this pending bill are for the use and comfort of our own firesides and will always be a sure source of convenience, power, and protection. This is one bill we should all be anxious and happy to support, and I am sure that 95 percent of this Congress shares this feeling. The items agreed upon in this bill are situated in almost every State in this Union and they have been authorized by law, investigated by our engineers, and approved by the Bureau of the Budget and the Appropriations Committees of both the House and the Senate have agreed to each item.

The conference report presently before the House is the result of something over 4 months' effort. I, personally, do not recall a bill ever having been in conference for this length of time. Reasons for the delay in bringing out a conference report have been a matter of conjecture in both the House and the Senate for at least the last 3 months. Many of the Members are undoubtedly informed as to some of the reasons. All I can say at this time is that the managers on the part of the House were determined to effect some savings in the amounts recommended by the Senate especially with respect to projects included by the Senate which were not contained in the President's budget and which did not meet the President's criteria, at least at present.

The House, as you are aware, approved substantially the budget recommendation. A few minor changes were made, but they were not significant from an appropriation standpoint. The committee in its report did not, this year, allocate specific amounts for the approved projects in either the rivers and harbors or the flood-control portions of the bill. Lump-sum appropriations were made in both cases with a statement in the report that the engineers should use the money in such manner as would result in the most efficient operation. The reason for this approach was that appropriated funds should be used where needed at the time needed rather than allocating and tying up funds with particular projects and then not being able to expend those funds because of unforeseen delays.

The bill, as passed by the Senate, included a number of unbudgeted projects representing only ten or twelve million dollars insofar as the current bill is concerned, but involving approximately one-half billion dollars insofar as ultimate cost is concerned. It was because of the ultimate high cost of these projects that the House conferees held out as long as they did.

The bill, as finally agreed upon, contains a total of $664,178,190, or $108,280,030 under the budget estimates. The bill, as originally passed by the House, represented a reduction of $179,165,950 under the budget estimates. The bill, as passed by the Senate, was only something over $21,000,000 under the budget estimates.

The river and harbor and flood-control projects completed, under construction, and planned, represent a real con-

tribution to the economy of the country. It is my hope that the natural resources of this Nation may be developed to the greatest extent possible. However, they must be developed at the minimum cost and in a way that will result in the greatest benefit to the greatest number of people.

As previously indicated, the agreement finally reached is one of compromise. Many justifiable projects are not included, but I am sure that many or all of the projects authorized to date will eventually be given consideration in the light of the needs and financial condition of the country.

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

Mr. KERR. I yield to the gentleman from Mississippi.

Mr. RANKIN. I see in the RECORD of yesterday that Senator MCKELLAR, on page 13852, inserted a list of these items with the amounts agreed upon by the conferees; is that correct?

Mr. KERR. That is correct.

Mr. RANKIN. I thank the gentleman.

Mr. KERR. This is a sound and meritorious bill. We appropriated in full agreement by both Houses the sum of $664,178,190, and of this amount, $197,489,690 was for rivers and harbors and $437,430,400 was for flood control, and the total amount authorized is $108,280,030 below the budget estimates.

I call your attention to the tables placed in the CONGRESSIONAL RECORD of October 5, 1949, by Senator MCKELLAR, beginning on page 13852. You will notice that the conferees of the Senate and the House not only agreed to the amounts involved in this bill, but they also agreed to the amounts to be allotted to each project.

That is how careful we were, and I hope the House will pass this bill practically unanimously because, as I said in the beginning, this is an effort to do something for ourselves, and God knows we have distributed enough money all over the world which may ultimately never do us any good whatever.

Mr. CANNON. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

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

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. CURTIS. Will there appear in the RECORD a break-down of how this money is allocated to the various projects?

Mr. TABER. There has already appeared in the RECORD in the Senate on page 13852 a complete break-down. It was in Wednesday's RECORD. Have I the right page number, may I ask the gentleman from South Dakota?

Mr. CASE of South Dakota. It runs to page 13857. I wonder if I might ask a question in that connection. I notice that the totals in the final column at the bottom of the page correspond to the figures used in the statement of managers as representing the conference agreement. Is it the opinion of the gentleman that the Members of the House can safely rely upon the parts of the total that appear in the various tables, as being component parts of the totals that appear at the foot of the last table?

Mr. TABER. I have not had an opportunity to check over those tables, and I would not be able to answer it. But I am of the opinion that the clerks of the Senate Appropriations Committee would be very careful in getting it together. Their work has been very good along that line, and I would think that probably you could depend upon those figures. If there is any figure that you would like to ask me about, I think I could answer it.

Mr. CANNON. They will be included in the RECORD today.

Mr. TABER. In the RECORD that goes out today.

Mr. RANKIN. Mr. Speaker, if the gentleman will yield, I have a copy of the statement that was issued by the conferees and I have compared it very carefully with this list that Senator MCKELLAR put in the RECORD, and so far as I can find, they are exactly alike. Of course, Senator MCKELLAR's figures are exactly as contained in this tabulation issued by the conferees.

Mr. TABER. If there is any particular project, I think I could answer.

Mr. CASE of South Dakota. In view of the historical situation in the House in the past few days, I would like to ask the gentleman this: If following the action of the House the other night, the conferees followed out the spirit of the vote that was expressed in refusing to agree to instructions to deny funds for the Gavins Point Reservoir?

Mr. TABER. Following that vote there were three items agreed to by the House conferees, and those were all one type. We agreed to leave the items in the bill for planning for Tombigbee, $200,000; Gavins Point, $150,000; and for Rutland, Vt., $75,000.

Mr. CASE of South Dakota. Those are the items which Members of the House thought from the tables that were referred to during the consideration of the bill were in the bill when it passed the House.

Mr. TABER. That is correct.

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

Mr. TABER. I yield to the gentleman from Iowa.

Mr. LECOMPTE. In the budget approval there was an item for $2,500,000 for Red Rock Dam on the Des Moines River. The House did not include anything for that as the bill passed the House, but in the Senate an item of $200,000 was placed in the bill, and it passed the Senate with that item in it for initial construction of the Red Rock Dam on the Des Moines River. However, I fail to find that item in the table in the record referred to as Senator MCKELLAR's table.

Mr. TABER. If it is not included in Senator MCKELLAR's table it undoubtedly is not included in the conference report.

Mr. LECOMPTE. Even though it was in the Senate bill and had budgetary approval?

Mr. TABER. That is correct. The fact that anything had budget approval did not govern the operations entirely.

Mr. LECOMPTE. Certainly not, but did not the gentleman from Missouri [Mr. CANNON] say there were many items put in, though, that never did have budgetary approval?

Mr. TABER. There were some.

Mr. CASE of South Dakota. But as to these three projects which the gentleman has mentioned, planning funds for Rutland, for Tombigbee, and for Gavins Point, those all are shown in Senator MCKELLAR's table as having had budget estimates?

Mr. TABER. Yes, they all have budget estimates for their particular item, but not for construction.

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

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. RANKIN. The House also put some items in that were not approved by the budget, did it not?

Mr. TABER. It did, there is no question about that.

Mr. RANKIN. About as many as the Senate did.

Mr. TABER. I want to call your attention to two or three things about this bill. Frankly, I agree with the gentleman from Missouri that the bill is enormous. On the other hand, it is the very best the conferees on the part of the House could obtain from the Senate. The items in disagreement when we went over there, that had no budget estimates, according to the figures I have gathered, totaled $362,000,000 of total over-all costs in construction. There were other items with reference to planning, but those were the items that related to construction. The House yielded to the Senate in that over-all set-up items that ultimately will cost the sum of approximately $93,000,000, or 25½ percent of the total over-all construction cost items that were in disagreement as we went over there.

With the situation as it was and the Senators making the demands they did, frankly, I feel that the House must accept this conference report.

I could see no other way out except to sign the conference report, and I did sign it. Frankly I would be happy if the bill were for less. I would be happier if many of the bills which we have passed in the Congress were for less money. I do not know of any bill where I would not be happier if it were for less. But the minority has not been able to bring about any such situation.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. H. CARL ANDERSEN. Just what position would we be in if we were to reject the conference report?

Mr. TABER. The Congress probably would be in session a good while. It would be very difficult to get another conference report back here and to adopt it.

Mr. H. CARL ANDERSEN. Does the gentleman not think perhaps it would be good business to reject the report and force some of this graft, so to speak, out of this bill, or I should say pork instead of graft.

Mr. TABER. The $93,000,000 that we agreed to in addition to what the House

had already put in is not all pork. Some of it is for flood control and items which really are in need of the money. There are other items relating to power dams and some of the power dams do not present a very favorable picture. They can never pay out.

Mr. H. CARL ANDERSEN. If the gentleman will yield further, I may say that I use the word "pork" because of the expression used by the chairman of the full committee.

Mr. TABER. Some items are pork. But there are a great many items where the people are in distress and need the money. While the bigger items are, to a certain extent, pork, I do not think most of the smaller items are.

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

Mr. TABER. I yield.

Mr. WIGGLESWORTH. I believe it is worth while to call attention to the statement in the conference report from which I quote:

> The conferees are agreed that, with respect to both rivers and harbors and flood-control projects, appropriations approved for planning are in no way to be interpreted as a commitment by the Congress for subsequent appropriations for construction nor, that by allowing funds for planning, it is the desire of the Congress that construction of a particular project be initiated.

Mr. TABER. The idea in connection with that is that we did not believe there was any commitment when planning funds were provided and we still do not believe so. That was the unanimous opinion of the House and Senate conferees. Oftentimes planning money results in a development of such great cost that the project should not, under any circumstances, be built.

This bill is $109,731,000 below the budget and $87,000,000 below the Senate.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CANNON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 47, noes 5.

Mr. H. CARL ANDERSEN. Mr. Speaker, this is altogether too important a bill to be passed by such a small vote. I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 269, nays 18, answered "present" 1, not voting 144, as follows:

[Roll No. 219]

YEAS—269

Abernethy
Addonizio
Albert
Allen, Calif.
Allen, La.
Anderson, Calif.
Andresen, August H.
Andrews
Angell
Aspinall
Auchincloss
Barrett, Pa.
Barrett, Wyo.
Bates, Ky.
Bates, Mass.
Battle
Beckworth
Bennett, Fla.
Bennett, Mich.
Biemiller
Bishop
Blackney
Boggs, Del.
Boggs, La.
Bolling
Bolton, Ohio
Bosone
Boykin
Breen
Brooks
Brown, Ga.
Brown, Ohio
Bryson
Buchanan
Buckley, Ill.
Burke
Burton
Camp
Canfield
Carnahan
Carroll
Case, N. J.
Case, S. Dak.
Cavalcante
Chelf
Chesney
Christopher
Chudoff
Clemente
Cole, Kans.
Colmer
Combs
Cooper
Cotton
Cox
Crawford
Crook
Cunningham
Curtis
Davenport
Davis, Ga.
Davis, Wis.
Dawson
DeGraffenried
Delaney
Denton
D'Ewart
Dolliver
Dondero
Doughton
Douglas
Doyle
Durham
Eberharter
Elliott
Ellsworth
Engel, Mich.
Engle, Calif.
Evins
Fallon
Fenton
Fisher
Fogarty
Forand
Ford
Frazier
Fugate
Furcolo
Gamble
Gathings
Gillette
Gilmer
Golden
Gordon
Gore
Gorski, Ill.
Gorski, N. Y.
Graham
Granahan
Grant
Gross
Hagen
Hale
Hall, Leonard W.
Harden
Hardy
Hare
Harris
Hart
Havenner
Hays, Ark.
Hedrick
Herter
Heselton
Hinshaw
Hobbs
Hoeven
Hoffman, Mich.
Holifield
Holmes
Hope
Horan
Howell
Hull
Jackson, Wash.
Jacobs
Jenkins
Jensen
Johnson
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karst
Karsten
Kee
Kelley
Kennedy
Kerr
Kilday
King
Kirwan
Kruse
Lane
Lanham
Lesinski
Lind
Linehan
Lodge
Lucas
Lyle
Lynch
McCarthy
McConnell
McCormack
McDonough
McGrath
McGregor
McGuire
McKinnon
McMillan, S. C.
Mack, Wash.
Madden
Magee
Mahon
Marsalis
Martin, Iowa
Martin, Mass.
Meyer
Michener
Miles
Miller, Calif.
Miller, Md.
Miller, Nebr.
Mills
Mitchell
Morgan
Morris
Moulder
Murdock
Murray, Tenn.
Murray, Wis.
Nicholson
Nixon
Noland
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Minn.
O'Konski
O'Neill
O'Sullivan
O'Toole
Pace
Passman
Patman
Patterson
Perkins
Peterson
Philbin
Phillips, Tenn.
Pickett
Plumley
Polk
Potter
Poulson
Preston
Price
Quinn
Rabaut
Rains
Ramsay
Rankin
Redden
Rhodes
Rodino
Rogers, Mass.
Sabath
Sadlak
Sadowski
St. George
Sanborn
Saylor
Scudder
Sheppard
Sikes
Simpson, Pa.
Sims
Smathers
Smith, Kans.
Spence
Stanley
Stefan
Stigler
Stockman
Sullivan
Sutton
Taber
Tackett
Talle
Taylor
Thomas, Tex.
Thornberry
Trimble
Van Zandt
Velde
Vursell
Wagner
Weichel
Welch
Werdel
Wheeler
Whitaker
White, Calif.
White, Idaho
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Winstead
Withrow
Wolverton
Wood
Woodruff
Young
Zablocki

NAYS—18

Andersen, H. Carl
Burdick
Byrnes, Wis.
Church
Gossett
Jonas
Kean
Keefe
LeCompte
Lemke
McMillen, Ill.
Marshall
Mason
Nelson
Rees
Smith, Wis.
Steed
Wier

ANSWERED "PRESENT"—1

Cannon

NOT VOTING—144

Abbitt
Allen, Ill.
Arends
Bailey
Barden
Baring
Beall
Bentsen
Bland
Blatnik
Bolton, Md.
Bonner
Bramblett
Brehm
Buckley, N. Y.
Bulwinkle
Burleson
Burnside
Byrne, N. Y.
Carlyle
Celler
Chatham
Chiperfield
Clevenger
Cole, N. Y.
Cooley
Corbett
Coudert
Crosser
Dague
Davies, N. Y.
Davis, Tenn.
Deane
Dingell
Dollinger
Donohue
Eaton
Elston
Feighan
Fellows
Fernandez
Flood
Fulton
Garmatz
Gary
Gavin
Goodwin
Granger
Green
Gregory
Gwinn
Hall, Edwin Arthur
Halleck
Hand
Harrison
Harvey
Hays, Ohio
Hébert
Heffernan
Heller
Herlong
Hill
Hoffman, Ill.
Huber
Irving
Jackson, Calif.
James
Javits
Jenison
Jennings
Judd
Kearney
Kearns
Keating
Keogh
Kilburn
Klein
Kunkel
Larcade
Latham
LeFevre
Lichtenwalter
Lovre
McCulloch
McSweeney
Mack, Ill.
Macy
Mansfield
Marcantonio
Merrow
Monroney
Morrison
Morton
Multer
Murphy
Norblad
Norton
O'Hara, Ill.
Patten
Pfeifer, Joseph L.
Pfeiffer, William L.
Phillips, Calif.
Poage
Powell
Priest
Reed, Ill.
Reed, N. Y.
Regan
Ribicoff
Rich
Richards
Riehlman
Rivers
Rogers, Fla.
Rooney
Roosevelt
Sasscer
Scott, Hardie
Scott, Hugh D., Jr.
Scrivner
Secrest
Shafer
Short
Simpson, Ill.
Smith, Ohio
Smith, Va.
Staggers
Tauriello
Teague
Thomas, N. J.
Thompson
Tollefson
Towe
Underwood
Vinson
Vorys
Wadsworth
Walsh
Walter
Whitten
Wolcott
Woodhouse
Worley
Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Tauriello with Mr. Hand.
Mr. Larcade with Mr. Short.
Mr. Cooley with Mr. Towe.
Mr. Abbitt with Mr. Allen of Illinois.
Mr. Deane with Mr. Arends.
Mr. Green with Mr. Macy.
Mr. Ribicoff with Mr. Gavin.
Mr. Staggers with Mr. Harvey.
Mr. Vinson with Mr. Beall.
Mr. Bailey with Mr. Cole of New York.
Mr. Dingell with Mr. Corbett.
Mr. Yates with Mr. Lovre.
Mr. Whitten with Mr. Lichtenwalter.
Mr. Murphy with Mr. Coudert.
Mr. Huber with Mr. Fellows.
Mr. Blatnik with Mr. William L. Pfeiffer.
Mr. Dollinger with Mr. James.
Mr. Morrison with Mr. Gwinn.
Mr. Herlong with Mr. Wolcott.
Mr. Bonner with Mr. Smith of Ohio.
Mr. Hays of Ohio with Mr. Hoffman of Illinois.
Mr. Donohue with Mr. Judd.
Mr. Patten with Mr. Brehm.
Mr. Byrne of New York with Mr. Merrow.
Mr. Hébert with Mr. Reed of Illinois.
Mr. O'Hara of Illinois with Mr. Jenison.
Mr. Priest with Mr. Shafer.
Mr. Davies of New York with Mr. Rich.
Mr. Feighan with Mr. Latham.
Mr. Mansfield with Mr. Reed of New York.
Mr. Irving with Mr. Hardie Scott.
Mr. Burleson with Mr. Jackson of California.
Mr. Garmatz with Mr. Wadsworth.
Mr. McSweeney with Mr. Hugh D. Scott, Jr.
Mr. Burnside with Mr. Riehlman.
Mr. Gregory with Mr. Phillips of California.
Mr. Mack of Illinois with Mr. Dague.
Mr. Harrison with Mr. Chiperfield.
Mr. Worley with Mr. Kearns.
Mrs. Woodhouse with Mr. Kearney.
Mrs. Norton with Mr. Hill.
Mr. Baring with Mr. Vorys.
Mr. Bolton of Maryland with Mr. Simpson of Illinois.
Mr. Monroney with Mr. Norblad.
Mr. Multer with Mr. Morton.
Mr. Powell with Mr. Keating.
Mr. Richards with Mr. Kilburn.

Mr. Teague with Mr. Kunkel.
Mr. Rivers with Mr. LeFevre.
Mr. Walsh with Mr. Tollefson.
Mr. Walter with Mr. Halleck.
Mr. Roosevelt with Mr. Elston.
Mr. Hiller with Mr. Eaton.
Mr. Regan with Mr. McCulloch.

Mr. McMILLEN of Illinois changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 7, line 24, insert the following: "*Provided further*, That the maintenance funds appropriated herein under this heading may be used for realinement of the authorized channel of the Hudson River in the vicinity of Kingston, N. Y., at an estimated cost of $400,000."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 10, line 17, insert the following: "*Provided further*, That funds allocated to the Garrison Reservoir project may be expended for acquisition of any property within the incorporated village of Van Hook, and the adjacent area known as Legion Park, N. Dak."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 16, line 21, insert the following: "*Provided further*, That none of the appropriations for the Isabella Reservoir in California shall be used for the construction of the irrigation features of that project until the Secretary of the Army has received reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and, with the concurrence of the Secretary of the Interior, shall have made a determination as to what the allocation shall be."

Mr. CANNON. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Speaker, ladies and gentlemen of the House, I rise for the purpose of ascertaining the actual intent of the Public Works Committee, the Appropriations Committee, the Joint Senate and House Conferees considering the civil functions appropriation bill, and the Members of this House upon a proposed flood-control project of vital importance to the Fourth Congressional District of Arkansas. I should like to preface my question with a brief history of the involved issue.

When this bill (H. R. 3734) was before the House for consideration on the 25th day of March 1949 it will be recalled that the gentleman from Oklahoma [Mr. ALBERT] offered an amendment to strike from the provisions of the bill the authority for any funds being used for planning on the Millwood Reservoir. When speaking on the floor of this House upon Mr. ALBERT's amendment, I was asked by the gentleman from Oklahoma whether the Appropriations Subcommittee agreed with my understanding that the planning funds proposed would be used by the engineers for additional surveys and planning to determine the procedure to be adopted in an effort to curb the destruction by flood waters within the affected area and thereby be in the position of knowing the feasibility of one big dam project upon Little River or upstream and tributary dams. The gentleman from Michigan [Mr. RABAUT], a member of the House Appropriations Subcommittee in charge of this particular phase of the legislation, very frankly told this House in answer to the question of the gentleman from Oklahoma [Mr. ALBERT] that my statement concerning the purposes for which the planning money was to be used was correct.

As I told this House on the 25th day of March when the Millwood project item was being considered, the engineers have tentatively approved a project to be known as Millwood Dam upon and near the mouth of Little River within the Fourth Congressional District of Arkansas, which I represent. A large majority of the people within my district residing below the tentatively proposed dam site favor the construction of the project; and the people of my district residing above the tentatively proposed site strongly oppose the construction of Millwood Dam and favor in lieu thereof the construction of upstream and tributary dams. The proponents and opponents of Millwood Dam are in favor of flood control, but are merely in disagreement as to the procedure that should be adopted by the Government in making flood control a reality within this territory. Further planning and a complete survey by the Army engineers should determine the most feasible system to be adopted for the Red River tributaries within my district.

I have always contended that the engineers should best know where to locate flood-control dams. In order to be fair to all the affected people, I am interested in an over-all and complete survey being made of the entire affected area in order that the engineers may have sufficient data upon which to base a sound conclusion when determining whether there should be one big flood-control project upon Little River or smaller upstream and tributary dams. This House approved H. R. 3734 with an appropriation of $150,000 as planning funds for the involved project under discussion.

When this item was being considered by the Appropriations Committee of the Senate the proponents and opponents of the Millwood Dam project appeared in Washington to testify before the Senate committee concerning this project. These people entered into an agreement that was adopted by the Senate to the effect that an additional $50,000 would be appropriated, making a total of $200,000 for a complete survey and planning of not only the Millwood Dam site, but the over-all territory involved, in order that the engineers might determine the most feasible method of flood control within that area. Therefore, H. R. 3734 was amended by the Senate, the amendment known as Senate amendment No. 10, to provide that the planning funds included for the Millwood Reservoir would also be used for the survey and study of alternate sites. The joint Senate and House conferees have stricken Senate amendment No. 10, thereby deleting the proviso that the funds be used for the purposes intended by the agreement and by the Senate amendment, but leaving intact the full $200,000 appropriation item for planning of the area. Perhaps I should state that the engineers had requested the sum of $150,000 to plan the Millwood Dam project and advised the Senate committee that the entire planning as per the agreement of the proponents and opponents of the Millwood Dam project could be performed for an additional $50,000, a total of $200,000.

During the last few months I have on several occasions contacted the members of the joint Senate and House conference committee handling this legislation to ascertain whether there was any dispute concerning planning funds for the involved project, and I was repeatedly told that the issue was not and would not be in dispute. I was certainly surprised to find the Senate amendment deleted, because I well knew that no member of this Congress or any affected citizen was protesting the Senate provision. In fact, all the congressional Members and the involved citizens have been and are now anxious to carry out the provisions of the agreement made in Washington between representatives of the proponents and opponents of the Millwood Dam project, and later adopted by a resolution of the Red River Valley Association during its annual meeting in Shreveport, La.

Since becoming informed that the filed report of the Senate and House joint conference committee reveals deletion of Senate amendment No. 10, I have contacted the conferees to be told that the Senate amendment was stricken as legislation upon an appropriation to preclude a point of order upon the whole report. Each of the conferees assures me that no one protested that portion of the bill under discussion. The fact that the full $200,000 was left intact is ample indication that the conferees intended for the engineers to make the survey as per the agreement of the interested parties and as per the Senate amendment. I realize that a conference report is not subject to amendment on the floor of the House and that nothing can now be done other than determine the intention of Congress with reference to the use of the provided planning funds, because I want to carry out the agreement of the interested citizens and assist this Congress in keeping faith with the people. Therefore, I wish to ask of the members of the Public Works Committee, the members of the Appropriations Committee, the joint Senate and House conference committee, and the Members of this Congress whether my statements coincide with their understanding in every respect, and whether it is their intention that the $200,000 planning money for Millwood Dam be used in accordance

with the agreement between the interested people as reflected by the Senate amendment.

Mr. RABAUT. I would say to the gentleman, the statement he has made is correct, but whatever authorization is in the bill, that is what the bill stands for. The Committee on Public Works in the United States Senate drafted a resolution, forwarding the same to the Chief of Engineers, asking that the things the gentleman has just propounded to me be made on the tributaries, with the idea of seeing whether or not the over-all picture could still be taken into consideration. I would think that that action on the part of a committee in the Senate would have some moral suasion with the Army engineers.

Mr. TACKETT. Taking into consideration the language that was adopted by the Senate, and taking into consideration the over-all study, you would feel that the engineers are to make a complete survey of the whole project?

Mr. RABAUT. I would say it would have moral persuasion, and that they would take it into consideration. The committee recognizes the great interest of the gentleman, and his colleague from Oklahoma [Mr. ALBERT] on this proposition. They have talked to me and other members of the committee, and I want to commend the gentleman for his alertness on the proposition.

Mr. TACKETT. I thank the gentleman. Not only was the Senate resolution adopted as mentioned by the gentleman from Michigan [Mr. RABAUT] requesting the engineers to in effect abide by the agreement of the interested people and the Senate amendment, but I should state that the very wording of the Senate amendment which has been deleted by the conferees has today been inserted in the omnibus flood-control bill before the Senate committee by Senator MCCLELLAN; and that the omnibus flood-control bill has today been reported to the Senate by the Senate committee.

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

Mr. TACKETT. I yield.

Mr. HARRIS. I wonder if the gentleman from Michigan [Mr. RABAUT], who has the memorandum that has been prepared and which I have had the privilege of looking over and discussing with him, and which carries an accurate record of the proceedings on this entire matter, would include that in the RECORD at this point as an actual fact by which the engineers could use in consideration of the expenditure of these funds and the investigations they will make.

I am strongly in favor of flood control within the area discussed by my colleague the gentleman from Arkansas [Mr. TACKETT] which will greatly assist in the curbing of flood waters within a portion of my district. However, I wish to sanction the statement of the gentleman from Arkansas [Mr. TACKETT] and assure this House that he has given an accurate history of the involved issue. I likewise feel that the engineers should have freedom to determine the location of dams for flood-control purposes. I also desire that the agreement entered into by the representatives of the proponents and opponents of the Millwood Dam flood-control project be carried out in pursuance with the agreement as expressed by the Senate amendment.

Mr. CANNON. Mr. Speaker, I would say that we have already given assurance that the entire matter will be considered.

Mr. TACKETT. Mr. Speaker, Members of the House, and gentlemen of the committee, I wish to thank you for having given me an opportunity to once and for all establish the intent of Congress concerning this matter. You have been very fair, for which I am indeed grateful. For Congress to restrict the engineers to a study of only a small portion of a watershed would amount to legislation hampering and restricting engineering methods. The engineers must be given sufficient latitude in order that they may survey and study the entire watershed and thereby reach conclusions as per the expectations of flood-control advocates. None of my people want anything by trickery. Their word is their bond; and the most radical proponent of the affected project would insist upon the agreement being carried out to the letter.

Mr. Speaker, I ask unanimous consent, with the consent of the House conferees, that the memorandum referred to by the gentleman from Arkansas [Mr. HARRIS], which carries an accurate record of the procedure on this entire matter, be inserted in the RECORD as a part of my statement at this time.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The statement follows:

MILLWOOD RESERVOIR (LITTLE RIVER, ARK.)

When the House of Representatives held hearings on the appropriation items for flood control for the fiscal year 1950, on page 339 of the hearings under the heading "Preparation of detailed plans and specifications," the Millwood Reservoir was given tentative allocation for the fiscal year 1950—$150,000—and this amount was contained in the House report accompanying H. R. 3734.

When the matter came before the Appropriations Committee of the Senate, there was a record made on pages 533–537 and pages 558–560 relative to this project. The summary of this testimony was that if the funds of $150,000 in the House bill were raised to $200,000, it would give the Army engineers opportunity to review projects upstream from Millwood to determine whether or not the Millwood project could be modified by the construction of upstream reservoirs. In addition thereto the Army engineers could make detailed construction plans for the Millwood Reservoir, including reservoir surveys and relocations. They could then make a complete estimate of cost.

The evidence submitted and the questions asked both the witnesses and the Army engineers by the members of the Appropriations Committee indicate clearly that the intent of the committee was to determine the possibility of reducing the size of the Millwood project and building upstream reservoirs which would give flood-control protection to areas above the Millwood Dam, as well as the areas below.

When the Senate report was written the $200,000 item for planning and survey funds was included in the Senate report along with the following language found on page 11:

"The committee believes there is an urgent need for the control of the Little River, Ark. It is realized that the construction of the Millwood Dam at the location proposed in the original survey report may require modification or selection of alternate sites. It does not believe, however, that such modification or substitution of alternate sites should be permitted to prevent construction of a reservoir or reservoirs for the control of the Little River. The committee, therefore, recommends that the $150,000 allowed by the House for planning of the Millwood project be increased to $200,000 and that language be included in the bill directing that the $200,000 planning funds proposed for the Millwood Reservoir shall also be used for the survey and study of alternate sites."

Inserted in the bill on page 10, at line 14, was this language: *"Provided further,* That the planning funds included for the Millwood Reservoir shall also be used for the survey and study of alternate sites."

This was Senate amendment No. 10.

When the conference committee reported to their respective bodies of Congress in the CONGRESSIONAL RECORD on October 4, 1949, page 14049, the managers on the part of the House reported as follows:

"Amendment No. 10: Deletes provision of the Senate providing for the use of planning funds for the Millwood Reservoir for the survey and study of alternate sites, as proposed by the House."

However, the bill contains $200,000 in the planning section under flood control for the Millwood Reservoir.

On January 28, 1949, the Committee on Public Works of the United States Senate approved the following resolution and forwarded same to the Chief of Engineers:

"Resolved by the Committee on Public Works of the United States Senate, That the Board of Engineers for Rivers and Harbors, created under section 3 of the River and Harbor Act, approved June 13, 1902, be, and is hereby, requested to review the report of the Red River and tributaries, Texas, Oklahoma, Arkansas, and Louisiana, downstream from Denison Dam, published as House Document No. 602, Seventy-ninth Congress, second session, with a view to determining whether it is advisable to modify the existing project with particular reference to substitution of a system of smaller reservoirs for flood control, development of hydroelectric power, recreation, and allied purposes, on upstream tributaries for the previously recommended plan in coordination with the proposed measures for run-off and water-flow retardation and soil-erosion prevention on that watershed now being investigated by the Department of Agriculture."

In light of all the information taken above, it hardly seems possible that the Corps of Engineers could follow any other course than to make a complete study of the upstream reservoirs to determine to what extent Millwood Reservoir could be modified before definite project plans and specifications were made.

It is suggested, however, that copies of this information be transmitted to the Chief of Engineers.

Mr. HAYS of Arkansas. Mr. Speaker, it occurs to me that perhaps the chairman of the Committee on Appropriations did not understand the purport of the question asked by the gentleman from Arkansas [Mr. TACKETT] referring to page 13970 of the RECORD, regarding the Dardanelle Dam, since other items of comparable character, were included. The House conferees agreed to recede and concur on a few similar items. I would like to ask the chairman if he is in a position to clear up that question of what happened to the Dardanelle Dam in conference.

Mr. CANNON. The Dardanelle Dam, Mr. Speaker, was included in the Senate

amendments, but when we went to conference the Senate did not insist upon it and, therefore, it was eliminated.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 17, line 5, insert the following: "*Provided further*, That the reports from these studies shall be made not later than 6 months from the date of the enactment of this act and that the agreement of concurrence shall be made not later than 9 months from the date of the enactment of this act."

Mr. CANNON. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 18, line 4, strike out lines 4 to 7, inclusive, and insert the following:

"SEC. 2. No part of any appropriation contained in this act shall be used directly or indirectly, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however*, (1) That, notwithstanding the provision in the act approved August 11, 1939 (53 Stat. 1409), limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said act, citizens of Panama may be employed in such positions; (2) that at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this act shall prohibit the continued employment of any person who shall have rendered 15 or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions, the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this act (a) shall normally be employed not more than 40 hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continetal United States plus 25 percent; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided, further*, That the President may suspend from time to time in whole or in part compliance with this section in time of war or national emergency if he should deem such course to be in the public interest.

Mr. CANNON (interrupting the reading of the amendment). Mr. Speaker, in view of the fact that the amendment is printed in the bill I ask unanimous consent that further reading be dispensed with.

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

There was no objection.

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In line 39 of the matter inserted by said amendment, strike out the following: "in time of war or national emergency."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made both on this bill and the Interior bill. Also, I wish to include in the RECORD a tabulation showing the flood-control and river and harbor projects and the amount thereof including amendments of the Senate Nos. 2 and 7.

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

There was no objection.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

SUPPLEMENTAL APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a conference report on the bill, H. R. 6008, making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes.

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

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATIONS, 1950

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H. R. 4146, making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, may have until midnight tomorrow night to file a report.

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

There was no objection.

EXTENSION OF REMARKS

Mr. WOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a letter I have directed as chairman of the Committee on Un-American Activities to the membership of the House.

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

There was no objection.

Mr. EVINS. Mr. Speaker, I ask unanimous consent to extend in the Appendix of the RECORD three addresses of the President of the United States before three different veterans' organizations, notwithstanding the fact that the Public Printer has indicated that they have heretofore been printed; I ask unanimous consent that they be printed together.

The SPEAKER. Notwithstanding the statement of the Public Printer, without objection, the extension may be made.

There was no objection.

Mr. THORNBERRY asked and was given permission to extend his remarks in the RECORD and include certain material.

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

Mr. GROSS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Times-Herald regarding the sesquicentennial exposition.

COMPENSATION FOR EMPLOYEES OF THE UNITED STATES SUFFERING INJURIES

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 5, strike out "or of any two thereof."

Page 5, line 2, after "or" insert "involves."

Page 5, line 8, after "(b)" insert "and in cases involving disfigurement."

Page 12, line 21, after "capacity" insert ": *Provided*, That for any period of temporary total disability the augmentation of his basic compensation for disability payable under section 3 shall be limited to that part of his monthly pay which is not in excess of $420."

Page 14, line 7, strike out "total."

Page 14, line 10, after "be" insert "more than $525 per month and in cases of total disability shall not be."

Page 14, line 12, after "compensation" insert "for total disability."

Page 16, line 11, after "12" insert "or the sum of $525."

Page 18, line 24, strike out "but not including Members of Congress."

Page 20, line 18, after "occurred" insert "before May 1, 1943, in the cases of persons employed in the postal service whose compensation was affected by the Act of April 9, 1943 (57 Stat. 59), or."

Page 20, line 18, after "1941," insert "in all other cases,".

Page 20, line 21, strike out "neither" and insert "no."

Page 21, strike out lines 8 to 17, inclusive, and insert:

"(b) The liability of the United States or any of its instrumentalities under this act or any extension thereof with respect to the injury or death of an employee shall be exclusive, and in place, of all other liability of the United States or such instrumentality

to the employee, his legal representative, spouse, dependents, next of kin, and anyone otherwise entitled to recover damages from the United States or such instrumentality, on account of such injury or death, in any direct judicial proceedings in a civil action or in admiralty, or by proceedings, whether administrative or judicial, under any other workmen's compensation law or under any Federal tort liability statute: *Provided, however*, That this subsection shall not apply to a master or a member of the crew of any vessel."

Page 21, line 18, after "202." insert "(a)."

Page 22, after line 18, insert:

"(b) Section 9 of the Federal Employees' Compensation Act, as so amended, is further amended by inserting immediately before the last sentence of subsection (a) of such section the following: 'The Administrator may, under such limitations or conditions as he shall deem necessary, authorize employing establishments of the United States to provide for the initial furnishing of medical and other benefits under this section, and the Administrator may certify for payment out of the Employees' Compensation Fund vouchers for expenses thus incurred for such benefits, upon certification by the person required by section 24 to make reports of injury that the expense was incurred in respect to injury which was accepted by the employing establishment as probably compensable under this act. The form and content of such certification shall be prescribed by the Administrator'."

Page 31, after line 7, insert:

"ACCIDENT PREVENTION AND ANNUAL REPORTS

"SEC. 209. Section 33 of the Federal Employees' Compensation Act, as amended, is further amended by designating the first two paragraphs thereof, respectively, subsections '(a)' and '(b)' and by adding a new subsection designated as '(c)', as follows:

"'(c) In order to reduce the number of accidents and injuries among Government officers and employees, encourage safe practices, eliminate work hazards and health risks, and reduce compensable injuries, the heads of the various departments and agencies are authorized and directed to develop, support, and foster organized safety promotion, and the President may also establish by Executive order a safety council composed of representatives of Government departments and agencies to serve as an advisory body to the Administrator in furtherance of the safety program carried out by the Administrator pursuant to this section, and the President may undertake such other measures as he may deem proper to prevent injuries and accidents to persons covered by this act. Departments and other agencies of the United States shall keep such records of injuries and accidents to persons covered by this act, whether or not resulting in loss of time or the payment or furnishing of benefits, and make such statistical or other reports and upon such forms as the Administrator may by regulation prescribe'."

Page 35, strike out lines 7 to 13, inclusive, and insert:

"'(g) The amendment made by section 201 of this act to section 7 of the Federal Employees' Compensation Act, making the remedy and liability under such act exclusive except as to masters or members of the crew of any vessel, shall apply to any case of injury or death occurring prior to the date of enactment of this act: *Provided, however*, That any person who has commenced a civil action or an action in admiralty with respect to such injury or death prior to such date, shall have the right at his election to continue such action notwithstanding any provision of this act to the contrary, or to discontinue such action within 6 months after such date before final judgment and file claim for compensation under the Federal Employees' Compensation Act, as amended, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after enactment of this act, whichever is later. If any such action is not discontinued and is decided adversely to the claimant on the ground that the remedy or liability under the Federal Employees' Compensation Act is exclusive, or on jurisdictional grounds, or for insufficiency of the pleadings, the claimant shall, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after final determination of such cause, whichever is later, be entitled to file a claim under such act'."

Page 36, strike out lines 5 to 24, inclusive, and insert:

"'SEAMEN

"'SEC. 305. (a) Nothing contained in this act shall be construed to affect the exclusion of certain seamen (as defined in the act of March 24, 1943, ch. 26, 57 Stat. 45, as amended; 50 U. S. C., Appendix, sec. 1291) from the terms of the Federal Employees' Compensation Act, as provided by such act of March 24, 1943, as amended.

"'(b) Nothing contained in this act shall be construed to affect any maritime rights and remedies of a master or member of the crew of any vessel'."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PROGRAM FOR NEXT WEEK

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. MICHENER. Mr. Speaker, may I inquire of the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], what the program will be for next week?

Mr. McCORMACK. Mr. Speaker, on Monday a conference report on the national military appropriation bill will be called up. Also Monday is the day for consideration of any bills under the 21-day discharge rule. It is also District Day. I understand there are two District bills to be considered, one the municipal court bill which increases the number of judges and the other one the common trust funds bill.

If the District bills cannot be taken up due to any bills called up under the 21-day rule I will try to get unanimous consent before the session is concluded to give the District a day. Of course, in the event that happens it is a matter of discussion with the leadership on the Republican side.

On Tuesday the House will consider House Resolution 340 which would authorize a subcommittee of the District of Columbia Committee to make an investigation about crime in the District of Columbia. Is that correct?

Mr. SABATH. That is what the Rules Committee voted out today.

Mr. McCORMACK. Then there is the bill S. 1267 which is a bill having to do with the wind tunnel and air engineering development center, a national defense bill.

Wednesday is Columbus Day. I shall have nothing for that day so that the Members who have addresses to make, or other engagements which may arise, on an important day like that may attend to them. The rest of the week is undetermined, but I will announce any additional program just as quickly as it is possible for me to do so.

On Thursday the Prime Minister of India, Mr. Nehru, will appear and address the House at 12:15.

Of course, conference reports may be brought up at any time.

Mr. MICHENER. I did not understand what the first 21-day rule was on Monday.

Mr. McCORMACK. Well, that is where bills have been reported out of committee and a Member has filed a rule.

Mr. MICHENER. I know the procedure, but I mean the action.

Mr. McCORMACK. That is a matter of high priority.

Mr. SABATH. It is the hospital bill.

Mr. MICHENER. Could it be the National Science Foundation bill?

Mr. McCORMACK. No; that will not be called up, because the chairman of the committee only, under the rule, is authorized to call a bill up, and that bill will not be called up because the chairman will not be here to do it. There are several bills subject, but in order to advise the House as fully as I can I have eliminated those that in my own mind I know could not be called up or will not be called up.

There are three bills that might be called up. One of them is House Joint Resolution 334, a bill to amend certain laws providing for membership and participation by the United States in certain international organizations. My understanding is that such legislation has already passed, but this is to put a ceiling authorizing appropriations. The information I have from the chairman of the committee is that there is a unanimous report of the committee.

Mr. SABATH. Is that House Joint Resolution 334?

Mr. McCORMACK. House Joint Resolution 334.

Mr. SABATH. That relates to United States participation in international organizations.

Mr. McCORMACK. There is another bill out of the Committee on Agriculture, to provide for the limitation of trusts under the transfer agreement with State, rural and rehabilitation corporations. Then there is another bill, H. R. 5965, to provide for the construction of certain Veterans' Administration hospitals.

Those are the three bills that would be in order but, of course, recognition is subject to the Speaker.

Mr. MICHENER. They are under the 21-day rule?

Mr. McCORMACK. Yes. There are several others that could be called up, but they will not be.

Mr. MICHENER. There are possibilities, but not probabilities.

Mr. McCORMACK. I do not think there is a possibility, even. It will be confined to those three bills.

Mr. MICHENER. I thank the gentleman.

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

Mr. MICHENER. I yield to the gentleman from Texas.

Mr. LUCAS. Can the gentleman give the House any information about the FEPC bill?

Mr. McCORMACK. That is not being called up.

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

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. SABATH. The Committee on Rules met this morning and will meet again Monday, and I have every reason to believe that we will report on H. J. Res. 334, participation in the United Nations organizations that we have subscribed to. Then there is H. R. 6003, a military and naval bill, regarding certain installations in Alaska. That comes from the Committee on Armed Services. There is a question whether that will be reported out, or H. R. 4766, which the administration desires.

Then there is the Export-Import Bank bill dealing with the point 4 program, which the Committee on Banking and Currency desires and which will be taken up by the Rules Committee Monday.

The Committee on Banking and Currency desires authority to make certain investigations, and I believe that resolution will be favorably considered, because all the other committees have been given that power. I do not know of any reason why the great Committee on Banking and Currency should be denied the same privilege that was accorded all the others.

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

Mr. MICHENER. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman from Massachusetts [Mr. McCORMACK] mentioned the air engineering development center bill, which was reported from the Committee on Armed Services. Will that come up on Monday or Tuesday?

Mr. McCORMACK. On Tuesday. I have already announced that.

Mr. EVINS. Is it the first order of business?

Mr. McCORMACK. There is a resolution about the Committee on the District of Columbia, which will not take long. Then the bill to which the gentleman refers will be the regular order of business for the day. Of course, conference reports will have priority.

Mr. EVINS. We may have assurance it will be brought up on Tuesday?

Mr. McCORMACK. I am bringing it up just as quickly as is humanly possible.

Mr. EVINS. I thank my leader.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

SIGNING ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

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

There was no objection.

EXTENSION OF REMARKS

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD in three instances, and to include two editorials and one article.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in three instances and include extraneous material.

SPECIAL ORDER GRANTED

Mr. POTTER asked and was given permission to address the House for 10 minutes on Monday next, at the conclusion of the legislative program for the day and following any special orders heretofore entered.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 30 minutes.

TAX EQUALITY AND EXCISE-TAX REPEAL—COMING SOON

Mr. MASON. Mr. Speaker, since July 14, when I last addressed the House urging favorable action on H. R. 5064, my bill to impose income tax on the business income of certain exempt corporations, tax dodgers in various categories have continued to raid the Treasury.

Tom Campbell's famous 95,000-acre wheat ranch in Montana has been sold to a charitable trust for $2,000,000, and its earnings, which heretofore have been subject to the 38-percent corporate income tax, will now go tax-free.

Ed Gardner's radio comedy, Duffy's Tavern, is now being broadcast from the studio of the government-owned radio station at San Juan, P. R., where it is able to evade payment of all income tax on earnings under a ridiculous loophole in our tax statutes.

A Broadway columnist states that "Hollywood moguls are working out a plan to set up film companies as cooperatives to escape many taxes."

And 2 days ago it was reliably reported that the huge Atlantic & Pacific Tea Co. will become a non-tax-paying consumer cooperative if the Justice Department wins its suit to break up the grocery chain into seven pieces. John Hartford, head of A & P, said in an interview:

> If the Government wins I will convert the whole business into the biggest consumer cooperative you ever saw. I'll sell shares in the enterprise to the people of our country, and they will get tax-free patronage dividends. If it is illegal to run the business the way we are doing it, then we will run it on a legal, tax-free basis.

Shift of A & P from taxpayer to tax-exempt would cost the Treasury nearly $15,000,000 a year in tax revenue, according to the company's most recent financial report. And that is by no means all, for I am informed that publication of Mr. Hartford's announcement brought immediate reaction from a score of other big companies that said "We'll go cooperative too, if we can avoid taxes that way."

Mr. Speaker, the racket of doing business without paying taxes has assumed such proportions that our long-established system of profit enterprise is relentlessly being pushed toward socialization and destruction. I warn you that the absorption of independent taxpaying businesses and the depletion of Treasury revenues will go on at a constantly accelerating pace until the principles of my bill (H. R. 5064) are written into the tax revision bill of 1950. Only then will competitive tax equality give the little business man a new lease on life.

There are in operation today half a dozen or more ways of evading taxes on business income—all of them squeezing through loopholes that were originally written into our laws for entirely different purposes. There are hundreds of concerns that are slyly taking advantage of these loopholes, thereby threatening the very existence of their taxpaying competitors. Hundreds of millions of dollars of badly needed tax revenue are being lost to the Treasury or added to the tax bills of the overtaxed.

Continued abuse of the public interest, however, always brings its own penalty sooner or later. I predict that the day is not far off when the tax dodgers will be stripped of their tax advantages and converted, whether they like it or not, into taxpayers. It will hurt none of them to pay their share of the costs of Government.

President Truman, in his Des Moines Labor Day speech to the farmers of America, said:

> This Congress will not listen to those who want to tax cooperatives out of existence.

Mr. Speaker, the President was wrong.

If he had consulted either his Secretary of Commerce, Mr. Sawyer, or the Members of this Congress, he never would have made that statement. The Secretary of Commerce has just made an extensive tour of the country, consulting with groups of businessmen in every section. He has learned that the two main gripes of American businessmen today—the two things they are demanding in the way of tax relief—are: (1) Repeal wartime excise taxes that are today stifling legitimate business activity; and (2) Bring about tax equality by taxing all commercial enterprises doing business for profit, regardless of who owns them.

These demands by American businessmen are being reflected today by Congress—and they properly should be reflected. Hundreds of letters have been written by Senators and Representatives to the voters back home stating that the time has come to repeal wartime excise taxes and to bring about tax equality.

As for the President's statement about taxing co-ops out of existence, I can

assure you that no one wants or proposes to tax cooperatives out of existence. That is a silly statement for any man to make. Requiring co-ops to pay their fair share of the tax burden would no more destroy co-ops than it now destroys other corporations that have to pay 38 percent of their profits to Uncle Sam.

For example, the largest of all American co-ops—the Cooperative Grange-League-Federation Exchange, of Ithaca, N. Y.—has recently announced that on earnings of $3,406,000 in the year ended last June, it is paying an income tax of $928,000. The Cooperative Grange-League-Federation Exchange voluntarily gave up its total tax-exemption status some 2 or 3 years ago. True enough, it ought to pay $1,294,000 of income tax—38 percent of its earnings—but the fact that it is paying 27 percent of its earnings to Uncle Sam is significant of its growing recognition of the responsibility of all business to help support the Government.

Now, Mr. Speaker, let us take a look at the record and see what the legislative situation actually is.

H. R. 5064, the bill which I introduced in the House of Representatives, proposing to tax the tax exempts, has attracted wide attention and approval both in and out of Congress. It will be up for action when the Ways and Means Committee begins work on a complete revision of our tax statutes next January.

Action is now pending in the Senate on an amendment to another bill, H. R. 3905—an amendment that would tax the retained earnings of co-ops, but would permit continued exemption of those co-ops that do business only with members and pay out all their earnings in cash each year. Other bills, also awaiting action when the 1950 revenue bill is written, propose to tax charitable trusts, foundations, and other tax exempts that are deriving income from competitive commercial activities.

Right now, however, the tax-exempts are growing at jet-propelled speed, tearing down fundamental American business organization in the phony name of nonprofit enterprise.

Mr. Speaker, let us see what these tax-exempts are and how they operate; what profits they make and how much revenue the Treasury will collect from them when they are finally required to pay taxes like the rest of us.

High on the list we find the educational institutions which have recently become fast-growing, tax-free competitors in many fields of business. Colleges and universities are not taxed today because long ago the founding fathers decided that the facilities for education should not be burdened with taxes.

But the founding fathers had no notion, I am sure, that universities would go into business in direct competition with taxpaying companies. How could they foresee the time when New York University, for instance, would buy up a piston ring factory in St. Louis, a macaroni factory in New York, a pottery factory in New Jersey, and a lot of other prosperous, taxpaying manufacturing plants, and take them off the tax rolls so that their earnings could not be taxed any more?

Can we believe that the founding fathers would have sanctioned a scheme to siphon the profits of a horse-racing track tax free into the coffers of a university? Yet, that is the sort of thing that goes on. Colleges own radio stations and run them for profit—tax-free profit. A boys' military school in Minnesota owns a furnace factory in Ohio. New instances are brought to my attention almost daily; there seems to be no end to this form of tax avoidance.

Why, I ask you, should not an educational institution that goes into the manufacturing business, or the retail business, or any other business, pay tax just like its competitors?

Then, Mr. Speaker, there is the new tax-dodging racket of sale and lease-back of commercial real estate. A company sells its land and buildings to a tax-exempt institution; gets cash which can then be used for expansion of the business, and immediately leases the property back for a long period of years. The school or foundations, being tax free, can pay a higher price than the property is worth to anyone else; the rental that the former owner pays is generally less than his original carrying charges. No tax is paid on the rental income. Everyone wins except the Treasury—and the taxpayer.

The use of so-called charitable trusts and foundations to avoid payment of Federal income taxes was exposed a year ago in a long series of hearings on the operations of the Textron Corp. by a senatorial investigating committee headed by Senator TOBEY, of New Hampshire.

Labor unions, which have long been on the income tax-exemption list, pay no tax on income received from rentals of buildings in many cities, even though their properties are in direct competition with buildings owned by people who depend upon the income for their livelihood and pay income tax on every red cent. Nor is that all. CIO's United Automobile Workers are now backing a multi-million-dollar co-op store operation. A dozen stores are open in the Detroit area. They sell groceries, appliances, clothing, and so forth. Their announced aim is the capture of 50 percent of all retail trade. Union-owned co-op stores pay little or no income tax on their earnings, even though they compete directly with taxpaying stores in their neighborhood.

Then there are the Government-owned businesses—operating on taxpayers' money, generally paying no interest for the use of those funds, and paying no taxes on their earnings even though they compete directly with privately owned companies in the same lines of business.

Many cities have publicly owned utilities—electric companies, water companies, traction companies—which pay no income tax. Numerous States operate liquor monopolies and pay no income tax.

The Federal Government has a barge line on the Mississippi River, banks of various sorts, a plant making rum in the Virgin Islands, a railroad or two, and—biggest of all—the Tennessee Valley Authority, which was originally set up as a flood-control project and then spread out into the production and sale of electric power, not only to farmers but also to some of the biggest corporations in America; the manufacture of fertilizer ingredients which no one can buy except cooperatives; the operation of towns and tourist camps and all sorts of other things—all in direct competition with taxpaying businesses, but paying not one red cent of tax to the Government.

Mr. Speaker, there is no reason why all Government-owned businesses should not be taxed on their earnings.

Finally, Mr. Speaker, we come to the cooperatives, whose avoidance of income tax on earnings is the subject of searching inquiry both in and out of Congress. The co-op evasion of taxation is legal enough, though the laws under which they escape taxes were written 20 to 30 years ago when the co-ops themselves were entirely different from what they are today, and the rates of income tax on individuals and businesses were a mere fractional part of the amounts that we have to pay today. Perhaps I should explain this further.

The co-op tax-exemption law passed in Congress in 1916, about the middle of World War I, stated that "farmers', fruit growers', and like associations, organized and operated on a cooperative basis and acting as a selling agent for members" should be exempt from payment of income tax on their earnings. The co-ops that came under the provisions of that law were, for the most part, little local groups of farmers who were selling their apples or grain or livestock or oranges together so that they would get a little better price than each farmer could get alone.

But the co-ops today go far beyond that. They are big business. Besides marketing farm products, co-ops now sell cigarettes, vitamin pills, and toothbrushes; they manufacture tractors, lipstick, and cornflakes; they drill oil wells, refine petroleum products, and ship gasoline all over the world; they operate banks, insurance companies, and newspapers; hospitals, radio stations, and tourist camps; hardware stores, coal mines, and funeral parlors.

There are today plenty of co-op organizations with annual sales amounting to millions of dollars; numerous wholesale co-ops whose untaxed profits are astronomical; and manufacturing co-ops who look forward to the liquidation of all profit-making organizations and the substitution of their own so-called nonprofit operations.

In their growth to size and power, the co-ops have been helped along by the very thing that has kept their competition dragging behind—high income taxes. The business income tax was only 1 percent when the co-ops were first exempted. It was only 12 percent in the late 1920's. But when it reached 90 percent—as it did in World War II—the heyday of co-ops arrived. Then, while taxpaying businesses forked over most of their earnings to Uncle Sam, the co-ops plowed their profits back into the business, and they grew and they grew and they grew. They are still growing, for the differential is still 38 percent.

In 1946 co-ops of all kinds did about $13,000,000,000 worth of business. In 1947 they did about $15,000,000,000 worth. Last year, according to careful estimates, they did more than $17,000,-

000,000 worth. In less than another 5 years, at their present rate of growth, they will be doing at least $25,000,000,000 worth of business. Why should they continue to go tax-free?

Today we are spending billions to support agricultural production. We are proposing to spend more billions in Federal aid to education; more billions to support a mammoth system of socialized medicine; more billions to care for the aged and the infirm, the widows, and the orphans. Co-ops and their members expect to share in these expensive benefits, but they are fighting tooth and toenail to keep from paying their fair share of the costs.

Mr. Speaker, how much money is the Government losing by permitting certain kinds of business to operate without paying income tax? How much additional revenue will flow into the Treasury when we stop this unfair foolishness and tax all competitive businesses on an equal basis? Let me give you some figures—compiled carefully and conservatively by men who have made a close study of the whole matter:

1. From educational and altruistic organizations	$173,000,000
2. From Government-owned businesses	267,000,000
3. From labor unions and similar organizations	14,000,000
4. Co-ops and other mutual organizations	626,000,000
A total of	1,080,000,000

Mr. Speaker, the one statement that is unanimously agreed upon by all officials of Government who are now concerned with the writing of the 1950 tax bill is this: "We must find new sources of revenue."

Recent trial balloons sent up by the White House have listed, one by one, as possible sources of new revenue, such unpopular items as the undistributed-profits tax, the excess-profits tax, increased estate and gift taxes, an increase in the 25 percent long-term capital gains tax, higher corporate rates, higher individual rates—all of it the old, outworn, business-destroying idea of soak the rich.

But I note a whisper here and there on Capitol Hill that says "tax the untaxed first. Tax the co-ops; tax the foundations, the so-called charitable trusts, the educational institutions on their earnings from competitive commercial activities." That whisper will grow—for this is the soundest and the most logical method of all to find new sources of revenue.

Regular business is already paying too much tax for its own good—and for the good of the Nation. Individuals are bowed down by the tax load they are forced to carry, not only on incomes but also in excises that should long ago have been repealed.

But here, Mr. Speaker, is more than $1,000,000,000 of brand-new revenue—revenue that we can take without the slightest compunction from the racket of doing business without paying taxes; revenue that will come to the Treasury without doing the slightest harm to any present-day taxpaying businesses.

Many of our colleagues, Mr. Speaker, agree with me in what I have just said. Without naming any names, let me give you a few direct quotations from recent letters written by Senators and Representatives to their constituents back home:

First. An Ohio Member writes:

When cooperatives get into business for profit, as so many are today, competing with businesses that pay taxes, they should be required to pay income tax on the same basis as their competitors.

Second. A Wisconsin Member writes:

A great number of so-called farmer cooperatives who are taking advantage of the tax exemption are farmer and nonprofit cooperatives in name only. Many of them indiscriminately serve both members and nonmembers. I feel that this situation must be remedied.

Third. A New Jersey Member says:

I have been inclined to be sympathetic toward cooperatives, but I believe that the Government has allowed them to progress to such an extent that today they are a threat to our free-enterprise system. In other words, I feel that the cooperatives should be taxed to the extent of bearing their share of the tax program.

Fourth. From a Mississippi Member:

I strongly favor the earliest possible elimination of all loopholes through which business organizations have been evading taxes under the guise of operating as nonprofit trusts and foundations. I will support legislation to remedy the situation.

Fifth. A Georgia Member expresses himself in these words:

I am in favor of some legislation to make all business pay its part. When taxes are as high as they are now, there should be no inequalities.

Sixth. A South Carolina Member writes:

Repeatedly, I have called upon Chairman BOB DOUGHTON and other members of the Ways and Means Committee, urging that the laws be changed so as to place the tax burden equally upon all individuals, firms, and corporations.

Mr. Speaker, I could go on and on and on, giving you equally forceful, direct quotations from letters written to businessmen back home by many Members of Congress from all over the United States. It has taken some of them a long time to come to the positive opinions they now express—but they have at last seen the light and they are prepared to vote for tax equality as soon as it is properly presented to them in legislation.

That, we believe, will be next spring. The bills that have been offered by myself and Senator WILLIAMS this year will still be on the calendar when Congress comes back in January. They will be acted upon, and tax equality will at last become a reality.

But the kind and extent of excise-tax repeal and of tax equality that will be granted will depend very largely upon what the people of the Nation demand, and insist upon getting.

PRAYERS-FOR-PEACE MOVEMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes 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, I wish to call to the attention of every Member of this body, to every person who may hear or have the opportunity to read my remarks, the splendid and inspiring prayers-for-peace movement which originated at Manchester, N. H., October 28, 1948, and which has since spread to many parts of the United States and to other lands.

The occasion was the annual meeting of a group of World War I veterans who had organized years ago as a Last Man's Club. Their guest speaker was one of its members, Hervé J. L'Heureux, a veteran American Foreign Service officer, presently Chief, Visa Division, Department of State. This was the first opportunity Mr. L'Heureux had had to meet with his former comrades in arms at such an annual event, because of his absence from the United States for many years.

During the period from 1937 to 1947, Mr. L'Heureux served as consul and consul general at several posts in Europe and in North Africa. In his official and social capacity, he had mingled with citizens of many countries and from every walk of life. As he discussed American customs, ideals, and way of living he evoked surprise in many of those with whom he talked. He was astounded to find such widespread lack of appreciation of the true character and ideals of the American people. We were generally regarded as essentially capitalistic, materialistic, and addicted to luxurious living. This situation greatly disturbed Mr. L'Heureux, particularly in the light of the insidious propaganda presently being disseminated, that we are a nation of warmongers, that we have an ulterior motive in every assistance we pretend to give to the peoples of Europe.

Mr. L'Heureux is a deeply religious man. He has faith in the efficacy of prayers. He believes the masses of the American people have a similar faith in the power of prayer. Moreover, what he saw and heard abroad has implanted in him an unshakeable conviction that in addition to being adequately prepared, and having the determination to fight with force of arms, if necessary, to preserve liberty, the United States should undertake something concrete to correct false impressions prevailing abroad which, at the same time, should be a clear manifestation of the true character and ideals of the American people. Obviously, some positive action, not merely words, was necessary to correct the existing situation. After relating many of his experiences and impressions which he had gained abroad, Mr. L'Heureux suggested the following resolution, which was promptly adopted:

Having complete confidence in the ability of our fellow men, with the aid of Almighty God to establish a just and enduring peace in the world, we, the members of the Last Man's Club, William H. Jutras Post No. 43, American Legion, do hereby unanimously resolve to pause for 1 minute in the midst of our daily task, at 12 o'clock noon each day, and, raising our heart and mind toward

God, ask Him to help us adjust our international differences to enable the nations of the world to secure an equitable and abiding peace; further,

We urge that this movement be endorsed by all the spiritual, civic, and business leaders in the United States, and that a similar resolution be adopted and implemented by every organization in our country to the end that this custom may become universal in effect.

Who cannot foresee good effects from this custom if it is developed on a national scale? As pointed out by Mr. L'Heureux from this practice of a moment of prayer daily for peace would spring a unity of thought, a unity of purpose. It would give moral encouragement to the millions who, for a brief space after the cessation of hostilities, enjoyed the illusion of liberty but who now, instead of building their lives in security and peace, look to the future with dread. It would demonstrate that the American people are God loving, God fearing, and peace minded. Through the Voice of America, for example, peoples in other lands could be increasingly encouraged to join us, spiritually, in the accomplishment of our commonly desired objective—peace.

The idea of a 1-minute universal prayer for peace at noon each day seems to have appealed to many. Shortly after it originated last October, it was endorsed by a religious leader of Manchester, N. H., then by the local Rotary Club, then it spread swiftly Word came that an American Legion post in the South had adopted a similar resolution, followed by a fraternal order in the West, and the student council of Georgetown University. Steadily the movement has grown until today when approximately 630 organizations, of every creed and description, have adopted similar resolutions. These include scores of American Legion posts, at least six departments of the American Legion meeting in annual State conventions, the Americanism committee of the Army and Navy Union, units of the Gold Star Mothers and of the Blue Star Mothers, Rotary and Lions clubs, fraternities, church groups, business firms, student bodies of schools and of universities, social societies, and so forth. Commendatory editorials have been written, and the prayers-for-peace movement has been endorsed by some writers and at least two radio commentators.

The American Legion, at its thirty-first annual convention in Philadelphia, on August 31, 1949, endorsed the idea of daily prayers in its report on foreign relations in these words:

Recognizing the need of divine guidance in our great responsibilities we ask the daily prayers of every citizen for peace to all mankind.

The development of this movement on a national scale may be seen from what has occurred in recent weeks. For instance, the Benevolent and Protective Order of Elks of the United States, at a regular session of the annual meeting of the grand lodge, held in the city of Cleveland, Ohio, on the 13th day of July 1949, approved the prayers-for-peace crusade. The text of its resolution was presented to the Senate by the Honorable IRVING McNEIL IVES on August 3, 1949, printed in the CONGRESSIONAL RECORD and referred to the Committee on Foreign Relations. The delegates to the twenty-third national convention of the Order of Ahepa, meeting in the city of Miami, Fla., at a regular session of the convention held on the 19th day of August 1949 likewise adopted a similar resolution. This was followed by similar endorsements by the Society of American Legion Founders at Philadelphia, August 27, 1949, and by the members of the Delta Theta Phi, law fraternity, at its twenty-sixth annual convention at Detroit, Mich., August 31, 1949. Another resolution, adopted September 4, 1949, at the fall meeting of the Kansas State Council, Knights of Columbus, at Manhattan, Kans., reads as follows:

Whereas two world wars to establish peace and freedom among men have produced naziism and communism;

Whereas today fear and hatred grip the souls of men so that a "cold war" is waged between nations;

Whereas military power and state diplomacy have failed to bring peace and freedom to the peoples of the world: Therefore, be it

Resolved, That we, the Knights of Columbus, aware of the power of prayer, urge all men to turn to God, our Father almighty, in prayer for 1 minute daily at 12 noon, each in his own faith, each in his own way, imploring God to so inspire the thoughts and direct the actions of men that charity and justice and peace may reign among the rulers and peoples of the world.

The strength of this great movement, and its greatest appeal, aside from the innate faith which the masses of the American people have in the power of prayer and their ardent desire for peace, lie in these factors: The simplicity of the plan; the brief period it takes, daily, to put it into execution; the prayers are offered by many persons, each in his own faith, each in his own way; no organization is being formed to propagate the idea, this being done, spontaneously, by individuals, and by existing organizations of all kinds; the idea of the masses praying, simultaneously, is not in substitution for other existing means of prayer, but a united crusade of prayer to obtain divine guidance in the conduct of our international relations, in order to secure the peace we so ardently desire. As Constantine Brown has so aptly written, in an article published May 30, 1949, in which he endorsed the prayers-for-peace movement, "Mankind has denied itself this peace, because to say that it was denied to it would imply denial by a power superior to man. And that superior power denies peace to no man who really wants it."

VILLAGE MAIL DELIVERY SERVICE

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1479) to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city-delivery service, and for other purposes, with a House amendment thereto, insist on the House amendment, 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 Tennessee? (After a pause.) The Chair hears none, and appoints the following conferees: Messrs. MURRAY of Tennessee, KARST, and REES.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements and excerpts.)

FARMER COOPERATIVES

Mr. PATMAN. Mr. Speaker, I just listened to the distinguished gentleman from Illinois discuss farmer cooperatives and other cooperatives and organizations that he states are not paying their just and fair proportion of taxes. I know nothing about any of the groups in the categories mentioned by the gentleman from Illinois except the farmer cooperatives. I am glad to state that I am for farmer cooperatives. The Democratic Party is for the farmer cooperatives. I am very much disappointed that our Republican friends, the Members on the other side of the aisle, persist in their opposition to the farmer cooperatives.

Mr. John H. Davis, who is executive secretary of the National Council of Farmer Cooperatives, was invited to attend the Sioux City, Iowa, farm meeting called by the leaders of the Republican Party. Mr. Davis went before the group and made this statement:

Farmers have become concerned over the antifarmer cooperative bills and activities of certain Republican Congressmen and Senators whose activities and bills apparently have been condoned by the leadership of the party.

That has not been denied. The leaders of the Republican Party have not denied that they are in opposition to the farmer cooperatives. I really hope they will get back on the right side of the question and not try to punish the farmer cooperatives. I know the Democrats are not trying to punish them.

The question of excise taxes is another question I think is generally misunderstood. When the Democrats passed the bill providing for wartime excise taxes in 1943 there was a proviso in the bill that the collection of these taxes would not be required 6 months after cessation of hostilities after World War II. The President of the United States declared December 31, 1946, that hostilities had ceased. Therefore, under the law passed by the Democratic administration in 1943, the wartime excise taxes would have been automatically repealed June 30, 1947.

The bill really passed the House in January, but during the month of March in 1947 a bill which was enacted into law was rushed through Congress making these excise taxes permanent.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I am very glad to yield to the distinguished minority leader.

Mr. MARTIN of Massachusetts. The gentleman appreciates, of course, that that bill was recommended by the President of the United States and was signed

by Mr. Truman as President of the United States.

Mr. PATMAN. He recommended their extension for 1 year for the purpose of making a study to determine if any of them should remain upon the statute books. He did not recommend that they be made permanent.

Mr. MARTIN of Massachusetts. But he signed the bill, did he not?

Mr. PATMAN. Why, certainly. But he did so because he thought the Republican Congress would make a study such as he had requested and would eliminate those that should be eliminated.

Mr. MARTIN of Massachusetts. The gentleman well knows that for 9 months we have had a bill introduced to repeal all of the excise taxes. Your party has been in control of the Government during all this time. You have been in control of the House and the Senate, as well as the executive branch, and you have not done anything about repealing the taxes. Now, what do you say about that?

Mr. PATMAN. I will say that the Eightieth Congress was in session for 2 years and did not do anything about it except make them permanent.

Mr. MARTIN of Massachusetts. Let us not talk about the past. Let us talk about the present.

Mr. PATMAN. I do not yield further to the gentleman.

The Eightieth Congress wanted to pass that rich man's tax bill and in order to do that they made the taxes permanent.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MARTIN of Massachusetts. Does the gentleman mean to say that the 7,000,000 poor people who were removed from the tax rolls and who now do not have to pay any tax at all were rich men?

Mr. PATMAN. Well, it did favor the rich. It was a hand-out to the rich, and you had to put in a few poor folks.

Mr. MARTIN of Massachusetts. The bill also favored all the poor people. Was the gentleman opposed to that bill?

Mr. PATMAN. Yes; I was; and I voted against it.

Mr. MARTIN of Massachusetts. You are also against the poor people getting off the rolls so that they do not have to pay taxes?

Mr. PATMAN. I was against it because it favored the rich.

Mr. MARTIN of Massachusetts. And you discriminated against the poor people.

Mr. PATMAN. No, you put in a few crumbs there from the rich man's table for the poor, but not much. The idea being that in order to get this rich man's tax bill through you made permanent the wartime excise taxes which would have automatically expired on June 30, 1947.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MARTIN of Massachusetts. I issue a challenge to the gentleman from Texas. We want these taxes repealed. There are two petitions on the Speaker's table to bring such a bill to the floor, and we could do it in 40 minutes. Will the gentleman from Texas sign those petitions?

Mr. PATMAN. I would love to be able to sign the petition if you had not passed the rich man's tax bill which makes it difficult now to do without the revenue.

Mr. MARTIN of Massachusetts. Why does not the gentleman sign the petitions and get rid of them as soon as possible?

Mr. PATMAN. You are giving the rich people $5,000,000,000 a year when we cannot spare that money right now.

Mr. MARTIN of Massachusetts. That is all poppycock.

Mr. PATMAN. Well, I admire the gentleman very much but in view of his statement I am compelled to admit he is just giving us a lot of hogwash.

A & P STUFFING THE NATION AND ITS GROCERY BAGS WITH FALSE, MISLEADING, AND DECEPTIVE PROPAGANDA—A & P FALSEHOODS BLANKET THE NATION AS GOVERNMENT FILES CIVIL ANTITRUST SUIT—NOT ONE A & P STORE WILL BE CLOSED—AMERICAN HOUSEWIVES AND SMALL BUSINESS ENTERPRISE WILL PROFIT BY GOVERNMENT'S ACTION—CRIMINAL ACTS AND VICIOUS COMPETITION-DESTROYING ACTS OF A & P DESCRIBED

Mr. Speaker, every Member of this House is aware of the insidious Nationwide propaganda campaign now being conducted by the Atlantic & Pacific Tea Co. against the Antitrust Division of the Department of Justice.

A & P is running full-page propaganda blasts in every daily newspaper across the country and in most of the important American weeklies. Copies of these ads are blown up to gigantic poster size and plastered on the windows and walls of A & F's stores in 40 States. Tear sheets bearing A & P's propaganda are stuffed into the grocery bag of every housewife who enters one of A & P's 6,000 markets.

It has been conservatively estimated that the A & P chain organization has so far poured nearly $5,000,000 into this propaganda campaign—$5,000,000 that will eventually be paid for by consumers who buy in A & P stores.

The subject of A & P's campaign is an antitrust suit recently filed against A & P by the Department of Justice and now pending in the United States District Court for the Southern District of New York.

A & P is telling the people that this antitrust suit has been filed against them because they are selling food at low prices. They say that they are being attacked because they have grown large through efficiency and economy and that the Government wants to destroy them because they are big even if the public gets hurt in the process.

This new, unexpected, and unjustified attack upon them, A & P says, will raise food prices, will penalize efficiency, will destroy A & P and every other efficient chain store in the Nation.

A & P cunningly suggests that the entire case was trumped up by a small clique darkly referred to as the antitrust lawyers from Washington. They, A & P says, are out to destroy A & P and the consumers, the farmers, the manufacturers, and A & P's 110,000 loyal employees be damned.

A & P GUILE AND DECEPTION APPARENT IN NATION-WIDE PROPAGANDA DRIVE

I can say without a moment's hesitancy that this Nation has never before seen a comparable effort to obtain a prejudgment in the public's mind of a suit pending in a duly constituted court. This blatant, calculated scheme to organize public opinion upon the side of the A & P defendants presents an unparallelel attack upon the integrity of our judicial system which must shock every thoughtful citizen. Those of you who have practiced at the bar are well aware that any lawyer involved in an affair of this sort would face immediate expulsion from the profession.

But the far greater evil in this program to form and sway mass emotion against the Government in the pending suit lies in its conscious employment of gross and deliberate misrepresentations.

Every so-called fact, every inference, every innuendo in A & P's propaganda material contains a deliberate falsification. I say deliberate because no mind capable of preparing this material could possibly be unaware that every line distorts and misrepresents the charges made against A & P and the results that will follow from the Government's suit.

LOWER FOOD PRICES TO AMERICAN HOUSEWIVES IF GOVERNMENT WINS CIVIL SUIT

As I will shortly point out in more detail, the present proceeding is not a new and unexpected assault upon this tremendous chain organization. The civil suit recently filed is simply the latest step taken in an antitrust litigation that has been in the courts for almost 10 years and which has thus far been lost by A & P and won by the Government. The litigation is not an attack upon such efficiency as A & P's methods may involve, nor upon alleged savings to the consumers resulting from that efficiency. It is an attack upon A & P's brutal, coercive tactics which have enslaved independent manufacturers, defrauded the farmers, destroyed independent grocerymen and meat dealers, and passed the costs of the entire monopolistic program on to the American public. The action will not close a single A & P store. It will lower prices to the 95 percent of the American public who buy in stores other than those of A & P, and unless defendants deliberately withhold savings from their own customers, the action will substantially reduce prices in over 70 percent of A & P's own markets.

And perhaps of greatest ultimate importance to the well-being of this Nation—the antitrust action against this tremendous chain-store organization may well reverse the trend which is now rapidly converting us from a community of self-reliant independent businessmen to a Nation of corporate employees and clerks.

The defendants know these things well. The public has no way of knowing them. The public has no reasonable means by which to protect itself from the concealment and distortion of these facts in A & P's propaganda. A & P is utilizing a technique invented and developed in its full evil efficiency by Goebbels and his Nazi masters. The

bigger the falsehood, the greater the likelihood that it will be accepted without question. If the selfish ends of the propagandist are served, the employment of any means, however deceitful, is fully justified.

This evil creation of the Nazis was, I believe, one of their most dangerous and insidious inventions. Who is it that is now responsible for the importation of this foreign technique into our democratic American system for the judicial determination of controversies?

A & P SUPERPROPAGANDA MACHINE ADJUDGED CONSPIRATORS BY COURT

I am reliably informed that A & P's multi-million-dollar propaganda campaign is the product of Carl Byoir and his Business Organization, Inc., or of men connected with them. This Carl Byoir and his corporation were defendants in the earlier stages of the antitrust litigation against the A & P chain. They were charged in a criminal information with having conducted the publicity campaigns through which A & P sought to camouflage and disguise its monopolistic and trade-restraining practices. Carl Byoir sold his services to A & P by telling A & P that he could offer them, and I am quoting from the criminal record, "a specialized machinery to use publicity as a tool." This man Byoir, and I quote from the opinion of the circuit court of appeals in affirming these criminal proceedings, "is no babe in the woods, likely not to understand what goes on around him." "There can," I quote further, "there can be no doubt on this record that the defendant Byoir had full knowledge of the monopolistic purpose of Super-Co-op and of A & P's over-all conspiracy and took a large personal part in its formation and development."

The Super-Co-op, which the court refers to as being formed and developed by Mr. Byoir, was an outfit set up and financed by A & P which was presented to the farmers as a bona fide farmer-organized cooperative, but which was in reality a device through which A & P monopolized the growers' best produce for itself at the lowest possible prices, at the same time spreading among the farmers the propaganda that A & P was their real friend.

This Mr. Byoir and his corporation, which are now conducting A & P's propaganda war against the Government, were found guilty beyond all reasonable doubt of participating in A & P's conspiracy to restrain trade and destroy competition. They were fined $15,000 and their sentences were affirmed on appeal. They have more motives than mere money from the A & P chain to distort and falsify the Government's charges and to slander and malign the Government attorneys.

A & P MULTI-MILLION-DOLLAR PROPAGANDA DRIVE ILLEGITIMATE BUSINESS EXPENSE

It is my intention to suggest to the Treasury Department that the millions of dollars which A & P is pouring into this propaganda campaign do not constitute a legitimate business expense and that there is, therefore, no justification for its deduction as such in computing A & P's income-tax liability.

But this wholly proper action will not neutralize the real evils of A & P's Nation-wide dissemination to millions of American housewives of false, distorted, and misleading propaganda concerning the pending suit.

My purpose today is to present a brief summary of the facts in this antitrust litigation so that the American public will have an opportunity to pass fair and impartial judgment upon the merits of the controversy between the Government and the A & P chain organization.

A & P has deliberately sought to convey the impression that the recent civil suit filed against the chain is a sudden novel assault upon an innocent and praiseworthy American business. They imply that the theory of this case involves a recent and unsupported perversion of the Federal antitrust laws dreamed up by malignant Government lawyers.

The fact is that A & P is charged with vicious and monopolistic practices of a type that have been held to violate the antitrust laws by the courts of the United States for decades. The fact is that the A & P was found guilty of these criminal acts by the United States District Court for the Eastern District of Illinois, and the conviction of A & P has been affirmed by the United States Court of Appeals for the Seventh Circuit. The fact is that A & P could have appealed those convictions to the United States Supreme Court, but chose not to do so. Instead, they paid fines in the amount of $175,000.

GOVERNMENT'S CIVIL SUIT IS TO PREVENT CONTINUANCE OF CRIMINAL CONDUCT BY A & P

The fact is that there are no new charges against A & P in the recent civil action. The Government simply charges the activity of which A & P has already been found guilty, and for which it has been punished. The purpose of this latest legal step is not punishment—the A & P has already been punished by the imposition of fines. The purpose of this action is to obtain adequate protection against a continuation of the criminal conduct which the A & P organization has been found guilty of. The Government in this suit asks the Federal courts to enjoin the continuation of this conduct and to issue an order which will remove A & P's power to continue to destroy competition and to impose upon the public in the food business.

What was the subject matter of this earlier criminal conviction of A & P and of the recently filed civil suit? Is it true that the courts have found A & P guilty of being too efficient? Is it true, as Carl Byoir now tells the American people, that A & P has been convicted of selling food too cheaply? Is it true that, because A & P grew large through the economies it offered the housewife, the Government now seeks to destroy A & P, close its stores, and throw its employees out of work? There is, of course, no syllable of truth in any of these ludicrous assertions as A & P and its publicity department know very well. Unfortunately, however, they also know that so long as they are willing to lie about it with a sufficient air of innocence and spread the lie far enough with $5,000,000 worth of newspaper advertising, the American public is not likely to discover the truth.

The truth is that A & P has been convicted of a deliberate, calculated scheme, conceived in 1925 and carried on for over 20 years, to expand its control of the retail grocery market at the expense of its competitors and the consuming public, by boycotts, blacklisting, price wars, threats, and other ruthless devices, rather than by utilizing more efficient and economic methods of distribution.

A & P TACTICS DESTROYED THOUSANDS OF SMALL-BUSINESS MEN

By these means A & P has increased its gross sales from $330,000,000 in 1925 to almost $2,000,000,000 in 1947. In the course of its program, A & P has destroyed thousands of small-business men, it has forced manufacturers, farmers, and A & P's competitors in the grocery business to pay A & P tribute, and the whole cost of this vicious program has been passed on to the consuming public.

This is what A & P stands convicted of—a conviction which it chose not to appeal to the Supreme Court. These destructive and socially wasteful practices are the sole subject matter of the Government's complaint against A & P. No attack has ever been made upon A & P's efficiency or upon expansion which resulted from low prices made possible by mass distribution. If these factors are present in A & P operations, then they are not challenged by the Government and they will not be interfered with by the Government's suit.

A & P and Carl Byoir have not revealed the true facts in the case against A & P because they know that the facts would unequivocally condemn them. They must say nothing—or distort and falsify.

The trial of the criminal charges against A & P occupied 6 months. For 24 weeks thousands of documents and pages of testimony concerning A & P's conspiracy to destroy competition was received by the Federal judge. I would like to call your attention to some of the activities of the A & P chain which are minutely described in the voluminous record of this trial, and which demonstrate the falsity of A & P's propaganda.

Like every other grocery organization, A & P buys grocery items and resells them to the consumer.

GOVERNMENT'S CRIMINAL SUIT EXPOSED A & P'S VICIOUS AND PREDATORY DEVICES

The Government charged, and the courts held, that A & P in purchasing groceries from manufacturers compelled these manufacturers to sell to A & P at low prices and to sell to A & P's competitors at high prices. A & P obtained these systematic discriminatory price preferences from manufacturers by threatening them with boycott unless they paid A & P substantial allowances and rebates not available to other grocery stores. If a manufacturer was reluctant to grant A & P a sufficient rebate, despite A & P's threats of boycott, the chain store threatened to enter into the particular manufacturing field in competition with the manufacturer and so destroy his business.

These rebates took a hundred different forms. A & P collected advertising allowances for which no advertising service was ever rendered. A & P actually charged the manufacturers a rental for

the floor and shelf space in A & P stores which was occupied by the goods which A & P had bought from the manufacturers. A & P also collected rent for the space on its walls which was occupied by the normal store advertising of the products it offered for sale. It demanded quantity discounts which admittedly reflected no cost saving to the manufacturer. And in some instances it simply made no effort at all to conceal the true nature of this forced tribute. It obtained cash rebates from milk and bread companies which it secreted in safety deposit boxes and did not even put into its general funds. Some of these rebates and subsidies it carried on its books as receipts from "John Doe."

What did the manufacturer get in return for this tribute? Here is an illustration. A & P induced a small manufacturer, Comet Rice Mills, to grant A & P a 5-percent rebate on sales to A & P in return for certain "store displays" to be made of Comet's product. A & P then instructed its store managers that it would be sufficient return for this 5-percent price concession if they placed a few packages of Comet's rice anywhere within the vision of A & P's customers. I quote from these A & P instructions:

> A few packages of Comet Rice placed anywhere in the store within the vision of the customer, other than the place where it is ordinarily stored, would constitute a "display." In the case of the supermarket, it may be that you have Comet Rice displayed in a very prominent place in the store which means that it is displayed at all times. In such instances, it would not be necessary for you to do anything more than you are doing at present inasmuch as you are maintaining a constant display.

So what the supplier got was a few packages of rice placed anywhere within the vision of the customer—and A & P obtained a 5-percent rebate.

A & P USED BLACKJACK METHODS TO EXACT REBATES AND ALLOWANCES FROM SMALL MANUFACTURERS

The circuit court of appeals summarized the allowances and rebates which A & P extorted from manufacturers in these words. I quote the court's opinion:

> Closely related to the policy and the purpose to establish a two-price level by the abuse of its power and position, A & P by the same methods forced its suppliers to give it advertising and space allowances that bore no relation to the cost of the service rendered in the matter of advertising or display of merchandise in A & P's stores. Indeed, the evidence showed that in many instances, if not uniformly, token performance was all that was rendered the suppliers who ostensibly were seeking point-of-sale advertising. For instance, newspaper space advertising allowances were contracted for, not alone at the cost of the advertising but at the cost-plus-one-hundred-percent to A & P. In its contract with suppliers, A & P would contract for a percentage allowance and agree in the vaguest terms that it would display the suppliers' products on the shelves in just such fashion as it would ordinarily be expected to display the goods in the usual course of merchandising. For this pretended and overpaid service, certain percentage allowances in the commodity price were allowed A & P. It was its policy, and a usually successful one, to get a larger allowance of this kind than its competitors.

These were not small concessions that A & P was blackmailing from its suppliers. Pineapple juice was bought at 15 to 20 percent below the prices paid by other grocers. A single small supplier was forced to pay $40,000 over 3 years for whatever advertising support A & P chose to give his product—or for none at all. One canning company contributed $175,000 a year for "advertising" allowances alone. A & P received a rebate of $322,682 from the Ralston-Purina Co. in a little over 2 years by threatening to enter into the manufacture of bran and corn flakes in competition with Ralston.

In the years 1939 through 1941 alone, these rebates collected by A & P from reluctant manufacturers totaled $20,500,000.

A & P obtained this $20,500,000 by the crudest and most vicious sort of coercion. I will cite a single example from the court record. In 1939 A & P was receiving from the Ralston-Purina Co. a discount that was 50 percent larger than that given to any other Ralston purchaser. But A & P was not satisfied. It informed Ralston that it was contemplating going into the business of manufacturing flakes, and it would be deterred from this course only by a substantial increase in tribute from Ralston. Faced with this threat, Ralston finally agreed to increase its already discriminatory price preference to A & P from 7½ cents per case to 17½ cents. In an attempt to keep the record clear, Ralston asked that the following statement be attached to the contract which it finally signed with A & P. I quote this statement from the record:

> May I suggest that this letter be attached to your copy of our private label flake contract dated January 4, 1940, in explanation of the discounts allowed therein.
>
> The discounts allowed in this contract are not made in lieu of brokerage, but represent an arbitrary reduction from our list prices which it was necessary to make to hold the flake cereal business of the Great Atlantic & Pacific Tea Co. and secure from them an agreement not to enter into the business of manufacturing flakes for 5 years (GX 1634, at Tr. 5785).

Surely I need not underline the infamy of this conduct. There is no efficiency involved in forcing a manufacturer to grant rebates by threatening him with boycott and ruinous competition—no efficiency except efficiency at unlawfulness. Such price concessions are of no benefit to the consumer for they are not based upon any real saving. Let me refer you again to the language of the circuit court of appeals on this subject:

> One cannot escape the conclusion on the very substantial evidence here, as one follows the devious manipulations of A & P to get price advantages, that it succeeded in obtaining preferential discounts not by force of its large purchasing power and the buying advantage which goes therewith, but through its abuse of that power by the threats to boycott suppliers and place them on its individual blacklist, and by threats to go into the manufacturing and processing business itself, since it already possessed a considerable establishment and experience that would enable it to get quickly and successfully into such business if a recalcitrant supplier, processor, or manufacturer did not yield. The A & P organization was urged to keep secret whatever preferences it received. These predatory discounts and other preferences amounted to 22.15 percent of A & P's total profits in 1939; 22.47 percent in 1940; and 24.59 percent in 1941.

INDEPENDENT MERCHANTS PAY BILL FOR A & P'S USURIOUS DISCOUNTS

Now let us see who paid for the rebates which A & P obtained.

It is a matter of public record that A & P's competitors paid for those rebates.

The manufacturers who paid vast sums to A & P in the form of allowances, discounts, and rebates had to raise their prices to their other customers in order to pay for these A & P subsidies.

I quote from a letter written by one high A & P official to another, and introduced by the Government in the criminal trial. This manufacturer, the A & P official said, was willing to sell a large volume of goods to A & P at a rebate "thereby reducing overhead, and secure a margin of profit on the remainder of the business done with smaller accounts at a much higher price." And I quote this A & P official further, "If I were in the manufacturing business, I would consider it good principle to take a large attractive volume at cost, and depend on the remainder of the accounts for the profit on my investment."

In short, the manufacturer was expected to sell to A & P at cost and to make his profit on prices to his other customers. Who were these other customers? They were the retail grocers who had to compete with A & P for the patronage of the consumer. They were forced to subsidize A & P by paying a part of the cost of the merchandise which A & P sold in competition with them. This inevitably raised their costs and the prices which they had to charge to their customers. It is obvious, then, that every person who bought in grocery stores other than A & P markets was forced to pay higher prices because of A & P's coercive and improper buying activities.

I quote again from the decision of the court of appeals:

> Whatever the system used or by whatever name designated, A & P always wound up with a buying-price advantage. This price advantage given A & P by the supplier was, it is fairly inferable, not "twice blessed" like the quality of mercy that "droppeth as the gentle rain from heaven." It did not bless "him that gives and him that takes." Only A & P was blessed, and the supplier had to make his profit out of his other customers at higher prices, which were passed on to the competition A & P met in the retail field.

AMERICAN HOUSEWIFE FINALLY PAYS BILL FOR A & P'S DEFIANCE OF ANTITRUST LAWS

Is an attack upon this type of activity an attack upon efficiency? Not 1 penny of savings resulted to the American consuming public from these abusive A & P tactics. They served only to force A & P's competitors, and the consumers who purchased from them, to subsidize A & P's retail operations.

Place yourselves, gentlemen, in the position of a small grocery store attempting to compete with an A & P outlet across the street. A & P buys corn flakes for a net price of 15 cents a package and sells them for 20 cents a package. To pay for A & P's rebate you have to buy corn flakes for 25 cents a package. You can work 16 hours a day, 7 days a week. You can

cut your expenses to the narrowest margin that ingenuity and enterprise allow—but you cannot sell corn flakes at a price 5 cents below what you paid for them. There is no point in talking about competition under such circumstances. You are beaten before you begin, and your energy, initiative, and perseverance will make not one whit of difference. You will soon disappear from the community of free local businessmen, destroyed and engulfed by A & P's creeping monopoly as were hundreds upon hundreds of other small-business men. The profits that you would have made and spent in your own city and town to the benefit of your friends and neighbors will be funneled back through the chain organization to its headquarters in New York City. The contributions you would have made to local charities, to civic improvements, to the economic and social health of an American community will be dried up and cut off. Another segment of the local community economy will fall under the control of absentee owners who have no interest except to exploit your town for all they can drain from it.

Every discriminatory price preference by which A & P accomplished the destruction of its competitors was a direct violation of law, wholly aside from the part it played in A & P's scheme to monopolize and restrain trade in violation of the Sherman Act. The Robinson-Patman Act, passed by this Congress in 1936, makes it a criminal act to knowingly grant or receive a price preference not available to others. A & P openly and continuously flaunted this statute despite the repeated efforts of the Federal Trade Commission and the Federal courts to compel A & P to obey the law. In the present antitrust litigation the courts have convicted A & P of what, in effect, was a conscious continuing policy of procuring merchandise in violation of the Robinson-Patman Act.

METHODS OF A THIEF, FENCE, OR HIGHJACKER

Even if it were true that A & P had under these circumstances sold generally more cheaply than its competitors, it would deserve no more credit than we give to a thief, a fence, or a highjacker who similarly offers a substantial price reduction on goods unlawfully procured. A & P's willingness to cut the public in on the fruits of its unlawful buying conduct would scarcely be taken as evidence of A & P's morality, efficiency, or social usefulness. The most inefficient retailer could offer his customer equally substantial bargains if he had A & P's disregard for the Federal laws prohibiting price discrimination, and if he could unlawfully force food suppliers to sell to him at one price and to his competitors at a substantially higher one. This is not efficiency—it is commercialized lawlessness. It produces no social gain, and it destroys the possibility of fair and effective competition.

FREE AND FAIR MARKETS OF FARMERS DESTROYED BY A & P

I have spoken thus far only of A & P's activities in the purchase of manufactured grocery items. A & P's pattern of action in the purchase of fruit and farm produce was substantially the same.

A & P poses as the farmer's friend in its current propaganda campaign. It has posed as the farmer's friend in like propaganda campaigns for decades. It has spent millions of dollars in the past, just as it is now spending millions of dollars to convince the farmer that A & P does not take advantage of him, as it does of all others involved in the production and distribution of food.

What A & P does to its friend the farmer is shown in the record in the criminal case.

A & P buys its produce, its fruits and vegetables, through a wholly owned subsidiary named the Atlantic Commission Co., which is known throughout the trade as Acco. Summing up the evidence concerning Acco in the criminal case, the United States district court said, and I quote the court:

> The Atlantic Commission Co., a subsidiary incorporated in 1926, ostensibly to purchase produce for A & P, from the beginning acted with the full approval of headquarters, as purchasing agent for A & P and as sales agent for certain suppliers. In other words, while buying A & P's needs from producers, it was also representing as broker for outside sales the same producers or others similarly situated as well as buying broker for competing produce dealers and as merchandising jobber in the general market. * * * Its practices over the years leave a bad odor. It exploited its inconsistent positions; it collected brokerage from others for A & P's coffers; its position and its practices created a sharp differential between A & P's purchases of produce and those of its competitors. It persistently selected the higher quality of produce for A & P and the less desirable for its outside buyers, thus securing for A & P not only a buying-price differential but also a preference in quality.

In other words, Acco, A & P's wholly owned subsidiary, acted as buying agent for the A & P and at the same time as selling agent for the farmer. Obviously these roles were totally inconsistent. As the agent of A & P, Acco was obligated to buy as cheaply as possible. As agent for the farmer, Acco was duty bound to sell for as good a price as possible. A & P, the farmer's friend, consistently honored its first duty to itself—and just as consistently dishonored its duty to the farmer. It took the best of the farmer's produce at the lowest price and resold it in A & P stores. The inferior merchandise was sold to A & P's competitors at necessarily higher prices. But this was not all—for the privilege of being exploited by A & P, A & P charged the farmers a fee in the form of a commission for the pretended service which Acco performed in selling the farmer's produce to A & P. In short, A & P charged the farmers a commission for selling the farmer's produce to itself. This commission, which went into A & P's pocket, constituted another rebate unavailable to A & P's competitors.

THE "ROTTEN THREAD" OF A & P'S PRODUCE-BUYING METHODS—FARMERS AND FARM COOPERATIVES MADE VICTIMS

The Federal district court referred to this Acco instrumentality of A & P as a "rotten thread" running through the fabric of A & P's produce-buying operations. The description is apt, but the record in the criminal trial of A & P is full of evidence concerning many another device by which A & P deliberately victimized its friend, the farmer.

Acting in part through Acco, A & P went to great lengths to ensnare, subsidize, and control the managers of ostensibly independent farmer's cooperatives so that they might be used to A & P's advantage. Listen to the findings of the Federal district court on these A & P activities:

> Acco made a determined effort to establish a close relationship with and influence over growers' cooperatives (citing examples). * * * The expressions of Baum (Acco's general manager) at various times and places indicate a desire to delve into the cooperative business of his producers, and if not to control it, at least to guide and influence it. * * * In some instances the cooperative managers were on Acco's pay roll, and in at least one instance, when not engaged by the cooperative, the manager was employed by Acco. In various and divers matters, Acco came to enjoy a singularly close influence over, if not, indeed, control of, various cooperatives.

The court goes on:

> In addition to its interest in and influence over cooperatives, Acco created contact committees of producers in various parts of the country, selecting the chairman, and through the chairman the members. Upon these committees its competitors had little or no representation. Government agencies were attempting to coordinate distribution. Acco, for some reason, deemed it necessary to form its own contact committees. * * * One reading the evidence can only conclude that Acco's intention was to bring producer sellers more closely within Acco's influence and to bring about a situation whereby growers and shippers relied more and more on Acco's facilities and advice. * * *

The criminal record demonstrated that A & P used these dominated farmer contact committees to demoralize produce markets, to exploit low farm prices, to subsidize A & P's retail operations, to obtain low-priced produce specials not available to A & P's competitors—all at the expense of the grower, A & P's friend.

A & P EXPANDED AT THE EXPENSE OF MANUFACTURERS, FARMERS, INDEPENDENT GROCERS, AND HOUSEWIVES

So much for the record of A & P's "efficiency" in the buying end of its operations. A & P stands convicted of practices which victimized independent manufacturers, farmers, grocery stores, and consumers, and which brought not one penny of savings to the American public.

I turn now to the A & P selling practices which were the subject matter of the criminal conviction and which are now embraced in the pending civil suit against this chain organization.

The Government charged, and the courts have held, that A & P deliberately set out to expand its retail sales at the expense of its competitors by conducting ruinous price wars and by other coercive, predatory conduct.

Let me illustrate the way A & P operated from the evidence in the criminal trial relating to the chain's program for the year 1939.

A & P's executives decided to increase A & P's sales by 15 percent over sales for 1938. It was decided that total sales in 1939 would be approximately $1,000,000,-

000. This planned increase meant taking $133,000,000 additional business from A & P's retail competitors. At the same time, the A & P executives decided that they would make a profit of $20,000,000 during the year.

How were sales to be increased and, at the same time, profits of $20,000,000 obtained? By increasing merchandising efficiency? Not at all.

Thirteen of the twenty million were to come from the rebates which A & P coerced from manufacturers, commissions which A & P collected from farmers through Acco, profits from A & P's manufacturing operations. Another million was to come from interest on A & P's investments. None of these items of profit, you will observe, was available to the great bulk of A & P's competitors who must make their profits from the efficient operation of their retail grocery store.

The next item of A & P's planned profits for the year 1939 was a sum of $2,400,000, which the chain expected to collect as so-called overage.

ENFORCED CORRUPTION YIELDED TREMENDOUS PROFITS FOR A & P

Let me pause here. I have had occasion to speak of this matter to the House before. I invite your careful attention again to one of the most shocking stories of corrupt imposition upon the consuming public that has recently come to light.

Every businessman knows that he cannot expect to sell all that he buys. There will inevitably be loss from shrinkage, pilferage, spoilage, and other unavoidable causes between the receipt of goods in his store and their sale to his customers. He expects to suffer a 2 to 5 percent stock loss. A & P was well aware of this business fact. I find in the record of the criminal trial this letter written by the president of one of A & P's seven operating divisions—I quote this A & P official:

> It is almost an impossibility to have a legitimate stock gain in self-service stores if all the merchandise is sold at the invoice prices and there is no manipulation of credits and advances. We, of course, know that fractional prices will create some gain but in some cases this is more than offset by pilferage and petty loss which will naturally vary some according to the location of the store and the management. (GX 2890, Tr. 10221, 10223-10224.)

A & P knew that stock gains were an impossibility in a legitimately conducted business. Such gains could result only from short weighting, overcharging, and similar frauds upon customers which resulted in the customers paying for something which they did not get.

Yet in 1939, and indeed as a matter of year-in-year-out policy, A & P planned not to suffer stock losses but instead to make substantial sums of money from stock gains—or overages. In 1939 A & P planned that A & P customers would pay for all normal stock losses in A & P stores, plus another $2,400,000 for goods that A & P never had in stock and which, necessarily, A & P customers did not get in return for their money.

I need not say that here again A & P had available a source of income that was not available to its honest independent retail competitors.

This planned income from stock gains left $3,600,000 which A & P must make on its retail sales to add up to the $20,000,000 of profit which it planned to make in 1939.

Thus, aside from its rebates, its manufacturing profits, its interest income, and its stock gains—all unavailable to its normal competitors—A & P needed only 36 cents profit on each $100 of the planned sales of one billion to return the profit that the owners desired.

In other words, at the very outset A & P's competitors were forced by A & P's vicious and improper buying and selling practices to compete with prices that would show a mark-up sufficient to return to A & P only thirty-six one-hundredths of 1 percent on retail sales. I remind you—this was not due to A & P's efficiency. It was due in largest part to predatory practices in the purchase of goods which gave A & P rebates that A & P's competitors had ultimately to pay for, and it was founded on merchandising ethics which permitted A & P to extract large sums from unsuspecting consumers in the form of stock gains.

If, in 1939, A & P had priced goods in all its stores at the same level, honest independent grocerymen who bought without the advantage of discriminatory price preferences and sold without the advantage of illegitimate stock gains, would have been faced with the necessity of selling on a profit margin of thirty-six one-hundredths of 1 percent to compete with A & P. But this was not the only weapon that A & P employed as part of its calculated scheme to capture as much of the business of other retail grocers as it desired.

A & P'S VICIOUS BELOW-COST SELLING PRACTICES DESCRIBED AS DELIBERATE CUTTHROAT METHOD OF ELIMINATING COMPETITORS

In 1939, as in every year, A & P deliberately planned out a program for gaining retail volume by selling below cost in certain of its stores and raising the prices in others of its stores to recoup the losses. As we have seen, the A & P executives had decided to increase sales by 15 percent in 1939—or $133,000,000—to a total of $1,000,000,000. They had also decided to make profits of $20,000,000, of which $3,600,000 was to come from retail sales as distinguished from rebates, overages, and similar items. Now the A & P executives assigned to each of A & P's seven administrative retail divisions the portion of these profits which it was to make. In advance of the year, A & P decided that it would lose $785,280 in its New England division. In advance of the year 1939, A & P decided to lose $567,100 in its Atlantic division. It was planned that prices in the other five divisions of A & P would be set high enough in 1939 to make up for these losses, and to return the total profit of $3,600,000 which A & P had decided to make on retail sales in that year. The central western division, for example, was assigned the job of making $673,200 in profit—which was $232,560 more than its proper share of the total planned profits based on this division's percentage of total A & P sales.

This pattern of deliberately planned losses subsidized by profits taken elsewhere was carried out right down to the store level. Each division within A & P is further divided into units, consisting of A & P stores in a small geographical area served by one A & P warehouse. There were, for example five units in the Atlantic division. This division, you will recall, was to lose a total of $567,100 in 1939. But within the division, a plan was set up by which four of the five units were to lose a total of $697,100—or $130,000 more than the entire division was to lose. To compensate, it was planned that the fifth unit in the division, composed of stores in the Scranton, Pa., district, would make a profit of $130,000 to bring the whole division up to its planned loss of $567,100.

The Baltimore unit was programed to sell 17.5 percent of total sales and to lose $26,000; Philadelphia was programed to sell 35.7 percent of total sales and was to lose $368,000; Richmond was programed to sell 11.5 percent of total sales and to lose $26,000; Washington unit was programed to sell 9.7 percent of sales and to lose $312,000; Scranton was programed to sell 25 percent of total sales and to earn $130,000.

You will notice the remarkable contrast between the programs for the Washington and the Scranton units. Scranton with one-fourth of the total division sales was to earn $130,000—Washington with but 9.7 percent of sales was to lose $312,000.

How did this program actually work out? Here is the record in the Washington, D. C., unit.

Washington was programed to lose operating profits during the 13 weeks of the first quarter of 1939 at the rate of $4,000 a week. A & P did not expect to gain in volume of sales during this period. It was probably anticipated that competition would meet their prices at the outset. During the 13 weeks of the second quarter of the year the unit was to lose at the rate of $10,000 a week—still no planned gain in volume. By the end of the second quarter, A & P would have thrown into the battle $182,000 in operating losses. In the third quarter of 1939, A & P planned to reduce its losses. It expected to lose in this quarter at the rate of only $5,000 a week. However, it also expected to gain 15 percent in volume of sales. In short, after 13 weeks of operating losses of $5,000 a week, followed by another 13 weeks with losses at the rate of $10,000 a week, A & P expected that its competition would have to give up, raise their prices, and permit A & P to take the business. The A & P expected this process to be accelerated in the fourth quarter of 1939. During this quarter, A & P planned to lose at the rate of $5,000 a week in the Washington unit and to increase its sales in the unit by 27 percent.

The program worked out precisely as planned. Losses were suffered as scheduled. Income sufficient to pay these losses and to return the total planned profit for the entire A & P system for the

year was realized. A & P increased its retail sales by very nearly the scheduled 15 percent.

A & P OFFICIALS PLEASED WITH DRIVE TO ELIMINATE COMPETITION

A & P executives were highly pleased. Let me quote the minutes of a meeting of the executives of the Atlantic division concerning the results of this program at the end of the first quarter of 1939. I quote from this document as it appears in the record of the criminal trial:

> In operating profit it was pointed out that the Baltimore unit was running $400 per week accumulated in excess of its $1,000 net profit requirement; Philadelphia about $1,000 per week more than its proposed loss; Richmond a little less than $550 per week over proposed profits; and Washington just about even with its $4,000 weekly scheduled loss. As a division, total operating losses during the first quarter through the week ended May 13 were stated as $500 per week more than the program which was set up at $5,225 per week.
>
> It was, indeed, pleasing to observe the close proximity between the actual and proposed results which reflect very favorably upon the good execution of the program in every unit.

It is not difficult to understand the glee of A & P's executives. Of course, in the Washington, D. C., area alone they had lost almost $5,000 for 13 weeks, $10,000 for 13 weeks, $5,000 for another—a total of nearly $312,000 in a full year of continuous unremitting losses. But, on the other hand, they had increased their sales in this same Washington, D. C., area by 15 percent in one quarter of the year, and by 27 percent in another. And this had actually cost them not one single penny. They had charged these losses to consumers in other areas, and enough more, to make A & P a comfortable total profit of $20,000,000.

This was not one exceptional year in A & P's business history. The pattern I have described was proven beyond all reasonable doubt to constitute the continuing policy of this chain organization. Figures prepared by A & P itself and put in evidence at the criminal trial showed that A & P operated as many as 30 percent of all of its stores at a net loss. These figures show that losses were sustained in given stores, not for a week or a month but literally year after year. In 1936, for example, 22.35 percent of the 3,467 stores then operating at a loss had been operated continuously at a loss for 4 years.

SMALL-BUSINESS MAN IMPERILED IF A & P TACTICS ARE ALLOWED TO CONTINUE

I ask you again, gentlemen, to place yourself in the position of a young man—a veteran, perhaps—who has invested his savings in a small grocery store near an A & P market. If A & P decides to expand its business in your area at your expense, you must be prepared to lose money for as much as four long years if you propose to fight through and retain your small business. Your efficiency has nothing to do with it. You must be efficient simply to minimize your losses. Unless you are efficient and are also able to lose money steadily year in and year out for so long as A & P thinks it worth while to sell in your area at a loss, you may as well close your doors at the outset and apply to A & P for a job as assistant store manager in A & P unit No. 6784.

By this unholy and vicious process A & P destroyed hundreds of small independent businessmen. The record in the criminal trial contains case history after case history of the economic loss and human misery that came to small-business men who stood in the way of A & P's brutal and inhumane purposes. They were engulfed, shattered, and swept away. No one gained from their destruction but A & P. Every penny of the cost of driving them to bankruptcy and ruin was paid by consumers who bought from A & P stores in other areas. Through the years, A & P continued to make its planned profits year after year.

These independent businessmen and their families were not the only sufferers. The public paid the bill as consumers. But the public paid a larger price as members of a society which lost the social stability and political and economic soundness that depends upon the existence of a healthy class of free and independent men and women. A & P might be pleased to see our Nation organized into gigantic corporate structures—every man a minion or clerk—but no man who values democracy and freedom can but be appalled by that dreary and desolate prospect.

FREEDOM OF OPPORTUNITY AND FREEDOM OF THE PEOPLE WILL INEVITABLY BE DESTROYED UNLESS WE HALT GIANTS OF BUSINESS NOW

The struggle to protect the freedom of the individual American citizen from the corrupt and strangling paralysis of monopoly is one in which each of us has a terrible stake. The criminal record in the trial of the A & P chain organization vividly demonstrates the process by which our freedom is even now being inexorably destroyed. Here—spread over 25,000 pages of testimony and exhibits, spelled out in more than 5,000 documents reflecting the day-to-day operations of the A & P organization—here is written for all to see the bitter story of the brutal destruction and bankruptcy of established local businessmen, the quick and merciless stifling of young and agressive men attempting to enter into business for themselves, the inexorable substitution of monopoly power and absentee ownership for competition among free and independent men—and all without a penny of savings to the American consumer. If our Nation is to retain its character as a free, competitive, democratic society in which the only limitation upon the ability of the individual man to grow and prosper with his community rests in his own energy and initiative, the suit against A & P must succeed.

Let me read you the dispassionate legal language of the court of appeals summarizing the findings of the courts with respect to A & P's conduct:

> With the concessions on the buying level acquired by the predatory application of its massed purchasing power, A & P was enabled to pressure its competitors on the selling level even to the extent of selling below cost and making up the loss in areas where competitive conditions were more favorable. The inevitable consequence of this whole business pattern is to create a chain reaction of ever-increasing selling volume and ever-increasing requirements and hence purchasing power for A & P, and for its competitors hardships not produced by competitive forces, and, conceivably, ultimate extinction. Under all the cases, this is a result which sections 1 and 2 of the Sherman Act were designed to circumvent.

I am not speaking of a theoretical situation. I am speaking of facts. I am speaking of facts found to be true beyond all reasonable doubt by the courts of this land. Equipped with the best legal counsel that its vast financial resources could secure, A & P has sought to controvert these facts before a United States district court and before the court of appeals, and it has failed. These facts stand incontrovertible—except, of course, in the paid advertisements of A & P where they can be ignored, distorted, and falsified.

A & P PROPAGANDA DISTORTION OF TRUTH—BE NOT DECEIVED

Even this brief summary of the record in this matter is sufficient to demonstrate the irresponsible misrepresentations which A & P is now foisting upon the country.

The pending suit does not attack efficiency. It attacks brutal coercive practices that had no element of efficiency in them.

The pending suit will not raise prices. It will reduce the costs, and hence the prices of all of those independent grocery stores who must now pay higher prices because of the rebates which A & P secures.

Over 90 percent of the American public buys in grocery stores whose prices are artificially high because of this subsidy paid to A & P. The pending suit will end these subsidies and enable these stores to reduce their prices.

Moreover, the suit will end A & P's practice of forcing consumers in one area to subsidize A & P's price wars in another. Prices in most of A & P's own stores should come down when this evil procedure is forbidden.

The suit will not close a single A & P store.

The Government asks that the 6,000 A & P stores be separated into seven chains—the seven division chains which A & P itself recognizes for administrative purposes. Not a single one of these stores will be closed. They will simply become a part of a regional chain which will be itself composed of approximately 850 stores—not exactly a small operation. Every bit of available economic evidence indicates that these new A & P chains of 850 stores each will be large enough to bring all the savings possible from mass distribution to the consumer. All they will lack is the tremendous buying and selling power which A & P has employed in the past to blackjack its suppliers on the one hand and its retail competitors on the other.

A & P has been no friend of the consumer, no friend of the farmer, no friend of the manufacturer—and surely the deadly enemy of independent free enterprise in this Nation.

I commend the Department of Justice for this action, and I know every American who is able to obtain the facts will join in this commendation.

LOCAL OWNERSHIP

There are sufficient people, able, ready, and willing, in every local community in the United States to properly and efficiently conduct the local retail business. This is not necessarily true as to wholesaling, manufacturing, or businesses that are necessarily large. Local ownership is preferable because (1) local citizens take more interest in the community and help build churches, schools, and a better community life; (2) it is better to have a nation filled with small businesses performing retail-store functions than to have a few national chain stores and a nation of clerks.

BIGNESS TOO BIG

The A & P Tea Co., for instance, has been a consistent, persistent, and habitual violator of city, State, and national laws, and particularly Federal antitrust laws. This one chain is so large and powerful that the Federal Government is unable to cope with it for the purpose of compelling the concern to operate legally and on the side of right. There are just not enough people in the Department of Justice and the Federal Trade Commission, and they do not have enough money to police properly this one concern. Thousands of cases have been filed against this one concern. If there were an habitual criminal act applying to corporations, the concern would not have sufficient assets to pay the fines that would be imposed.

LOCAL MERCHANTS

If there were no retail chain stores in the United States, the consumers would get lower food prices than they are getting now. The reason being that there is no competition as keen as between a large number of local independent merchants competing for the consumer's dollar. In times gone by it was possible for a few merchants in a small community to get together and fix prices. This would no longer be possible since each town and community is only a few miles from another area where competition is keen. In addition people have more money now and if attempts are made to impose upon them by local merchants they can quickly establish a new business. If a national chain imposes upon them they have no recourse except to pay excessive prices so they could not compete with a national chain.

RUTHLESS COMPETITION—CAPTAIN KIDD'S

The A & P Tea Co. has been found guilty by the courts of our country of violating the antitrust laws and unfairly destroying competing independent businessmen. For instance, the court found that in 30 percent of the stores of A & P merchandise was sold at a loss until the competitors across the street were forced into bankruptcy, then the price of food went up and stores elsewhere commenced to sell at a loss to put other competitors out of business. The facts disclose that A & P could successfully crush any ordinary competitor in 3 years. The little fellow across the street would put up a courageous fight, working harder, spending his savings, cashing his insurance, getting money from his friends and kinsfolk, but the great A & P in 3 or 4 years time could successfully put him out of business by selling goods below cost. The consumers do not profit in this way, because eventually they pay and pay dearly in the form of higher prices. The courts have held, in effect, that the A & P Tea Co. represents the Captain Kidd's in business and are detouring the Golden Rule. The decision convicts them of chiseling, cheating, and racketeering. Back in the days when we had bank robbers and public enemies, we had the James boys. These famous bandits had a big following from people who received gifts of money from them, that they had obtained by robbing banks, railroads, and individuals. Thousands of misled followers thought the James boys were great heroes and philanthropists.

A & P FULL-PAGE ADS

The A & P is trying to mislead the people again in their advertising in full-page ads throughout the country that "our only crime is that we are accused of being too big and saving the people money as a result." This is not the truth. They do not save the people money except when they are trying to destroy an independent competitor. When he is destroyed the prices go up. Generally the public loses money and our economic system suffers by this form of business. Millions of young men and young women have had the hopes, ambitions, and aspirations destroyed by the lack of a fair opportunity, brought about by the monopolistic A & P that can put any competitor out of business whenever it wants to. This policy also makes it impossible for the local small-business man to get credit to go into the grocery business, or any other line in which the retail chains are strong, because they do not have adequate security, which weakens and more often destroys their credit position.

HOW CHAIN STORES AFFECT INDIVIDUAL SMALL-BUSINESS COMPETITORS

The table below, which is one of many such tables, supports the point that A & P cut prices in some areas below cost in order to destroy small-business competition, while using their profits from less competitive areas to subsidize this unfair competition. The merchant in direct competition with stores systematically operated in the red cannot long stay in business.

Year	Total number of stores	Number of stores in red	Percent of stores in red to total	In red, open over 3 years	Percent to total stores in red
System-wide:					
1932	15,393	3,334	21.66	2,581	77.41
1933	15,095	3,060	20.27	2,584	84.44
1934	14,995	3,871	25.81	3,386	87.47
1935	14,885	3,651	24.52	3,217	88.11
1936	14,697	3,467	23.58	3,136	90.45
1937	13,264	4,382	33.03	4,051	92.44
Glaring examples:					
New England division:					
1934	2,626	1,136	43.25	1,060	93.30
1935	2,535	1,141	45.00	1,078	94.47
Southern division: 1937	3,379	1,392	41.19	1,291	92.74

In spite of the large number of stores systematically operated in the red, it is the set policy of A & P headquarters to maintain a 7-percent yearly net profit. Thus, prices in less competitive areas must be raised to make up the difference.

STOCK GAINS

Stock gains are the creation of the chain-store system to promote fictitious profits. It is not possible, for instance, for an honest merchant to measure out a hundred pounds of sugar out of a hundred-pound sack in small quantities. The same applies to meats, lard, and many other commodities that are received in the retail store in bulk and parceled out in small quantities. There is heavy shrinkage and spoilage in fresh fruits and vegetables. Under the A & P chain-store system, the local manager is charged at their full weight or retail value. During a 7-year period the A & P stores received in stock gain profits of $21,000,000, or $3,000,000 a year. Managers of stores who could not sell more than they received were fired or demoted. Managers of stores that had substantial stock gains were promoted. Ask any honest grocer and he will tell you that he never had a stock gain in his entire life.

FAKE CONSUMERS TAX COMMISSION

The A & P was also found guilty of organizing different consumers groups in different sections of the country and financing these groups as though they were spontaneous and represented bona fide consumers. They are known as kept groups. In this way the members of legislatures were fooled and misled, as well as Members of Congress.

TAX DISCRIMINATION IN FAVOR OF A & P

The A & P Tea Co. sells at a loss in a large percentage of its stores at all times for the purpose of destroying competitors. Since A & P makes one tax return, every loss in every store is deductible for tax purposes. It A & P loses $5,000 a year in a community for 4 years—which is the customary time to destroy an independent—A & P gets a tax deduction of $5,000 each of these 4 years. In other words, the Government is indirectly permitting the use of funds that should go into the United States Treasury for the purpose of destroying independent merchants.

I have introduced a bill which will prevent the A & P and other big national chains from getting a tax advantage when its power is used to destroy an independent merchant. Anyone believing in tax equality and against tax discrimination should favor this bill, as well as those who favor preserving the private enterprise system.

During the first half of the year, I wrote the chairman of the Committee on Ways and Means, before whom the bill is pending, asking for a hearing on this bill. The chairman replied:

> As you doubtless know, our committee is busily engaged in considering the administration's bill for amendments to the present Social Security Act.
>
> I do not believe we should take up any other bill which would require public hearings until we have disposed of the bill dealing with social security.

Now, since the social-security bill is out of the way, I am writing the chairman another letter for the purpose of trying to get a hearing on this bill during the first part of January 1950.

The bill is as follows:

[H. R. 4, 81st Cong., 1st sess.]

A bill relating to the tax treatment of chain stores operated at a loss

Be it enacted, etc., That chapter 1 of the Internal Revenue Code is amended by inserting after section 109 a new section reading as follows:

"SEC. 110. Chain stores operated at a loss.

"(a) In general: In the case of any retail store which is part of a retail chain, if for any taxable year the amounts which, except for this section, would be deductible on account of such store exceeds the amounts which, except for this section, would be includible in gross income on account of such store, the amounts which would be so deductible shall not be allowed as deductions for such taxable year and the amounts which would be so includible shall be excluded from gross income for such taxable year.

"(b) Definitions: As used in this section the term—

"(1) 'Retail chain' means a group of 50 or more retail stores which, either directly, or through one or more persons, or by leases, contracts, or other arrangements or devices, are subject to a single common control.

"(2) 'Retail store' means any place at which sales of merchandise, and delivery thereof, are made, or at which services are furnished, to retail customers in the ordinary course of business, but such term does not include any establishment or facility maintained by a common carrier as part of its transportation facilities primarily for furnishing meals or other commodities to its passengers and employees, or any branch office maintained by a newspaper for the distribution of its papers or taking subscriptions or advertisements therefor."

SEC. 2. The amendment made by this act shall be applicable with respect to taxable years beginning after December 31, 1948.

AMENDMENT TO ROBINSON-PATMAN ACT

January 3, 1949, I introduced H. R. 5, a bill relating to certain discriminatory pricing practices affecting commerce. It contains the following provisions:

That it shall be unlawful for any seller to sell at a price, discount, or other terms, by reason of quantities sold, or seasonal order, or for any other reason, unless he has undertaken in good faith (1) to make known to all of his customers that such price and/or discount and/or term is available to them under the same conditions to all of his customers for a reasonable period of time.

The object of this amendment is intended to strengthen the antitrust laws at a point of vital importance to small business. The Robinson-Patman Act made such discounts thoroughly illegal and greatly strengthened the law on this point. H. R. 5 further strengthens it. This law, if enacted, would make it possible for any customer at any time to demand of a seller that he reveal to him his complete line of discounts to any and all customers, and would require the seller to deliver such information to his customers. It also places a burden on the seller to keep his customers advised.

I yield back the balance of my time.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a communication.

FARMER COOPERATIVES

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes, and to revise and extend my remarks.

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

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, usually in life I have all I can do to attend to my own controversies that I get into, but there are times when patience ceases to be a virtue. I think I have about reached that point.

A year ago about this time President Truman ran around the country telling the people how he was going to keep up farm prices and how he was going to lower prices to the consumers. Most everyone knew he was not going to do it. I do not think he thought he was going to do it himself. The result has been that as far as the State of Wisconsin is concerned, we have seen farm prices go down about one-third. According to what we hear on the floor, the consumers feel as though they are paying about as much as they ever did. But what impressed me is that it is a peculiar thing, with all this talk that we hear about the co-ops, why it is that they do not have more of them in Democratic districts. Why are they in districts represented by Republicans in Congress? Where are the co-ops in the United States? I would like to ask the gentleman from Texas [Mr. PATMAN] how many co-ops he has in his district. I happen to have a hundred in my district. I was born and raised with them. I know the purpose of them. We know that a co-op can do things once in a while that it should not do. They are not immortal by any means. They have corrected their errors. But the whole cooperative movement has come about in Republican districts. The economy of Texas and the economy of the South has not been based on the co-op set-up. Everyone knows that. You are "Johnnie-come-lately's" purely for political purposes. Now you want to get on the old co-op band wagon. It is like the price-support program. You killed it by Executive order, then went around the country telling how bad the Republicans were in connection with the support program. If it had not been for the Eightieth Congress you would not have had one.

So, as far as I am concerned, and as far as co-ops are concerned, and I think as far as the State of Wisconsin is concerned, we know which side of the bread the butter is supposed to be on, but there will not be any butter on it if we listen to some of these apostles from the South because they will be putting us out of business. You just leave the co-ops alone and run your own business. One or two Republicans or one or two Democrats do not speak for their party. The gentleman from Illinois [Mr. MASON] may express opinions, but they are his personal opinions and he does not speak for the party. He is not authorized to speak for the Republican Party any more than you. What he does is his own business. In the State of Wisconsin we are getting a little tired of having cheap politics injected into this cooperative situation. The New Deal paid Tom Campbell's outfit over $250,000 for raising or not raising wheat, and if you want to help him dodge any tax payment on his $1,000,000 income from his wheat crop that is your responsibility.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 134. Joint resolution to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4381. An act to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 377. An act for the relief of Earnest J. Jenkins.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until Monday, October 10, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

964. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 8, 1949, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Cumberland River, Ky. and Tenn., with a view to constructing reservoirs above the Letcher-Harlan County line in Kentucky, flood protection at and in the vicinity of Barbourville, Ky., and flood control in the upper Cumberland River Basin, requested by resolutions of the Committee on Flood Control, House of Representatives, adopted on May 2, 1939, January 31, 1946, and March 1, 1946 (H. Doc. No. 345); to the Committee on Public Works and ordered to be printed with two illustrations.

965. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers; without amendment (Rept. No. 1382). Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers; without

amendment (Rept. No. 1383). Ordered to be printed.

Mr. SPENCE: Committee on Banking and Currency. H. R. 5594. A bill to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad; with an amendment (Rept. No. 1384). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 6316. A bill to amend the National Housing Act, as amended; without amendment (Rept. No. 1385). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLEMENTE:

H. R. 6336. A bill to provide temporary amendment to the civil service retirement law due to emergency existing at the present time; to the Committee on Post Office and Civil Service.

By Mr. CUNNINGHAM:

H. R. 6337. A bill to amend the Railroad Retirement Act of 1937, as amended, so as to provide full annuities, at compensation of half salary or wages based on the five highest years of earnings, for individuals who have completed 30 years of service or have attained the age of 60; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOOD:

H. R. 6338. 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. McKINNON:

H. R. 6339. A bill to authorize a survey to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.; to the Committee on Public Works.

By Mr. O'SULLIVAN:

H. R. 6340. A bill authorizing the Secretary of Agriculture to sell and transfer for a nominal consideration to the University of Nebraska College of Agriculture, four aged mares now kept at the Fort Robinson Remount Station at Fort Robinson, Dawes County, Nebr., which mares the Government contemplates destroying soon; to the Committee on Agriculture.

By Mr. HARDIE SCOTT:

H. R. 6341. 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.

H. R. 6342. A bill to amend the Social Security Act to provide unemployment benefits for individuals who have been employees of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. DOUGHTON:

H. R. 6343. A bill relating to customs duties on articles coming into the United States from the Virgin Islands; to the Committee on Ways and Means.

By Mr. SMATHERS:

H. R. 6347. A bill dividing the State of Florida into three judicial districts, defining the territory embraced in each, and fixing the time of holding terms of court therein; to the Committee on the Judiciary.

By Mr. LATHAM:

H. Con. Res. 138. Concurrent resolution protesting against religious intolerance by certain countries in eastern Europe and calling upon the General Assembly of the United Nations to immediately consider the resolution adopted by it on April 30, 1949, dealing with the question of the violation of human rights and fundamental freedoms in Hungary, Bulgaria, and Rumania; to the Committee on Foreign Affairs.

By Mr. CLEMENTE:

H. Con. Res. 139. Concurrent resolution protesting against religious intolerance by certain countries in eastern Europe and calling upon the General Assembly of the United Nations to immediately consider the resolution adopted by it on April 30, 1949, dealing with the question of the violation of human rights and fundamental freedoms in Hungary, Bulgaria, and Rumania; to the Committee on Foreign Affairs.

By Mr. QUINN:

H. Con. Res. 140. Concurrent resolution protesting against religious intolerance by certain countries in eastern Europe and calling upon the General Assembly of the United Nations to immediately consider the resolution adopted by it on April 30, 1949, dealing with the question of the violation of human rights and fundamental freedoms in Hungary, Bulgaria, and Rumania; to the Committee on Foreign Affairs.

By Mr. LATHAM:

H. Con. Res. 141. Concurrent resolution protesting against religious intolerance by certain countries in eastern Europe and calling upon the United Nations Committee on Human Rights to act promptly in procuring an explanation from the countries mentioned as to existing conditions; to the Committee on Foreign Affairs.

By Mr. CLEMENTE:

H. Con. Res. 142. Concurrent resolutions protesting against religious intolerance by certain countries in eastern Europe and calling upon the United Nations Committee on Human Rights to act promptly in procuring an explanation from the countries mentioned as to existing conditions; to the Committee on Foreign Affairs.

By Mr. QUINN:

H. Con. Res. 143. Concurrent resolution protesting against religious intolerance by certain countries in eastern Europe and calling upon the United Nations Committee on Human Rights to act promptly in procuring an explanation from the countries mentioned as to existing conditions; to the Committee on Foreign Affairs.

By Mr. BLACKNEY:

H. Res. 378. Resolution for the relief of Allie Louise Hall; to the Committee on House Administration.

By Mr. BUCHANAN:

H. Res. 379. Resolution authorizing the expenses of the investigation and study to be conducted by the Select Committee on Lobbying Activities; to the Committee on House Administration.

By Mrs. ROGERS of Massachusetts:

H. Res. 380. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 374; to the Committee on House Administration.

By Mr. CLEMENTE:

H. Res. 381. Resolution commending the services of Mrs. Mathilda Burling, founder and president of the Gold Star Mothers of World Wars, Inc.; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. KING:

H. R. 6344. A bill for the relief of Mrs. William Y. Imanaka; to the Committee on the Judiciary.

By Mr. LIND:

H. R. 6345. A bill for the relief of Mrs. Raymond Schaffer, Jr., and Barbara Ann Schaffer; to the Committee on the Judiciary.

By Mr. PERKINS:

H. R. 6346. A bill for the relief of Anna Maria Dominijanni; 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:

1526. By Mr. SMITH of Wisconsin: Petition of Polish American Labor Council, Inc., Chicago, Ill., urging the Congress to call a joint session to take cognizance of the result of Tehran, Yalta, and Potsdam agreements, instrumental in bringing Poland and her neighbors under the yoke of communism and creating so much fear and ever-increasing anxiety throughout the world of yet another war; and to submit a concrete plan to the UNO for the purpose of forcing Russia back to her prewar boundaries, thereby liberating all nations suffering under the Russian yoke; and to withdraw recognition of the Warsaw puppet government, a government actually antagonistic to the best interests of Poland and an enemy of the United States and all other freedom-loving nations; to the Committee on Foreign Affairs.

SENATE

FRIDAY, OCTOBER 7, 1949

(Legislative day of Saturday, September 3, 1949)

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

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, as we rejoice in the gift of another day, may its hours be made luminous by Thy presence, who art the light of all our seeing. In everything we are called to face may we do and be our best and so be worthy of our high calling.

Deliver us from all malice and contempt lest we hurt others and sour our own souls. May the lure of expediency never bend our conscience to low ends which betray high principles. Hear Thou our prayer as out of the depths we cry, asking for wisdom and strength as we bow at the altar stairs which slope through darkness up to Thee. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, October 6, 1949, was dispensed with.

LEAVE OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. SPARKMAN, Mr. FREAR, Mr. BRICKER, and Mr. FLANDERS were granted leave of absence for the remainder of the session.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Chapman	Ecton
Anderson	Chavez	Ferguson
Baldwin	Connally	Fulbright
Bridges	Cordon	George
Butler	Donnell	Graham
Byrd	Douglas	Green
Cain	Downey	Gurney
Capehart	Eastland	Hayden